

commodity pools and other collective investment vehicles ("CIV"), and omnibus accounts and any accounts trading on an undisclosed basis. Disclosure shall be made equally for accounts representing U.S. and non-U.S. entities and natural persons. *Provided however*, that if an ultimate beneficial owner's ownership share of a CIV is less than 10 percent of the CIV's net asset value, as defined in Commission Regulation 4.10, then the ultimate beneficial owner need not be reported.

(e) *Form, time, and manner of filing reports; uniform protocol required.* Each reporting entity shall submit its OCR in the time, manner, and format required by the Commission or its designee. Reporting entities shall adopt a single, uniform protocol, acceptable to the Commission, for the technical structure of the OCR.

(f) *Protection of OCR data.* Each Reporting entity shall segregate any information provided by its root data sources, if such data is provided in furtherance of the Commission's OCR requirements and not otherwise required to be provided by the reporting entity ("protected data"). Reporting entities must ensure that protected data is used only for regulatory or enforcement purposes such as trade practice surveillance, market surveillance, audit, investigation, or rule enforcement. Protected data shall be under the exclusive control of the reporting entity's regulatory compliance department. Reporting entities shall establish appropriate firewall procedures and access controls to ensure the confidentiality, privacy and safekeeping of protected data within their regulatory compliance departments.

Issued in Washington, DC, on July 8, 2010 by the Commission.

David A. Stawick,
Secretary of the Commission.

Note: The following appendix will not appear in the Code of Federal Regulations.

Concurring Statement of Commissioner O'Malia Regarding the Proposal for the Account Ownership and Control Report

I concur on the release of the Notice of proposed rulemaking related to Account Ownership and Control Report ("OCR"). The Commission must gain greater transparency over the data it receives. The OCR represents a place where technology must catch-up to how trades are executed in the futures markets so critical data ultimately flows to the Commission.

The events of May 6th clearly highlight that technology drives the structure and function of the markets. In order to better understand trading behavior in the derivatives markets, including the trading

behaviors of high frequency traders, it is essential to discover who controls which accounts and how those trading styles impact markets, including the order book, which is vital to fulfilling our surveillance and enforcement obligations. CFTC staff recently noted in the preliminary report on the events of May 6th that "obtaining account ownership and control information in the exchange trade registers * * * would increase the timeliness and efficiency of account identification, an essential step in data analysis."⁷⁶ The Commission must get as close as possible to real-time surveillance and post-trade transparency; the OCR would move the Commission a step closer to that goal.

Currently, the data the Commission receives from exchanges and other reporting entities lacks information because the Commission has not demanded it. However, I believe the Commission must now demand ownership and control information on all trading accounts in order to enhance the transparency of information reported to the Commission. The proposed rule will allow the Commission to aggregate related trading accounts within and across exchanges in order to better detect abusive trading practices. For example, the OCR will allow the Commission's Division of Market Oversight to identify small and medium sized traders whose open interest does not reach reportable levels, but who can still have deleterious effects on the markets during concentrated periods of intra-day trading. Such intra-day trading scenarios include intra-day position limit violations and "banging the close" manipulations.

The OCR will also bridge the gap between individual transactions reported to the Commission on exchange trade registers and aggregate positions reported to it in large trader data so the Commission can determine how traders established their positions. The OCR will allow the Commission's Office of the Chief Economist to accurately identify and categorize market participants based on their actual trading behavior on a contract-by-contract basis, rather than on how they self-report to the Commission (e.g., registration type or marketing/merchandising activity on CFTC Form 40). In short, the OCR will allow the Commission to better oversee the markets.

Based on the comments received from the Advanced Notice of Proposed Rulemaking published in the **Federal Register** on July 2, 2009, I appreciate that there are concerns regarding the implementation of the OCR for numerous reasons, including the costs and the difficulty of acquiring specific data points. Therefore, it is critical that the Commission engage market participants including exchanges, clearing organizations, futures commission merchants, introducing brokers, and others to understand what data is available and the most effective means by which to acquire this data. I strongly support the modification to this proposed rule to accommodate a staff technical conference to

⁷⁶ Preliminary Findings Regarding the Market Events of May 6, 2010, Report of the Staffs of the CFTC and SEC to the Joint Advisory Committee on Emerging Regulatory Issues (May 18, 2010).

provide market participants an opportunity to provide constructive recommendations as to the most effective means by which the Commission can collect this data.

The proposed financial reform legislation that is currently being negotiated by the Conference Committee will issue a new mandate to the Commission for the oversight of the swaps market. Under the proposed legislation the Commission will be hit with a tsunami of data that will need to be standardized to reflect ownership, control, and other information of the massive over-the-counter (OTC) market. If this legislation is signed into law, the OCR rulemaking, whether in the post-comment or possible implementation phase, will coincide with the Commission's rulemaking efforts under its new mandate. Therefore, I hope to receive comment with respect to the entities (e.g., trade repositories, designated contract markets, or swap execution facilities) from which the Commission should collect OCR data and the product and transaction types for which the Commission should collect data. I hope to receive comment on any additional types of information or data elements related to OTC and swap transactions that should be collected and reported to the Commission. Finally, I am interested in receiving comment on how the derivatives industry could develop and maintain a system to assign unique account identification numbers ("UAIN") to all account owners and account controllers.

On a related issue, I understand that Commission staff is seeking to automate the information collected via CFTC Forms 40 and 102. This process is long overdue and must be accomplished in an expedited fashion. Automation of these forms will minimize the manual entry and cross checking of data and will minimize opportunities for human error. It is my hope that the Commission will release for public comment a proposed rule related to these forms later this summer.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 54

[REG-120391-10]

RIN 1545-BJ58

Requirement for Group Health Plans and Health Insurance Issuers To Provide Coverage of Preventive Services Under the Patient Protection and Affordable Care Act

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations.

SUMMARY: Elsewhere in this issue of the **Federal Register**, the IRS is issuing

temporary regulations under the provisions of the Patient Protection and Affordable Care Act (the Affordable Care Act) regarding preventive health services. The IRS is issuing the temporary regulations at the same time that the Employee Benefits Security Administration of the U.S. Department of Labor and the Office of Consumer Information and Insurance Oversight of the U.S. Department of Health and Human Services are issuing substantially similar interim final regulations with respect to group health plans and health insurance coverage offered in connection with a group health plan under the Employee Retirement Income Security Act of 1974 and the Public Health Service Act. The temporary regulations provide guidance to employers, group health plans, and health insurance issuers providing group health insurance coverage. The text of those temporary regulations also serves as the text of these proposed regulations.

DATES: Written or electronic comments and requests for a public hearing must be received by October 18, 2010.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-120391-10), Room 5205, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered to: CC:PA:LPD:PR (REG-120391-10), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224. Alternatively, taxpayers may submit comments electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-120391-10).

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Karen Levin at 202-622-6080; concerning submissions of comments, Richard A. Hurst at Richard.A.Hurst@irs.counsel.treas.gov.

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provisions

The temporary regulations published elsewhere in this issue of the **Federal Register** add § 54.9815-2713T to the Miscellaneous Excise Tax Regulations. The proposed and temporary regulations are being published as part of a joint rulemaking with the Department of Labor and the Department of Health and Human Services (the joint rulemaking). The text of those temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the

temporary regulations and these proposed regulations.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulation does not impose a collection of information requirement on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, this regulation has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. Comments are specifically requested on the clarity of the proposed regulations and how they may be made easier to understand. All comments will be available for public inspection and copying. A public hearing may be scheduled if requested in writing by a person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

Drafting Information

The principal author of these proposed regulations is Karen Levin, Office of the Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities), IRS. The proposed regulations, as well as the temporary regulations, have been developed in coordination with personnel from the U.S. Department of Labor and the U.S. Department of Health and Human Services.

List of Subjects in 26 CFR Part 54

Excise taxes, Health care, Health insurance, Pensions, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 54 is proposed to be amended as follows:

PART 54—PENSION EXCISE TAXES

Paragraph 1. The authority citation for part 54 is amended by adding an entry in numerical order to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Section 54.9815-2713 also issued under 26 U.S.C. 9833. * * *

Par. 2. Section 54.9815-2713 is added to read as follows:

§ 54.9815-2713 Coverage of preventive health services.

[The text of proposed § 54.9815-2713 is the same as the text of paragraphs (a) through (c) of § 54.9815-2713T published elsewhere in this issue of the **Federal Register**.]

Steven Miller

Deputy Commissioner for Services and Enforcement.

[FR Doc. 2010-17243 Filed 7-14-10; 11:15 am]

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DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Part 103

RIN 1506-AB07

Amendment to the Bank Secrecy Act Regulations—Definitions and Other Regulations Relating to Prepaid Access

AGENCY: Financial Crimes Enforcement Network ("FinCEN"), Treasury.

ACTION: Notice of proposed rulemaking; extension of comment period.

SUMMARY: FinCEN is extending the comment period for the referenced notice of proposed rulemaking, published June 28, 2010, for an additional thirty (30) days. The original comment period would have expired on July 28, 2010. The new extended comment period will expire on August 27, 2010.

DATES: The comment period for the proposed rule published June 28, 2010, at 75 FR 36589 is extended. Comments must be submitted on or before August 27, 2010.

ADDRESSES: You may submit comments, identified by RIN 1506-AB07, by any of the following methods:

- **Federal E-Rulemaking Portal:** <http://www.regulations.gov>. Follow the instructions for submitting comments. Refer to Docket number TREAS-FinCEN-2009-0007.

- **Mail:** FinCEN, P.O. Box 39, Vienna, VA 22183. Include RIN 1506-AB07 in the body of the text.