

423(a)–(b), 902(a)(5), 1381, 1381a, 1383, and 1383b).

■ 4. In § 405.315, revise the second sentence in paragraph (e) to read as follows:

§ 405.315 Time and place for a hearing before an administrative law judge.

* * * * *

(e) *Pilot program.* * * * These provisions will no longer be effective on August 10, 2015, unless we terminate them earlier or extend them beyond that date by notice of a final rule in the **Federal Register**.

PART 416—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED

Subpart N—[Amended]

■ 5. The authority citation for subpart N of part 416 continues to read as follows:

Authority: Secs. 702(a)(5), 1631, and 1633 of the Social Security Act (42 U.S.C. 902(a)(5), 1383, and 1383b); sec. 202, Pub. L. 108–203, 118 Stat. 509 (42 U.S.C. 902 note).

■ 6. In § 416.1436, revise the second sentence in paragraph (h) to read as follows:

§ 416.1436 Time and place for a hearing before an administrative law judge.

* * * * *

(h) *Pilot program.* * * * These provisions will no longer be effective on August 10, 2015, unless we terminate them earlier or extend them beyond that date by notice of a final rule in the **Federal Register**.

[FR Doc. 2014–16782 Filed 7–17–14; 8:45 am]

BILLING CODE 4191–02–P

AGENCY FOR INTERNATIONAL DEVELOPMENT

22 CFR Part 236

Republic of Tunisia Loan Guarantees Issued Under the Further Continuing Appropriations Act, 2013—Standard Terms and Conditions

AGENCY: Agency for International Development (USAID).

ACTION: Final rule.

SUMMARY: This regulation prescribes the procedures and standard terms and conditions applicable to loan guarantees to be issued for the benefit of the Republic of Tunisia pursuant to Title III of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2012, as applied to FY 2013 funding by section 1706(j) of the Further Continuing Appropriations Act, 2013.

DATES: Effective July 17, 2014.

FOR FURTHER INFORMATION CONTACT:

Maryam Khosharay, Office of General Counsel, U.S. Agency for International Development, Washington, DC 20523–6601; tel. 202–712–1324, fax 202–216–3058.

SUPPLEMENTARY INFORMATION: Pursuant to Title III of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2012 (Div. I, Pub. L. 112–74), as applied to FY 2013 funding by section 1706(j) of the Further Continuing Appropriations Act, 2013 (Div. F, Pub. L. 113–6), the United States of America, acting through the U.S. Agency for International Development, may issue certain loan guarantees applicable to sums borrowed by Banque Centrale de Tunisie, acting on behalf of the Republic of Tunisia (the “Borrower”), not exceeding an aggregate total of U.S. \$500 million in principal amount. Upon issuance, the loan guarantees shall ensure the Borrower’s repayment of 100% of principal and interest due under such loans and the full faith and credit of the United States of America shall be pledged for the full payment and performance of such guarantee obligations.

This rulemaking document is not subject to rulemaking under 5 U.S.C. 553 or to regulatory review under Executive Order 12866 because it involves a foreign affairs function of the United States. The provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*) do not apply.

List of Subjects in 22 CFR Part 236

Foreign aid, Foreign relations, Guaranteed loans, Loan programs—foreign relations.

Authority and Issuance

Accordingly, a new Part 236 is added to Title 22, Chapter II, of the Code of Federal Regulations, as follows:

PART 236—REPUBLIC OF TUNISIA LOAN GUARANTEES ISSUED UNDER THE FURTHER CONTINUING APPROPRIATIONS ACT, 2014, DIV. F, PUBLIC LAW 113–6—STANDARD TERMS AND CONDITIONS

Sec.

- 236.1 Purpose.
- 236.2 Definitions.
- 236.3 The Guarantee.
- 236.4 Guarantee eligibility.
- 236.5 Non-impairment of the Guarantee.
- 236.6 Transferability of Guarantee; Note Register.
- 236.7 Fiscal Agent obligations.
- 236.8 Event of Default; Application for Compensation; payment.
- 236.9 No acceleration of Eligible Notes.
- 236.10 Payment to USAID of excess amounts received by a Noteholder.

- 236.11 Subrogation of USAID.
- 236.12 Prosecution of claims.
- 236.13 Change in agreements.
- 236.14 Arbitration.
- 236.15 Notice.
- 236.16 Governing Law.

Appendix A to Part 236—Application for Compensation

Authority: Sec. 1706(j), Div. F, Public Law 113–6.

§ 236.1 Purpose.

The purpose of the regulations in this part is to prescribe the procedures and standard terms and conditions applicable to loan guarantees issued for the benefit of the Borrower, pursuant to Title III of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2012 (Div. I, Pub. L. 112–74), as applied to FY 2013 funding by section 1706(j) of the Further Continuing Appropriations Act, 2013 (Div. F, Pub. L. 113–6). The loan guarantees will be issued as provided herein pursuant to the Loan Guarantee Agreement, dated June 3, 2014, between the United States of America and the Republic of Tunisia (the “Loan Guarantee Agreement”). The loan guarantee will apply to sums borrowed during a period beginning on the date that the Loan Guarantee Agreement enters into force and ending thirty days after such date, not exceeding an aggregate total of five hundred million United States Dollars (\$500,000,000) in principal amount. The loan guarantees shall ensure the Borrower’s repayment of 100% of principal and interest due under such loans. The full faith and credit of the United States of America is pledged for the full payment and performance of such guarantee obligations.

§ 236.2 Definitions.

Wherever used in the standard terms and conditions set out in this part:

Applicant means a Noteholder who files an Application for Compensation with USAID, either directly or through the Fiscal Agent acting on behalf of a Noteholder.

Application for Compensation means an executed application in the form of Appendix A to this part which a Noteholder, or the Fiscal Agent on behalf of a Noteholder, files with USAID pursuant to § 236.8.

Borrower means Banque Centrale de Tunisie, acting on behalf of Republic of Tunisia.

Business Day means any day other than a day on which banks in New York, NY are closed or authorized to be closed or a day which is observed as a federal holiday in Washington, DC, by the United States Government.

Date of Application means the date on which an Application for Compensation is actually received by USAID pursuant to § 236.15.

Defaulted Payment means, as of any date and in respect of any Eligible Note, any Interest Amount and/or Principal Amount not paid when due.

Eligible Note(s) means [a] Note[s] meeting the eligibility criteria set out in § 236.4.

Fiscal Agency Agreement means the agreement among USAID, the Borrower and the Fiscal Agent pursuant to which the Fiscal Agent agrees to provide fiscal agency services in respect of the Note[s], a copy of which Fiscal Agency Agreement shall be made available to Noteholders upon request to the Fiscal Agent.

Fiscal Agent means the bank or trust company or its duly appointed successor under the Fiscal Agency Agreement which has been appointed by the Borrower with the consent of USAID to perform certain fiscal agency services for specified Eligible Note[s] pursuant to the terms of the Fiscal Agency Agreement.

Further Guaranteed Payments means the amount of any loss suffered by a Noteholder by reason of the Borrower's failure to comply on a timely basis with any obligation it may have under an Eligible Note to indemnify and hold harmless a Noteholder from taxes or governmental charges or any expense arising out of taxes or any other governmental charges relating to the Eligible Note in the country of the Borrower.

Guarantee means the guarantee of USAID issued pursuant to this part and Section 7041(g)(1)(A) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014 (Div. K, Pub. L. 113-76).

Guarantee Payment Date means a Business Day not more than three (3) Business Days after the related Date of Application.

Interest Amount means for any Eligible Note the amount of interest accrued on the Principal Amount of such Eligible Note at the applicable Interest Rate.

Interest Rate means the interest rate borne by an Eligible Note.

Loss of Investment means, in respect of any Eligible Note, an amount in Dollars equal to the total of the:

- (1) Defaulted Payment unpaid as of the Date of Application,
- (2) Further Guaranteed Payments unpaid as of the Date of Application, and
- (3) Interest accrued and unpaid at the Interest Rate(s) specified in the Eligible Note(s) on the Defaulted Payment and

Further Guaranteed Payments, in each case from the date of default with respect to such payment to and including the date on which full payment thereof is made to the Noteholder.

Note[s] means any debt securities issued by the Borrower.

Noteholder means the owner of an Eligible Note who is registered as such on the Note Register.

Note Register means the register of Eligible Notes required to be maintained by the Fiscal Agent.

Person means any legal person, including any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

Principal Amount means the principal amount of the Eligible Notes issued by the Borrower. For purposes of determining the principal amount of the Eligible Notes issued by the Borrower, the principal amount of each Eligible Note shall be the stated principal amount thereof.

USAID means the United States Agency for International Development or its successor.

§ 236.3 The Guarantee.

Subject to the terms and conditions set out in this part, the United States of America, acting through USAID, guarantees to Noteholders the Borrower's repayment of 100 percent of principal and interest due on Eligible Notes. Under the Guarantee, USAID agrees to pay to any Noteholder compensation in Dollars equal to such Noteholder's Loss of Investment under its Eligible Note; provided, however, that no such payment shall be made to any Noteholder for any such loss arising out of fraud or misrepresentation for which such Noteholder is responsible or of which it had knowledge at the time it became such Noteholder. The Guarantee shall apply to each Eligible Note registered on the Note Register required to be maintained by the Fiscal Agent.

§ 236.4 Guarantee eligibility.

(a) Eligible Notes only are guaranteed hereunder. Notes in order to achieve Eligible Note status:

- (1) Must be signed on behalf of the Borrower, manually or in facsimile, by a duly authorized representative of the Borrower;
- (2) Must contain a certificate of authentication manually executed by a Fiscal Agent whose appointment by the Borrower is consented to by USAID in the Fiscal Agency Agreement; and

(3) Shall be approved and authenticated by USAID by either:

(i) The affixing by USAID on the Notes of a guarantee legend incorporating these Standard Terms and Conditions signed on behalf of USAID by either a manual signature or a facsimile signature of an authorized representative of USAID or

(ii) The delivery by USAID to the Fiscal Agent of a guarantee certificate incorporating these Standard Terms and Conditions signed on behalf of USAID by either a manual signature or a facsimile signature of an authorized representative of USAID.

(b) The authorized USAID representatives for purposes of the regulations in this part whose signature(s) shall be binding on USAID shall include the USAID Chief and Deputy Chief Financial Officer, Assistant Administrator and Deputy, Bureau for Economic Growth, Education, and Environment, Director and Deputy Director, Office of Development Credit, and such other individual(s) designated in a certificate executed by an authorized USAID Representative and delivered to the Fiscal Agent. The certificate of authentication of the Fiscal Agent issued pursuant to the Fiscal Agency Agreement shall, when manually executed by the Fiscal Agent, be conclusive evidence binding on USAID that an Eligible Note has been duly executed on behalf of the Borrower and delivered.

§ 236.5 Non-impairment of the Guarantee.

After issuance of the Guarantee, the Guarantee will be an unconditional, full faith and credit obligation of the United States of America and will not be affected or impaired by any subsequent condition or event. This non-impairment of the guarantee provision shall not, however, be operative with respect to any loss arising out of fraud or misrepresentation for which the claiming Noteholder is responsible or of which it had knowledge at the time it became a Noteholder. In particular and without limitation, the Guarantee shall not be affected or impaired by:

(a) Any defect in the authorization, execution, delivery or enforceability of any agreement or other document executed by a Noteholder, USAID, the Fiscal Agent or the Borrower in connection with the transactions contemplated by this Guarantee or

(b) The suspension or termination of the program pursuant to which USAID is authorized to guarantee the Eligible Notes.

§ 236.6 Transferability of Guarantee; Note Register.

A Noteholder may assign, transfer or pledge an Eligible Note to any Person. Any such assignment, transfer or pledge shall be effective on the date that the name of the new Noteholder is entered on the Note Register required to be maintained by the Fiscal Agent pursuant to the Fiscal Agency Agreement. USAID shall be entitled to treat the Persons in whose names the Eligible Notes are registered as the owners thereof for all purposes of the Guarantee and USAID shall not be affected by notice to the contrary.

§ 236.7 Fiscal Agent obligations.

Failure of the Fiscal Agent to perform any of its obligations pursuant to the Fiscal Agency Agreement shall not impair any Noteholder's rights under the Guarantee, but may be the subject of action for damages against the Fiscal Agent by USAID as a result of such failure or neglect. A Noteholder may appoint the Fiscal Agent to make demand for payment on its behalf under the Guarantee.

§ 236.8 Event of Default; Application for Compensation; payment.

At any time after an Event of Default, as this term is defined in an Eligible Note, any Noteholder hereunder, or the Fiscal Agent on behalf of a Noteholder hereunder, may file with USAID an Application for Compensation in the form provided in Appendix A to this part. USAID shall pay or cause to be paid to any such Applicant any compensation specified in such Application for Compensation that is due to the Applicant pursuant to the Guarantee as a Loss of Investment not later than the Guarantee Payment Date. In the event that USAID receives any other notice of an Event of Default, USAID may pay any compensation that is due to any Noteholder pursuant to the Guarantee, whether or not such Noteholder has filed with USAID an Application for Compensation in respect of such amount.

§ 236.9 No acceleration of Eligible Notes.

Eligible Notes shall not be subject to acceleration, in whole or in part, by USAID, the Noteholder or any other party. USAID shall not have the right to pay any amounts in respect of the Eligible Notes other than in accordance with the original payment terms of such Eligible Notes.

§ 236.10 Payment to USAID of excess amounts received by a Noteholder.

If a Noteholder shall, as a result of USAID paying compensation under the

Guarantee, receive an excess payment, it shall refund the excess to USAID.

§ 236.11 Subrogation of USAID.

In the event of payment by USAID to a Noteholder under the Guarantee, USAID shall be subrogated to the extent of such payment to all of the rights of such Noteholder against the Borrower under the related Note.

§ 236.12 Prosecution of claims.

After payment by USAID to an Applicant hereunder, USAID shall have exclusive power to prosecute all claims related to rights to receive payments under the Eligible Notes to which it is thereby subrogated. If a Noteholder continues to have an interest in the outstanding Eligible Notes, such a Noteholder and USAID shall consult with each other with respect to their respective interests in such Eligible Notes and the manner of and responsibility for prosecuting claims.

§ 236.13 Change in agreements.

No Noteholder will consent to any change or waiver of any provision of any document contemplated by the Guarantee without the prior written consent of USAID.

§ 236.14 Arbitration.

Any controversy or claim between USAID and any Noteholder arising out of the Guarantee shall be settled by arbitration to be held in Washington, DC in accordance with the then prevailing rules of the American Arbitration Association, and judgment on the award rendered by the arbitrators may be entered in any court of competent jurisdiction.

§ 236.15 Notice.

Any communication to USAID pursuant to the Guarantee shall be in writing in the English language, shall refer to the Republic of Tunisia Loan Guarantee Number inscribed on the Eligible Note and shall be complete on the day it shall be actually received by USAID at the Office of Development Credit, Bureau for Economic Growth, Education and Environment, United States Agency for International Development, Washington, DC 20523-0030. Other addresses may be substituted for the above upon the giving of notice of such substitution to each Noteholder by first class mail at the address set forth in the Note Register.

§ 236.16 Governing Law.

The Guarantee shall be governed by and construed in accordance with the laws of the United States of America governing contracts and commercial

transactions of the United States Government.

Appendix A to Part 236—Application for Compensation**United States Agency for International Development**

Washington, DC 20523

Ref: Guarantee dated as of __, 20__:

Gentlemen: You are hereby advised that payment of \$____ (consisting of \$____ of principal, \$____ of interest and \$____ in Further Guaranteed Payments, as defined in § 236.2 of the Standard Terms and Conditions of the above-mentioned Guarantee) was due on ____, 20__, on \$____ Principal Amount of Notes issued by Banque Centrale de Tunisie, acting on behalf of the Republic of Tunisia (the "Borrower") held by the undersigned. Of such amount \$____ was not received on such date and has not been received by the undersigned at the date hereof. In accordance with the terms and provisions of the above-mentioned Guarantee, the undersigned hereby applies, under § 236.8 of said Guarantee, for payment of \$____, representing \$____, the Principal Amount of the presently outstanding Note(s) of the Borrower held by the undersigned that was due and payable on ____ and that remains unpaid, and \$____, the Interest Amount on such Note(s) that was due and payable by the Borrower on ____ and that remains unpaid, and \$____ in Further Guaranteed Payments,¹ plus accrued and unpaid interest thereon from the date of default with respect to such payments to and including the date payment in full is made by you pursuant to said Guarantee, at the rate of __ % per annum, being the rate for such interest accrual specified in such Note. Such payment is to be made at [state payment instructions of Noteholder].

All capitalized terms herein that are not otherwise defined shall have the meanings assigned to such terms in the Standard Terms and Conditions of the above-mentioned Guarantee.

[Name of Applicant]

By: _____
Name:
Title:
Dated:

¹ In the event the Application for Compensation relates to Further Guaranteed Payments, such Application must also contain a statement of the nature and circumstances of the related loss.

Dated: July 10, 2014.

Maryam Khosharay,
Attorney Advisor, Office of the General
Counsel, U.S. Agency for International
Development.

[FR Doc. 2014-16631 Filed 7-17-14; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9674]

RIN 1545-BM07

Guidelines for the Streamlined Process of Applying for Recognition of Section 501(c)(3) Status

Correction

In rule document 2014-15623 on pages 37630-37632 of the issue of Wednesday, July 2, 2014 make the following corrections:

§ 1.501(a)-1T [Corrected]

■ 1. On page 37631, in the third column, in § 1.501(a)-1T(f)(2), in the third line, “July 1, 2017” should read “June 30, 2017”.

§ 1.501(c)(3)-1T [Corrected]

■ 2. On page 37632, in the first column, in § 1.501(c)(3)-1T(h)(2), in the third line, “July 1, 2017” should read “June 30, 2017”.

§ 1.508-1T [Corrected]

■ 3. On page 37632, in the third column, in § 1.508-1T(c)(2), in the third and fourth lines, “July 3, 2017” should read “June 30, 2017”.

[FR Doc. C2-2014-15623 Filed 7-17-14; 8:45 am]

BILLING CODE 1505-01-D

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9678]

RIN 1545-BK99

Mixed Straddles; Straddle-by-Straddle Identification Under Section 1092

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations and removal of temporary regulations.

SUMMARY: This document contains final regulations relating to section 1092 identified mixed straddles established

after August 18, 2014. The final regulations explain how to account for unrealized gain or loss on a position held by a taxpayer prior to the time the taxpayer establishes a mixed straddle using straddle-by-straddle identification.

DATES: *Effective Date:* These regulations are effective on July 18, 2014.

Applicability Date: For the date of applicability, see § 1.1092(b)-6(e).

FOR FURTHER INFORMATION CONTACT: Pamela Lew of the Office of Associate Chief Counsel (Financial Institutions and Products) at (202) 317-6945 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The Deficit Reduction Act of 1984, Public Law 98-369, amended section 1092 of the Internal Revenue Code (Code) relating to straddles. As amended, section 1092(b) instructed the Treasury Department and the IRS to write regulations governing mixed straddles. Regulations governing mixed straddles were issued in 1985, including § 1.1092(b)-2T (relating to holding periods and losses with respect to straddle positions) and § 1.1092(b)-3T (relating to mixed straddles) (collectively, the 1985 temporary regulations).

This document contains amendments to the Income Tax Regulations (26 CFR part 1) relating to mixed straddles subject to straddle-by-straddle identification under section 1092(b)(2)(A)(i)(I) (identified mixed straddles). On August 2, 2013, the Treasury Department and the IRS published in the **Federal Register** temporary regulations relating to identified mixed straddles (TD 9627 at 78 FR 46807) and a notice of proposed rulemaking cross-referencing the temporary regulations (REG-112815-12 at 78 FR 46854). The temporary regulations added § 1.1092(b)-6T, which provides that unrealized gain or loss on a position held prior to the establishment of an identified mixed straddle is taken into account at the time and has the character provided by provisions of the Code that would apply if the identified mixed straddle had not been established. The temporary regulations changed the timing of the recognition of the unrealized gain or loss as compared to § 1.1092(b)-3T(b)(6) of the 1985 temporary regulations, which provides that unrealized gain or loss on a position that becomes a position in an identified mixed straddle is recognized on the day prior to establishing the identified mixed straddle.

Section 1.1092(b)-6T applied to identified mixed straddles established after August 1, 2013, the date of filing of TD 9627 in the **Federal Register**. However, in response to comments raising concerns about the immediate applicability date of the temporary regulations, the regulations were corrected on October 29, 2013, to revise the applicability date (TD 9627 at 78 FR 64396 and REG-112815-12 at 78 FR 64430). As corrected, § 1.1092(b)-6T would apply to identified mixed straddles established after the date of publication of the final regulations in the **Federal Register**.

Written comments were received on the notice of proposed rulemaking and a public hearing was held on December 4, 2013. All comments were considered and the written comments are available for public inspection at <http://www.regulations.gov> or upon request.

After consideration of all comments, these final regulations adopt the provisions of the proposed regulations with certain clarifications, and the corresponding temporary regulations are removed. The comments and clarifications are discussed in this preamble.

Summary of Comments and Explanation of Revisions

In response to the request for comments in the notice of proposed rulemaking, several comments were received. The comments address three general categories of issues: (1) the immediate applicability date of § 1.1092(b)-6T; (2) the character mismatch and timing of gain or loss recognition for assets held by insurance companies; and (3) certain technical rules in the 1985 temporary regulations and the temporary regulations relating to identified mixed straddles.

1. Applicability Date

As previously noted, in response to comments raising concerns about the immediate applicability date of the temporary regulations, the regulations were corrected on October 29, 2013, to revise the applicability date. As corrected, § 1.1092(b)-6T would apply to identified mixed straddles established after the date of publication of final regulations in the **Federal Register**. The correction notices informed taxpayers that the Treasury Department and the IRS anticipated finalizing the regulations no later than June 30, 2014.

One commenter asked that the applicability date be delayed for at least six months after the publication date of the final regulations in the **Federal Register**.