

depository identified in paragraph b(4)(i)–(iv) above that the depository was informed that such money, securities or property are held for or on behalf of foreign futures and foreign options customers and are being held in accordance with the provision of these regulations; and

(6) Provide each foreign futures and foreign options customer with one of the written disclosure statements in (A), (B), or (C) below:

(A) Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally “linked” to a domestic exchange whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery and clearing of transactions on such exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country in which the transaction occurs. For these reasons, customers who trade on foreign exchanges may not be afforded certain of the protections that apply to domestic transactions, including the right to use alternative dispute resolution. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. Before you trade, you should familiarize yourself with the foreign rules that will apply to your particular transaction.

OR

(B) You should familiarize yourself with the protections accorded money or property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specified legislation or local rules. In some jurisdictions, property that has been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation that may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of the regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

OR

(C) A comparable disclosure statement prescribed by ASXF.

This Order will become effective as to any designated ASXF firm the later of the date of publication of the Order in

the **Federal Register** or the filing of the representations and consents set forth in paragraphs (2)(a)–(g), as verified by NFA. Upon filing of the notice required under paragraph (1)(b) as to any such firm, the relief granted by this Order may be suspended immediately as to that firm. That suspension will remain in effect pending further notice by the Commission, or the Commission’s designee, to the firm and ASXF.

This Order is issued pursuant to Rule 30.10 based on the representations made and supporting material provided to the Commission and the recommendation of the staff, and is made effective as to any firm granted relief hereunder based upon the filings and representations of such firms required hereunder. Any material changes or omissions in the facts and circumstances pursuant to which this Order is granted might require the Commission to reconsider its finding that the standards for relief set forth in Rule 30.10 and, in particular, Appendix A, have been met. Further, if experience demonstrates that the continued effectiveness of this Order in general, or with respect to a particular firm, would be contrary to public policy or the public interest, or that the systems in place for the exchange of information or other circumstances do not warrant continuation of the exemptive and expanded relief granted herein, the Commission may condition, modify, suspend, terminate, withhold as to a specific firm, or otherwise restrict the exemptive or expanded relief granted in this Order, as appropriate, on its own motion.

The Commission will continue to monitor the implementation of its program to exempt firms located in jurisdictions generally deemed to have a comparable regulatory program from the application of certain of the foreign futures and option rules and will make necessary adjustments if appropriate.

Issued in Washington, D.C. on June 25, 2003.

**Jean A. Webb**

*Secretary of the Commission.*

[FR Doc. 03–16516 Filed 6–30–03; 8:45 am]

**BILLING CODE 6351–01–P**

## **RAILROAD RETIREMENT BOARD**

### **20 CFR Parts 218, 220, 225**

**RIN 3220–AB54**

#### **Retirement Age**

**AGENCY:** Railroad Retirement Board.

**ACTION:** Final rule.

**SUMMARY:** The Board amends its regulations to update the references regarding age required for eligibility for an annuity and for the application of work deductions.

Full retirement age is no longer age 65, but instead ranges from age 65 for those born before 1938 to age 67 for those born in 1960 or later. The Board amends its regulations to replace obsolete references to “age 65” with a reference to “retirement age”.

**DATES:** This rule is effective July 1, 2003.

**FOR FURTHER INFORMATION CONTACT:** For information specifically about this final rule, contact Michael C. Litt, General Attorney, Office of General Counsel, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611–2092, (312) 751–4929, TDD (312) 751–4701.

**SUPPLEMENTARY INFORMATION:** Section 106 of the Railroad Retirement Solvency Act of 1983, Public Law 98–76, amended the Railroad Retirement Act to replace references to “age 65” with “retirement age (as defined in section 216(l) of the Social Security Act).” Section 216(l) of the Social Security Act defines “retirement age” as follows: with respect to an individual who attains “early retirement age” before January 1, 2000, 65 years of age. “Early retirement age” is defined in the case of old-age, wife’s or husband’s insurance benefits, as age 62. With respect to individuals who attain early retirement age after December 31, 1999, the retirement age gradually increases.

The amended regulations replace references to “age 65” with the phrase “retirement age” in order to conform the regulations to the above-described amendment.

The Board published the proposed rule on June 17, 2002 (67 FR 41205), and invited comments by August 16, 2002. No comments were received. However, in preparing the rule for publication as a final rule, it was discovered that § 225.33(a)(1) of the Board’s regulations also contains a reference to “age 65” that should be replaced by a reference to “full retirement age.” Accordingly, the proposed rule has been redrafted as a final rule to include amendment of that section.

#### **Collection of Information Requirements**

The amendments to these parts do not impose information collection and record keeping requirements. Consequently, the final rule need not be reviewed by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1995.

### Regulatory Impact Statement

Prior to publication of this final rule, the Board submitted the rule to the Office of Management and Budget for review pursuant to Executive Order 12866. Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis (RIA) must be prepared for rules that constitute significant regulatory action, including rules that have an economic effect of \$100 million or more annually. This final rule is not a major rule in terms of the aggregate costs involved. Specifically, we have determined that this final rule is not a major rule with economically significant effects because it would not result in increases in total expenditures of \$100 million or more per year.

The amendments made by this final rule are not significant. The amendments to parts 218, 220, and 225 update references regarding the "age" required for eligibility for an annuity and for the application of work deductions. Full retirement age is no longer age 65, but instead ranges from age 65 for those born before 1938 to age 67 for those born in 1960 or later. The Board amends its regulations to replace obsolete references to "age 65" with a reference to "retirement age".

Both the Regulatory Flexibility Act and the Unfunded Mandates Act of 1995 define "agency" by referencing the definition of "agency" contained in 5 U.S.C. 551(l). Section 551(l)(E) excludes from the term "agency" an agency that is composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them. The Railroad Retirement Board falls within this exclusion (45 U.S.C. 231f(a)) and is therefore exempt from the Regulatory Flexibility Act and the Unfunded Mandates Act.

Executive Order 13132 establishes certain requirements that an agency must meet when it promulgates a rule that imposes substantial direct compliance costs on State and local governments, preempts State law, or otherwise has Federalism implications. We have reviewed this final rule under the threshold criteria of Executive Order 13132 and have determined that it would not have a substantial direct effect on the rights, roles, and responsibilities of States or local governments.

In accordance with the provisions of Executive Order 12866, this regulation has been reviewed by the Office of Management and Budget.

### List of Subjects

#### 20 CFR Part 218

Railroad retirement, reporting and recordkeeping requirements.

#### 20 CFR Part 220

Railroad retirement.

#### 20 CFR Part 225

Railroad retirement.

■ For the reasons stated in the preamble, the Railroad Retirement Board amends parts 218, 220, and 225, of chapter II of title 20 of the Code of Federal Regulations as follows:

### PART 218—ANNUITY BEGINNING AND ENDING DATES

■ 1. The authority citation for part 218 continues to read as follows:

**Authority:** 45 U.S.C. 231f(b)(5).

**§§ 218.9, 218.12, 218.13, 218.16, 218.17, 218.36, 218.40, 218.43, and 218.44 [Amended]**

■ 2. In 20 CFR part 218, remove the words "age 65" wherever they appear and add in their place the words "full retirement age".

- a. § 218.9(a)(2);
- b. § 218.12(b)(2)(ii);
- c. § 218.13(b)(1)(ii), and § 218.13(b)(2)(ii);
- d. § 218.16(b)(2)(ii);
- e. § 218.17(b)(2)(ii);
- f. § 218.36(a)(3), and § 218.36(b);
- g. § 218.40(c)(4);
- h. § 218.43(b)(3), and § 218.43(c)(6);
- i. § 218.44(b)(3), and § 218.44(c)(6).

### PART 220—DETERMINING DISABILITY

■ 3. The authority citation for part 220 continues to read as follows:

**Authority:** 45 U.S.C. 231a; 45 U.S.C. 231f.

#### § 220.161 [Amended]

■ 4. Amend § 220.161 by removing the words "becomes 65 years old and the disability annuity is converted to an age annuity.", and add in their place the words "attains retirement age and the disability annuity is converted to a full age annuity."

#### § 220.176 [Amended]

■ 5. Amend § 220.176 by removing the words "age 65," and adding in their place the words "full retirement age".

### PART 225—PRIMARY INSURANCE AMOUNT DETERMINATIONS

■ 6. The authority citation for part 225 continues to read as follows:

**Authority:** 45 U.S.C. 231f(b)(5).

#### § 225.2 [Amended]

■ 7. Amend § 225.2 by removing the wording "216(l)" from the definition of "Base Years", and adding in its place "216(l)".

#### § 225.30 [Amended]

■ 8. Amend § 225.30(a) by removing the words "age 65", and adding in their place the words "full retirement age".

#### § 225.33 [Amended]

■ 9. Amend § 225.33(a)(1) by removing the words "Age 65 years old", and adding in their place the words "Full retirement age".

■ 10. Amend § 225.34 by:

- a. Removing the words "age 65" from paragraph (a)(1), and adding in their place the words "full retirement age";
  - b. Revising paragraph (b)(3); and
  - c. Adding a new paragraph (b)(4).
- The revision and addition read as follows:

#### § 225.34 How the amount of the DRC is figured.

\* \* \* \* \*

(b) \* \* \*

(3) Employee attains age 65 in 1990 and before 2003.

(i) The rate of the DRC (one-fourth of one percent) is increased by one-twenty-fourth of one percent in each even year through 2002. Therefore, depending on when the employee attains age 65, the DRC percent will be as follows:

| Year employee attains age 65 | Delayed retirement (%) credit |
|------------------------------|-------------------------------|
| 1990 .....                   | 7/24 of 1%.                   |
| 1991 .....                   | Do.                           |
| 1992 .....                   | 1/3 of 1%.                    |
| 1993 .....                   | Do.                           |
| 1994 .....                   | 3/8 of 1%.                    |
| 1995 .....                   | Do.                           |
| 1996 .....                   | 5/12 of 1%.                   |
| 1997 .....                   | Do.                           |
| 1998 .....                   | 11/24 of 1%.                  |
| 1999 .....                   | Do.                           |
| 2000 .....                   | 1/2 of 1%.                    |
| 2001 .....                   | Do.                           |
| 2002 .....                   | 13/24 of 1%.                  |

(ii) The delayed retirement credit equals the appropriate percent of the PIA times the number of months in which the employee is age 65 or older and for which credit is due.

(4) Employee attains full retirement age in 2003 or later. The rate of the DRC (one-fourth of one percent) is increased

by one-twenty-fourth of one percent in each even year through 2008. Therefore, depending on when the employee attains full retirement age, the DRC percent will be as follows:

| Year employee attains full retirement age | Delayed retirement credit (%) |
|-------------------------------------------|-------------------------------|
| 2003 .....                                | 13/24 of 1%.                  |
| 2004 .....                                | 7/12 of 1%.                   |
| 2005 .....                                | Do.                           |
| 2006 .....                                | 5/8 of 1%.                    |
| 2007 .....                                | Do.                           |
| 2008 and later .....                      | 2/3 of 1%.                    |

\* \* \* \* \*

Dated: June 25, 2003.

By Authority of the Board.

**Beatrice Ezerski,**

*Secretary to the Board.*

[FR Doc. 03-16532 Filed 6-30-03; 8:45 am]

BILLING CODE 7905-01-P

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[TD 9064]

RIN 1545-BB20

#### Substantiation of Incidental Expenses

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final and temporary regulations.

**SUMMARY:** This document contains amendments to regulations relating to the requirement under section 274 of the Internal Revenue Code to substantiate business expenses for traveling while away from home. The regulations affect taxpayers who deduct expenditures for incidental expenses while traveling away from home. This document also contains amendments to regulations under section 62 to conform cross-references.

**DATES:** Effective Date: These regulations are effective July 2, 2003.

*Applicability Date:* For dates of applicability, see § 1.274-5(m).

**FOR FURTHER INFORMATION CONTACT:** Sameera Hasan (202) 622-4930 (not a toll free call).

#### SUPPLEMENTARY INFORMATION:

##### Background

This document contains amendments to 26 CFR part 1. On November 12, 2002, the IRS and Treasury published in the **Federal Register** (67 FR 68512) a temporary regulation (TD 9020) relating

to the substantiation under section 274(d) of the Internal Revenue Code of incidental expenses incurred while traveling away from home. On the same day the IRS and Treasury published (67 FR 68539) a notice of proposed rulemaking (REG-141832-02) cross-referencing the temporary regulations.

Written comments from two commentators were received. A commentator initially requested a public hearing but subsequently withdrew the request. No public hearing was held. The comments generally related to implementation of these regulations in future guidance and will be further considered in connection with that guidance. After consideration of the comments, the proposed regulations are adopted by this Treasury decision.

#### Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based upon the fact that these regulations do not require a collection of information and do not impose any new or different requirements on small entities. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Internal Revenue Code, the proposed regulations preceding these regulations were submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact.

#### Drafting Information

The principal author of these regulations is Sameera Hasan, Office of Associate Chief Counsel (Income Tax & Accounting). However, other personnel from the IRS and Treasury Department participated in the development.

#### List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

#### Adoption of Amendments to the Regulations

■ Accordingly, 26 CFR part 1 is amended as follows:

#### PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

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

■ **Par. 2.** Section 1.62-2 is amended by removing the last three sentences of paragraph (e)(2) and adding two sentences in their place to read as follows:

#### § 1.62-2 Reimbursements and other expense allowance arrangements.

\* \* \* \* \*

(e) \* \* \*

(2) \* \* \* See § 1.274-5(g) and (j),

which grant the Commissioner the authority to establish optional methods of substantiating certain expenses. Substantiation of the amount of a business expense in accordance with rules prescribed pursuant to the authority granted by § 1.274-5(g) or (j) will be treated as substantiation of the amount of such expense for purposes of this section.

\* \* \* \* \*

■ **Par. 3.** Section 1.274-5 is amended by:

■ 1. Revising paragraph (j)(3).

■ 2. Adding a new sentence at the end of paragraph (m).

■ The revision and addition read as follows:

#### § 1.274-5 Substantiation requirements.

\* \* \* \* \*

(j) \* \* \*

(3) *Incidental expenses while traveling away from home.* The Commissioner may establish a method under which a taxpayer may use a specified amount or amounts for incidental expenses paid or incurred while traveling away from home in lieu of substantiating the actual cost of incidental expenses. The taxpayer will not be relieved of the requirement to substantiate the actual cost of other travel expenses as well as the time, place, and business purpose of the travel.

\* \* \* \* \*

(m) \* \* \* However, paragraph (j)(3) of this section applies to expenses paid or incurred after September 30, 2002.

\* \* \* \* \*

■ **Par. 4.** Section 1.274-5T is amended by revising paragraph (j) to read as follows:

#### § 1.274-5T Substantiation requirements.

\* \* \* \* \*

(j) [Reserved]. For further guidance, see § 1.274-5(j).

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

Approved: June 20, 2003.

**Pamela F. Olson,**

*Assistant Secretary of the Treasury.*

[FR Doc. 03-16599 Filed 6-30-03; 8:45 am]

BILLING CODE 4830-01-P