

Further, as explained above, LCH SA believes that the fee rates have been set up at an appropriate level given the costs and expenses to LCH SA in offering the relevant clearing services.

*C. Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

Written comments relating to the proposed rule change have not been solicited or received. LCH SA will notify the Commission of any written comments received by LCH SA.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-LCH SA-2019-010 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-LCH SA-2019-010. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written

communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of LCH SA and on LCH SA's website at: <https://www.lch.com/resources/rules-and-regulations/proposed-rule-changes-0>. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-LCH SA-2019-010 and should be submitted on or before December 11, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

**Jill M. Peterson,**

*Assistant Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

**Submission for OMB Review; Comment Request**

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

*Extension:*

Rule 6a-4, Form 1-N, SEC File No. 270-496, OMB Control No. 3235-0554

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for extension of the previously approved collection of information provided for in Rule 6a-4 and Form 1-N (17 CFR 240.6a-4 and 17 CFR 249.10) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) ("Exchange Act").

<sup>11</sup> 17 CFR 200.30-3(a)(12).

Section 6 of the Exchange Act<sup>1</sup> sets out a framework for the registration and regulation of national securities exchanges. Under the Commodity Futures Modernization Act of 2000, a futures market may trade security futures products by registering as a national securities exchange. Rule 6a-4<sup>2</sup> sets forth these registration procedures and directs futures markets to submit a notice registration on Form 1-N.<sup>3</sup> Form 1-N calls for information regarding how the futures market operates, its rules and procedures, corporate governance, its criteria for membership, its subsidiaries and affiliates, and the security futures products it intends to trade. Rule 6a-4 also requires entities that have submitted an initial Form 1-N to file: (1) Amendments to Form 1-N in the event of material changes to the information provided in the initial Form 1-N; (2) periodic updates of certain information provided in the initial Form 1-N; (3) certain information that is provided to the futures market's members; and (4) a monthly report summarizing the futures market's trading of security futures products. The information required to be filed with the Commission pursuant to Rule 6a-4 is designed to enable the Commission to carry out its statutorily mandated oversight functions and to ensure that registered and exempt exchanges continue to be in compliance with the Act.

The respondents to the collection of information are futures markets.

The Commission estimates that the total annual burden of compliance with the requirements of Rule 6a-4 and Form 1-N is 171 hours per year and \$1,216 per year, calculated as detailed below. The Commission estimates that the total annual burden for all respondents to provide periodic amendments<sup>4</sup> to keep the Form 1-N accurate and up to date as required under Rule 6a-4(b)(1) would be 60 hours (15 hours/respondent per year × 4 respondents<sup>5</sup> to provide annual amendments under Rule 6a-4(b)(3) would be 60 hours (15 hours/respondent/year × 4 respondents) and \$400 of miscellaneous clerical expenses. The Commission estimates that the total annual burden for all respondents to provide three-year amendments<sup>6</sup> under Rule 6a-4(b)(4) would be 27 hours (20 hours/respondent × 1.33 respondents per year) and \$176 (\$44 per year × 4

<sup>1</sup> 15 U.S.C. 78f.

<sup>2</sup> 17 CFR 240.6a-4.

<sup>3</sup> 17 CFR 249.10.

<sup>4</sup> 17 CFR 240.6a-4(b)(1).

<sup>5</sup> The Commission estimates that four exchanges will file amendments with the Commission in order to keep their Form 1-N current.

<sup>6</sup> 17 CFR 240.6a-4(b)(3) and (4).

respondents<sup>7</sup>) in miscellaneous clerical expenses. The Commission estimates that the total annual burden for the filing of the supplemental information<sup>8</sup> and the monthly reports required under Rule 6a-4(c) would be 24 hours (6 hours/respondent per year × 4 respondents<sup>9</sup>) and \$240 of miscellaneous clerical expenses.

Compliance with Rule 6a-4 is mandatory. Information received in response to Rule 6a-4 shall not be kept confidential; the information collected is public information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website, [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Lindsay.M.Abate@omb.eop.gov](mailto:Lindsay.M.Abate@omb.eop.gov); and (ii) Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Candace Kenner, 100 F Street NE, Washington, DC 20549 or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: November 14, 2019.

**Jill M. Peterson,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

#### New Collection:

Rule 139b; OMB Control No. New Collection, SEC File No. 270-815

Notice is hereby given that the Securities and Exchange Commission (the "Commission") has, in accordance

with the Paperwork Reduction Act of 1995 (Pub. L. 104-13, 44 U.S.C. 3501 *et seq.*) ("PRA"), submitted a sponsored information collection request ("ICR") to the Office of Management and Budget ("OMB") for review and clearance for the collection of information associated with the new Rule 139b (17 CFR 230.139b) under the Securities Act of 1933 (15 U.S.C. 77a *et seq.*) ("Securities Act") that was adopted by the Commission on November 30, 2018.<sup>1</sup> The title for this collection of information is: "Rule 139b Disclosure of Standardized Performance."

As directed by the Fair Access to Investment Research Act of 2017 (Pub. L. 115-66, 131 Stat. 1196 (2017) (the "FAIR Act"), the Commission adopted new rule 139b under the Securities Act to extend the safe harbor under rule 139 to a "covered investment fund research report." Specifically, new rule 139b provides a safe harbor to a broker-dealer who publishes or distributes in the regular course of its business research reports concerning one or more "covered investment fund(s)" while participating in the distribution of a covered investment fund's securities.

In the Proposing Release, we solicited comment on whether rule 139b should include a standardized performance disclosure requirement.<sup>2</sup> In response to comments received, we have decided to adopt such a requirement.<sup>3</sup> We believe that standardized performance presentation is an appropriate requirement because investors tend to consider fund performance a significant factor in evaluating or comparing investment companies, and the requirement addresses potential investor confusion if a communication were not easily recognizable as research as opposed to an advertising prospectus or supplemental sales literature. Rule 139b requires that research reports about open-end funds that include performance information must present it in accordance with paragraphs (d), (e), and (g) of rule 482. Rule 139b also requires that research reports about closed-end funds that include performance information must present it in accordance with instructions to item 4.1(g) of Form N-2. Performance measures calculated by broker-dealers are not required to be kept confidential and there is no mandatory retention

period. We anticipate that compliance with these performance measures for each fund discussed in a research report, and for which the performance measures apply, would increase compliance costs for broker-dealers seeking to publish or distribute a covered investment fund research report.

It is difficult to provide estimates of the burdens and costs for those broker-dealers that will include performance information in a rule 139b research report. As discussed above, this is difficult to estimate because current data collected does not reflect the affiliate exclusion, does not include the entire universe of covered investment funds, and it is uncertain what percentage of communications currently filed as rule 482 advertising prospectuses (or rule 34b-1 supplemental sales materials) will instead be published in reliance of rule 139b, as covered investment fund research reports.<sup>4</sup> For purposes of the PRA, we estimate that 10% of the rule 482 and rule 34b-1 communications currently filed by broker-dealers with FINRA (approximately 65,000) could be considered as rule 139b covered investment fund research reports. We estimate that broker-dealers will publish annually 6,500 (10% of 65,000) covered investment fund research reports. Moreover, we assume for purposes of the PRA that all estimated rule 139b research reports will include fund performance information. We further estimate that 1,417 broker-dealers would likely be respondents to the collection of information with a frequency of 4.6 responses per year.<sup>5</sup> We further estimate that 50% of these broker-dealers will have experience in complying with standardized performance requirements under rule 482. For the 50% of this subset of broker-dealers that do not have experience with complying with rule 482, we estimate that there will be a one-time implementation cost for each broker-dealer of 5 internal burden hours. Additionally, we estimate that each research report will require 3 hours of ongoing internal burden hours by a broker-dealers' personnel to comply with the rule 139b collection of information requirements, which for each broker-dealer is estimated to be

<sup>1</sup> See Release No. 33-10580 (Nov. 30, 2018) [83 FR 64180 (Dec. 13, 2018)] ("Adopting Release"). New rule 139b will be effective on January 14, 2019.

<sup>2</sup> See Covered Investment Fund Research Reports, Securities Act Release No. 10498 (May 23, 2018) [83 FR 26788 (June 8, 2018)] ("Proposing Release") at 26803-04.

<sup>3</sup> See Adopting Release, supra note I, at Section I.I.C.

<sup>4</sup> See Adopting Release, supra note 1, n. 413 and accompanying paragraph.

<sup>5</sup> See Adopting Release, supra note 1, n. 414 and accompanying text. 6,500 covered investment fund research reports/1,417 broker-dealers = 4.6 annual responses per broker-dealer.

<sup>7</sup> The Commission notes that while there are currently five Security Futures Product Exchanges, one of those exchanges, NQLX, is dormant.

<sup>8</sup> 17 CFR 240.6a-4(c)

<sup>9</sup> See supra footnote 7.