

licensing system. To the extent practicable, the fee will be announced by the Licensing Authority in a notice published in the **Federal Register** no later than August 31 of the year preceding the quota year for which the fee is assessed.

(b) The license fee for each license issued is due and payable in full no later than March 15 of the year for which the license is issued. The fee for any license issued after March 15 of any quota year is due and payable in full no later than 10 days from the date of issuance of the license. Fee payments are payable to the Treasurer of the United States and shall be made utilizing the electronic software designated for the purpose by the Licensing Authority as provided in § 6.36(b).

(c) If the license fees for all licenses issued to a licensee are not paid by the final payment date, a hold will be placed on the use of all licenses issued to the licensee and no articles will be permitted entry under those licenses. The Licensing Authority shall send a warning letter by email advising the licensee that if payment is not made in accordance with § 6.36(b) and received within 10 calendar days from the date of the email, all licenses issued to that licensee will be revoked. Where the license at issue is a historical license, this will result, pursuant to § 6.23(b), in the person's loss of historical eligibility for such license.

#### § 6.34 Adjustment of appendices.

(a) Whenever a historical license (Appendix 1) is not issued to an applicant pursuant to the provisions of § 6.23, is permanently surrendered or is revoked by the Licensing Authority, the amount of such license will be transferred to Appendix 2.

(b) The cumulative annual transfers to Appendix 2 made in accordance with paragraph (a) will be published in the **Federal Register**. If a transfer results in the addition of a new article, or an article from a country not previously listed in Appendix 2, the Licensing Authority shall afford all eligible applicants for that quota year the opportunity to apply for a license for such article.

#### § 6.35 Correction of errors.

(a) If a person demonstrates, to the satisfaction of the Licensing Authority, that errors were made by officers or employees of the United States Government, the Licensing Authority will review and rectify the errors to the extent permitted under this subpart.

(b) To be considered, a person must provide sufficient documentation

regarding the error to the Licensing Authority by email, not later than August 31 of the calendar year following the calendar year in which the error was alleged to have been committed.

(c) If the error resulted in the loss of a historical license by a license holder, the Licensing Authority will transfer the amount of such license from Appendix 2 to Appendix 1 in order to provide for the issuance of such license in the calendar year following the calendar year for which the license was revoked. The cumulative annual transfers to Appendix 1 in accordance with this paragraph will be published in the **Federal Register**.

#### § 6.36 Miscellaneous.

(a) If any deadline date in this subpart falls on a Saturday, Sunday, or a Federal holiday, then the deadline shall be the next business day.

(b) All applications and fee payments required under this subpart shall be made utilizing the electronic software designated for this purpose by the Licensing Authority, and official correspondence with the Licensing Authority, except as provided under § 6.28(b), shall be by email.

#### § 6.37 [Removed]

■ 4. Section 6. 37 is removed.

Dated: August 21, 2014.

**Philip C. Karsting,**

*Administrator, Foreign Agricultural Service.*

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**BILLING CODE 3410-10-P**

### FARM CREDIT ADMINISTRATION

#### 12 CFR Parts 607, 614, 615, 620 and 628

**RIN 3052-AC81**

#### Regulatory Capital Rules: Regulatory Capital, Implementation of Tier 1/Tier 2 Framework

**AGENCY:** Farm Credit Administration.

**ACTION:** Proposed rule; extension of comment period.

**SUMMARY:** The Farm Credit Administration (FCA or we) published a proposed rule that would revise our regulatory capital requirements for Farm Credit System (System) institutions to include tier 1 and tier 2 risk-based capital ratio requirements (replacing core surplus and total surplus requirements), a tier 1 leverage requirement (replacing a net collateral requirement for System banks), a capital conservation buffer, revised risk weightings, and additional public

disclosure requirements. The revisions to the risk weightings would include alternatives to the use of credit ratings, as required by section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act. To allow interested parties additional time to submit comments, we are extending the comment period on the proposed rule from January 2, 2015 to February 16, 2015.

**DATES:** Comments on the proposed rule must be submitted on or before February 16, 2015.

**ADDRESSES:** For accuracy and efficiency reasons, commenters are encouraged to submit comments by email or through the FCA's Web site. As facsimiles (fax) are difficult for us to process and achieve compliance with section 508 of the Rehabilitation Act, we no longer accept comments submitted by fax. Regardless of the method you use, please do not submit your comments multiple times via different methods. You may submit comments by any of the following methods:

- **Email:** Send an email to [reg-comm@fca.gov](mailto:reg-comm@fca.gov).

- **FCA Web site:** <http://www.fca.gov>.

Select "Public Commenters," then "Public Comments," and follow the directions for "Submitting a Comment."

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. Follow the instructions for submitting comments.

- **Mail:** Barry F. Mardock, Deputy Director, Office of Regulatory Policy, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090.

You may review copies of all comments we receive at our office in McLean, Virginia or on our Web site at <http://www.fca.gov>. Once you are in the Web site, select "Public Commenters," then "Public Comments," and follow the directions for "Reading Submitted Public Comments." We will show your comments as submitted, including any supporting data provided, but for technical reasons we may omit items such as logos and special characters. Identifying information that you provide, such as phone numbers and addresses, will be publicly available. However, we will attempt to remove email addresses to help reduce Internet spam.

**FOR FURTHER INFORMATION CONTACT:** J. C. Floyd, Associate Director, Finance and Capital Markets Team, Office of Regulatory Policy, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4414, TTY (703) 883-4434, or Rebecca S. Orlich, Senior Counsel, or Jennifer A. Cohn, Senior Counsel, Office of General Counsel, Farm Credit Administration, McLean,

VA 22102-5090, (703) 883-4020, TTY (703) 883-4020.

**SUPPLEMENTARY INFORMATION:** On September 4, 2014, the FCA published a proposed rule in the **Federal Register** seeking public comment on proposed changes to our capital regulations. See 79 FR 52814. The comment period is scheduled to close on January 2, 2015. The FCA received several letters in response to the proposed rule requesting we extend the comment period by 90 days. The requesters asserted that the proposed rule would have the most impact of any rule the FCA has ever adopted and is the longest and most complex proposal in the System's history. In addition, they noted that its comment period overlapped with the comment periods of several other important regulations and also with year-end business planning. They would like additional time to evaluate the impact of the rule.

The FCA supports public involvement and participation in its regulatory process and invites all interested parties to review and comment on our proposed rule. We balanced the reasons provided with the request for more time against the substantial time period the requesters have had to consider and provide comments on the rule.<sup>1</sup> As a result, we are extending the comment period 45 days instead of the requested 90 days.

Dated: December 17, 2014.

**Mary Alice Donner,**  
*Acting Secretary, Farm Credit Administration Board.*

[FR Doc. 2014-30061 Filed 12-22-14; 8:45 am]

**BILLING CODE 6705-01-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-109187-11]

RIN 1545-BK15

#### Nonrecognition of Gain or Loss on Certain Dispositions of Installment Obligations

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

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This document contains proposed regulations relating to the nonrecognition of gain or loss on certain dispositions of an installment

obligation. In general, under the proposed regulations a transferor does not recognize gain or loss on certain dispositions of an installment obligation if gain or loss is not recognized on the disposition under another provision of the Internal Revenue Code. The proposed regulations also provide that this general rule does not apply to the satisfaction of an installment obligation. For example, an installment obligation of an issuer, such as a corporation or partnership, is satisfied when the holder transfers the obligation to the issuer for an equity interest in the issuer.

**DATES:** Comments or a request for a public hearing must be received by March 23, 2015.

**ADDRESSES:** Send submissions to CC:PA:LPD:PR (REG-109187-11), room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-109187-11), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC, or sent electronically via the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov) (IRS REG-109187-11).

**FOR FURTHER INFORMATION CONTACT:** Concerning the proposed regulations, Arvind Ravichandran, (202) 317-4718; concerning the submission of comments and/or requests for a public hearing, Olawafunmilayo (Funmi) Taylor at (202) 317-6901 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### Background

This document contains proposed amendments to the regulations in 26 CFR part 1 under section 453B of the Internal Revenue Code (Code) relating to gain or loss on the disposition of installment obligations. Section 453B was added to the Code by the Installment Sales Revision Act of 1980, Public Law 96-471 (94 Stat. 2252 (1980)).

Section 453B replaces and provides generally the same rules as former section 453(d). In general, under section 453B(a) gain or loss is recognized upon the satisfaction of an installment obligation at other than its face value, or upon the distribution, transmission, sale, or other disposition of the installment obligation. Section 1.453-9(c)(2) of the Income Tax Regulations, issued under former section 453(d), provides an exception to the general rule. Under § 1.453-9(c)(2), if the Code provides an exception to the recognition of gain or loss for certain dispositions, then gain or loss is not recognized under

former section 453(d) on the disposition of an installment obligation within that exception. The exceptions identified in § 1.453-9(c)(2) include certain transfers to corporations under sections 351 and 361, contributions to partnerships under section 721, and distributions by partnerships to partners under section 731 (except as provided by section 736 and section 751).

Under Rev. Rul. 73-423, 1973-2 CB 161, the exceptions in § 1.453-9(c)(2) to recognition of gain or loss under the installment sale rules do not apply to the transfer of an installment obligation that results in a satisfaction of the obligation. Thus, the revenue ruling holds that the transfer of a corporation's installment obligation to the issuing corporation in exchange for stock of the issuing corporation results in a satisfaction of the obligation. In that case, the transferor must recognize gain or loss on the satisfaction of the obligation to the extent of the difference between the transferor's basis in the obligation and the fair market value of the stock received, even though gain or loss generally is not recognized on section 351 transfers.

#### Explanation of Provisions

These proposed regulations republish in § 1.453B-1(c) the general rule in § 1.453-9(c)(2) under which gain or loss is not recognized upon certain dispositions. In addition, the proposed regulations incorporate and expand the holding of Rev. Rul. 73-423 to provide that a transferor recognizes gain or loss under section 453B(a) when the transferor disposes of an installment obligation in a transaction that results in the satisfaction of the installment obligation, including, for example, when an installment obligation of a corporation or partnership is contributed to the corporation or partnership in exchange for an equity interest in the corporation or partnership. Finally, the proposed regulations amend the regulations under sections 351, 361, and 721 to include a cross-reference to the regulations under section 453B regarding recognition of any gain or loss upon the satisfaction of an installment obligation. The IRS and the Treasury Department anticipate publishing regulations addressing the general rule under section 453B(a) and the basis of an obligation under section 453B(b) in the future. Therefore, regulations under § 1.453B-1(a) and (b) are reserved.

#### Proposed Effective/Applicability Date

These regulations are proposed to apply to satisfactions, distributions, transmissions, sales, or other

<sup>1</sup> As of December 10, 2014, the Agency has received over 560 comment letters on the proposed rule.