

financial health. Should OCC need to demand payment on a letter of credit deposited by a clearing member as a margin asset, such as in the case of a clearing member default, it is less likely that the bank issuing such letter of credit will not perform upon its payment commitment because the bank will be required to hold a greater amount of capital in order to be an OCC letter of credit bank. In turn, credit risk presented to OCC as a result of accepting letters of credit as a form of margin asset is reduced.⁷

In light of the more universal acceptance of Tier 1 Capital for bank financial reporting standards and the potential to reduce the credit risk associated with the issuance of letters of credit, OCC is amending Rule 604, Interpretation and Policy .01, to substitute Tier 1 Capital for shareholders' equity. Pursuant to the rule change, as approved, OCC is also adding paragraph "c" to Interpretation and Policy .01 under Rule 604 to adopt a definition of Tier 1 Capital that leverages the definition of Tier 1 Capital used by a bank's regulatory agency. OCC believes that such a definition is appropriate given that OCC accepts letters of credit from banks regulated by different regulatory authorities.⁸ In addition, OCC is making a conforming change to OCC Rule 604, Interpretation and Policy .04, so that any one bank may not issue letters of credit for an individual clearing member exceeding 15% of the bank's Tier 1 Capital (instead of shareholders' equity).

II. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act⁹ directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization.

The Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act, which requires, among other things, that the rules of a clearing agency are designed

to assure the safeguarding of securities and funds which are in the custody and control of the clearing agency or for which it is responsible.¹⁰ The rule change, as proposed, should help ensure the safeguarding of securities and funds which are in the custody and control of OCC, or for which OCC is responsible, because OCC will assess banks that issue letters of credit to be deposited as margin by clearing members using a more conservative capital requirement. This more conservative capital requirement thereby increases the likelihood that the bank will have the ability to honor a demand for payment made by OCC. For the same reason, OCC believes that the adoption of a more conservative capital requirement for banks approved to issue letters of credit that may be deposited by clearing members as a form of margin asset is consistent with the requirement of Rule 17Ad-22(d)(3), promulgated under the Act, which requires OCC hold assets in a manner that minimizes risk of loss or delay in access to them.¹¹

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act, and in particular, with the requirements of Section 17A of the Act¹² and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹³ that the proposed rule change (SR-OCC-2015-007) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Robert W. Errett,
Deputy Secretary.

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DEPARTMENT OF STATE

[Public Notice 9132]

Culturally Significant Objects Imported for Exhibition Determinations: "Three Paintings by Johan Christian Dahl" Exhibition

SUMMARY: Notice is hereby given of the following Determinations: Pursuant to the authority vested in me by the Act of

¹⁰ 15 U.S.C. 78q-1(b)(3)(F).

¹¹ 17 CFR 240.17Ad-22(d)(3).

¹² In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ 17 CFR 200.30-3(a)(12).

October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, Delegation of Authority No. 236-3 of August 28, 2000 (and, as appropriate, Delegation of Authority No. 257 of April 15, 2003), I hereby determine that the objects to be included in the exhibition "Three Paintings by Johan Christian Dahl," imported from abroad for temporary exhibition within the United States, are of cultural significance. The objects are imported pursuant to a loan agreement with the foreign owner or custodian. I also determine that the exhibition or display of the exhibit objects at The Metropolitan Museum of Art, New York, New York, from on or about June 1, 2015, until on or about June 30, 2016, and at possible additional exhibitions or venues yet to be determined, is in the national interest. I have ordered that Public Notice of these Determinations be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: For further information, including a list of the exhibit objects, contact the Office of Public Diplomacy and Public Affairs in the Office of the Legal Adviser, U.S. Department of State (telephone: 202-632-6471; email: section2459@state.gov). The mailing address is U.S. Department of State, L/PD, SA-5, Suite 5H03, Washington, DC 20522-0505.

Dated: May 6, 2015.

Kelly Keiderling,

Principal Deputy Assistant Secretary, Bureau of Educational and Cultural Affairs, Department of State.

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DEPARTMENT OF STATE

[Public Notice 9131]

In the Matter of the Review of the Designation of al-Qa'ida (and Other Aliases) as a Foreign Terrorist Organization Pursuant to Section 219 of the Immigration and Nationality Act

Based upon a review of the Administrative Record assembled in this matter pursuant to Section 219(a)(4)(C) and (b) of the Immigration and Nationality Act, as amended (8 U.S.C. 1189(a)(4)(C), (b)) ("INA"), and in consultation with the Attorney General and the Secretary of the Treasury, the Secretary of State concludes that the circumstances that were the basis for the 2009 decision to maintain the designation of the aforementioned

⁷ OCC does not anticipate that the proposed rule change will impact any of the banks already approved to issue letters of credit that may be deposited by clearing members as a form of margin since all such banks maintain amounts of Tier 1 Capital that exceed, as applicable, \$100 million for U.S. banks or \$200 million for Non-U.S. banks.

⁸ *See* OCC Rule 604(c). For example, OCC accepts letters of credit issued by banks regulated by The Federal Reserve Board, The Office of the Comptroller of the Currency, The Australian Prudential Regulation Authority and The German Federal Financial Supervisory Authority.

⁹ 15 U.S.C. 78s(b)(2)(C).