

(h)(2)(viii)(A)(4), and by adding a new paragraph (h)(2)(viii)(A)(3);

3.7. By removing the word "or" at the end of paragraph (h)(3)(ii)(B), by redesignating paragraph (h)(3)(ii)(C) as paragraph (h)(3)(ii)(D), and by adding a new paragraph (h)(3)(ii)(C); and

3.8. By redesignating paragraphs (h)(3)(v) (C) and (D) as paragraphs (h)(3)(v) (D) and (E) and by adding a new paragraph (h)(3)(v)(C). The revised and added paragraphs read as follows:

§ 1.17 Minimum financial requirements for futures commission merchants and introducing brokers.

(a)(1)(i) Except as provided in paragraph (a)(2)(i) of this section, each person registered as a futures commission merchant must maintain adjusted net capital equal to or in excess of the greatest of:

(A) \$250,000;

(B) Four percent of the following amount: The customer funds required to be segregated pursuant to the Act and these regulations and the foreign futures or foreign options secured amount, less the market value of commodity options purchased by customers on or subject to the rules of a contract market or a foreign board of trade: *Provided, however,* That the deduction for each customer shall be limited to the amount of customer funds in such customer's account(s) and foreign futures and foreign options secured amounts;

(C) The amount of adjusted net capital required by a registered futures association of which it is a member; or

(D) For securities brokers and dealers, the amount of net capital required by Rule 15c3-1(a), of the Securities and Exchange Commission (17 CFR 240.15c3-1(a)).

(ii) Except as provided in paragraph (a)(2) of this section, each person registered as an introducing broker must maintain adjusted net capital equal to or in excess of the greatest of:

(A) \$30,000;

(B) The amount of adjusted net capital required by a registered futures association of which it is a member; or

(C) For securities brokers and dealers, the amount of net capital required by Rule 15c3-1(a) of the Securities and Exchange Commission (17 CFR 240.15c3-1(a)).

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(e) * * *

(1) * * *

(iii) 120 percent of the amount of adjusted net capital required by a registered futures association of which it is a member; or

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(h) * * *

(2) * * *

(vi) * * *

(C) * * *

(3) 120 percent of the amount of adjusted net capital required by a registered futures association of which it is a member; or

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(vii) * * *

(A) * * *

(3) 120 percent of the amount of adjusted net capital required by a registered futures association of which it is a member; or

(4) For an applicant or registrant which is also a securities broker or dealer, the amount of net capital specified in Rule 15c3-1d(b)(7) of the Securities and Exchange Commission (17 CFR 240.15c3-1d(b)(7)).

(B) * * *

(3) 120 percent of the amount of adjusted net capital required by a registered futures association of which it is a member; or

(4) For an applicant or registrant which is also a securities broker or dealer, the amount of net capital specified in Rule 15c3-1d(c)(5)(ii) of the Securities and Exchange Commission (17 CFR 240.15c3-1d(c)(5)(ii)): *Provided, however,* That no special prepayment shall be made if pre-tax losses during the latest three-month period were greater than 15 percent of current excess adjusted net capital.

(C) Notwithstanding the provisions of paragraphs (h)(2)(vii)(A) and (h)(2)(vii)(B) of this section, in the case of an applicant, no prepayment or special prepayment shall occur without the prior written approval of the National Futures Association; in the case of a registrant, if the requested prepayment or special prepayment will result in the reduction of the registrant's adjusted net capital by 20 percent or more, no prepayment or special prepayment shall occur without the prior written approval of the designated self-regulatory organization, if any, and of the Commission, or, if the requested prepayment or special prepayment will result in the reduction of the registrant's adjusted net capital by less than 20 percent without the prior written approval of the designated self-regulatory organization, if any, or of the Commission if the registrant is not a member of a self-regulatory organization.

(viii) * * *

(A) * * *

(3) 120 percent of the amount of adjusted net capital required by a registered futures association of which it is a member; or

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(3) * * *

(ii) * * *

(C) 120 percent of the amount of adjusted net capital required by a registered futures association of which it is a member; or

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(v) * * *

(C) 120 percent of the amount of adjusted net capital required by a registered futures association of which it is a member;

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4. Section 1.58 is revised to read as follows:

§ 1.58 Gross collection of exchange-set margins.

(a) Each futures commission merchant which carries a commodity futures or commodity option position for another futures commission merchant or for a foreign broker on an omnibus basis must collect, and each futures commission merchant and foreign broker for which an omnibus account is being carried must deposit, initial and maintenance margin on each position reported in accordance with § 17.04 of this chapter at a level no less than that established for customer accounts by the rules of the applicable contract market.

(b) If the futures commission merchant which carries a commodity futures or commodity option position for another futures commission merchant or for a foreign broker on an omnibus basis allows a position to be margined as a spread position or as a hedged position in accordance with the rules of the applicable contract market, the carrying futures commission merchant must obtain and retain a written representation from the futures commission merchant or from the foreign broker for which the omnibus account is being carried that each such position is entitled to be so margined.

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Jean A. Webb,

Secretary of the Commission.

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DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Parts 202, 206, and 211

RIN 1010-AC02

Amendments to Gas Valuation Regulations for Federal Leases

AGENCY: Minerals Management Service, Interior.