

\$1,528,120.¹ The Commission, therefore, requests authorization to increase the inventory of total burden hours per year for all funds under rule 17d-1 from the current authorized burden of 2002 hours to 3,542 hours. The increase is due to an increase in the number of funds that filed applications for exemptions under rule 17d-1.

As noted above, the Commission staff understands that funds that file an application under rule 17d-1 generally use outside counsel to assist in preparing the application. The staff estimates that, on average, funds spend an additional \$93,131 for outside legal services in connection with seeking Commission approval of affiliated joint transactions. Thus, the staff estimates that the total annual cost burden imposed by the exemptive application requirements of rule 17d-1 is \$2,142,013.²

We estimate that funds currently do not rely on the exemption from the term “financial interest” with respect to any interest that the fund’s board of directors (including a majority of the directors who are not interested persons of the fund) finds to be not material. Accordingly, we estimate that annually there will be no transactions under rule 17d-1 that will result in this aspect of the collection of information.

Based on these calculations, the total annual hour burden is estimated to be 3,542 hours and the total annual cost burden is estimated to be \$2,142,013.

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act. The estimate is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules. Complying with these collections of information requirement is necessary to obtain the benefit of relying on rule 17d-1. Responses will not be kept confidential. An agency may not conduct or sponsor, and a person is not

required to respond to, a collection of information unless it displays a currently valid control number.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency’s estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, C/O Cynthia Roscoe, 100 F Street NE, Washington, DC 20549; or send an email to: PHR_Mailbox@sec.gov.

Dated: April 28, 2020.

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-513, OMB Control No. 3235-0571]

Proposed Collection; 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 206(4)-6

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) the Securities and Exchange Commission (the “Commission”) is soliciting comments on the collections of information summarized below. The Commission plans to submit these existing collections of information to the Office of Management and Budget (“OMB”) for extension and approval.

The title for the collection of information is “Rule 206(4)-6” under the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 *et seq.*) (“Advisers Act”) and the collection has been approved under OMB Control No. 3235-0571. The

Commission adopted rule 206(4)-6 (17 CFR 275.206(4)-6), the proxy voting rule, to address an investment adviser’s fiduciary obligation to clients who have given the adviser authority to vote their securities. Under the rule, an investment adviser that exercises voting authority over client securities is required to: (i) Adopt and implement written policies and procedures that are reasonably designed to ensure that the adviser votes client securities in the best interest of clients, including procedures to address any material conflict that may arise between the interests of the adviser and the client; (ii) disclose to clients how they may obtain information from the adviser on how the adviser has voted with respect to their securities; and (iii) describe to clients the adviser’s proxy voting policies and procedures and, on request, furnish a copy of the policies and procedures to the requesting client. The rule is designed to assure that advisers that vote proxies for their clients vote those proxies in their clients’ best interest and provide clients with information about how their proxies were voted.

Rule 206(4)-6 contains “collection of information” requirements within the meaning of the Paperwork Reduction Act. The respondents are investment advisers registered with the Commission that vote proxies with respect to clients’ securities. Advisory clients of these investment advisers use the information required by the rule to assess investment advisers’ proxy voting policies and procedures and to monitor the advisers’ performance of their proxy voting activities. The information required by Adviser’s Act rule 204-2, a recordkeeping rule, also is used by the Commission staff in its examination and oversight program. Without the information collected under the rules, advisory clients would not have information they need to assess the adviser’s services and monitor the adviser’s handling of their accounts, and the Commission would be less efficient and effective in its programs.

The estimated number of investment advisers subject to the collection of information requirements under the rule is 12,265. It is estimated that each of these advisers is required to spend on average 10 hours annually documenting its proxy voting procedures under the requirements of the rule, for a total burden of 122,650 hours. We further estimate that on average, approximately 279 clients of each adviser would request copies of the underlying policies and procedures. We estimate that it would take these advisers 0.1 hours per client to deliver copies of the policies and procedures, for a total burden of

¹ The Commission staff estimates that a senior executive, such as the fund’s chief compliance officer, will spend an average of 62 hours and a mid-level compliance attorney will spend an average of 92 hours to comply with this collection of information: 62 hours + 92 hours = 154 hours. 23 funds × 154 burden hours = 3,542 burden hours. The Commission staff estimate that the chief compliance officer is paid \$530 per hour and the compliance attorney is paid \$365 per hour. (\$530 per hour × 62 hours) + (\$365 per hour × 92 hours) = \$66,440 per fund. \$66,440 × 23 funds = \$1,528,120. The \$530 and \$365 per hour figures are based on salary information compiled by SIFMA’s Management & Professional Earnings in the Securities Industry, 2019. The Commission staff has modified SIFMA’s information to account for an 1800-hour work year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead.

² The estimate is based on the following calculation: \$93,131 × 23 funds = \$2,142,013.

342,194 hours. Accordingly, we estimate that rule 206(4)–6 results in an annual aggregate burden of collection for SEC-registered investment advisers of a total of 464,844 hours.

Written comments are invited on: (a) Whether the collections of information are necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burdens of the collections of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burdens of the collections of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication. An agency may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid OMB control number.

Please direct your written comments to David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, C/O Cynthia Roscoe, 100 F Street NE, Washington, DC 20549; or send an email to: PRA_Mailbox@sec.gov.

Dated: April 28, 2020.

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–88754; File No. SR–NYSE–2020–34]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 1.1 To Modify the Definition of “UTP Exchange Traded Product” and Rule 5.1 To Incorporate the Modified Definition of “UTP Exchange Traded Product”

April 27, 2020.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”)² and Rule 19b–4 thereunder,³

notice is hereby given that on April 16, 2020, New York Stock Exchange LLC (“Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend (1) Rule 1.1 to modify the definition of “UTP Exchange Traded Product” and (2) Rule 5.1 to incorporate the definition of UTP Exchange Traded Product as set forth in revised Rule 1.1. The proposed rule change is available on the Exchange's website at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend (1) Rule 1.1 to modify the definition of “UTP Exchange Traded Product” and (2) Rule 5.1 to incorporate the definition of UTP Exchange Traded Product as set forth in revised Rule 1.1.

Rule 1.1

Rule 1.1(l) currently provides that the term “Exchange Traded Product” means a security that meets the definition of “derivative securities product” in Rule 19b–4(e) under the Securities Exchange Act of 1934 and a “UTP Exchange Traded Product” means an Exchange Traded Product that trades on the Exchange pursuant to unlisted trading privileges. The Exchange proposes to amend the definition of “UTP Exchange Traded Product” to mean one of the

following Exchange Traded Products that trades on the Exchange pursuant to unlisted trading privileges: Equity Linked Notes, Investment Company Units, Index-Linked Exchangeable Notes, Equity Gold Shares, Equity Index-Linked Securities, Commodity-Linked Securities, Currency-Linked Securities, Fixed-Income Index-Linked Securities, Futures-Linked Securities, Multifactor-Index-Linked Securities, Trust Certificates, Currency and Index Warrants, Portfolio Depository Receipts, Trust Issued Receipts, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Paired Trust Shares, Trust Units, Managed Fund Shares, Managed Trust Securities, and Managed Portfolio Shares.

This proposed change is based on NYSE National, Inc. (“NYSE National”) Rule 1.1(m) and NYSE Chicago, Inc. (“NYSE Chicago”) Rule 1.1(k).⁴ This list is designed to align the rules of the Exchange with the rules of NYSE National and NYSE Chicago and to enumerate the types of Exchange Traded Products to which the Exchange would extend unlisted trading privileges (“UTP”).

Rule 5.1

Rule 5.1(a)(1) provides that the Exchange may extend UTP to any security that is an NMS stock (as defined in Rule 600 of Regulation NMS under the Act) that is listed on another national securities exchange or with respect to which unlisted trading privileges may otherwise be extended in accordance with Section 12(f) of the Act. Rule 5.1(a)(2) further specifies that a UTP Exchange Traded Product, which is defined in that Rule as a “new derivative securities product” as defined in Rule 19b–4(e) under the Exchange Act and traded pursuant to Rule 19b–4(e) under the Act, would be subject to the additional rules enumerated in Rule 5.1(a)(2)(A)–(E).

Because the Exchange proposes to modify the definition of UTP Exchange Traded Product in Rule 1.1(l) to conform to the rules of NYSE National and NYSE Chicago, the Exchange proposes to amend Rule 5.1(a)(2) to eliminate redundant text and cross reference the term “UTP Exchange Traded Product” as it is defined in Rule 1.1. This proposed change would also

⁴ NYSE National and NYSE Chicago have filed proposed rule changes for immediate effectiveness to amend their respective rules to add Managed Portfolio Shares to their definitions of UTP Exchange Traded Products. See SR–NYSENAT–2020–16 (filed April 16, 2020) and SR–NYSECHX–2020–13 (filed April 16, 2020).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.