similar to the process in place on Phlx, with conforming changes to reflect particularlities to the BX market.[93] In making this change, the Exchange delineates detailed steps of the opening process. By providing more clearly each sequence of the opening process, the Commission notes that the proposed rule helps market participants understand how the new opening process will operate. To that extent, the new opening process may promote transparency, reduce the potential for investor confusion, and assist market participants in deciding whether to participate in BX's opening process. Further, if they do participate in the new opening process, the proposed rule may help provide market participants with the confidence and certainty as to how their orders or quotes will be processed.

Further, the Commission believes that the proposed rule change is designed to promote just and equitable principles of trade by seeking to ensure that option series open in a fair and orderly manner. For example, the Commission notes that the proposed rule change is designed to mitigate the effects of the underlying security's volatility as the overlying option series undergoes the opening process. Specifically, the proposed rule provides for a range of no less than 100 milliseconds and no more than 5 seconds in order to ensure that the Exchange has the ability to adjust the period for which the underlying must be open on the primary market before the opening process commences.[94] Moreover, the Commission notes that the proposed rule provides an orderly process for handling eligible interests during the opening process, while seeking to avoid opening executions at suboptimal prices. For instance, the proposed rule ensures that the Opening Process will stop and an option series will not open if the ABBO becomes crossed, which can be indicative of price uncertainty with respect to an option series. Likewise, the Exchange will not open an option series with a trade unless any of the following conditions occur: (1) The Potential Opening Price is at or within the Pre-Market BBO and the ABBO, which is also a Valid Width NBBO; (2) the Potential Opening Price is at or within the non-zero bid ABBO, which is also a Valid Width NBBO, if the Pre-Market BBO is crossed; or (3) where there is no ABBO, the Potential Opening Price is at or within the Pre-Market BBO, which is also a Valid Width NBBO. While the proposed opening process attempts to maximize the number of contracts executed on the Exchange during such process, including by seeking additional liquidity, if necessary, the Commission notes that the proposed opening process takes into consideration away market interests and ensures that better away prices are not traded through.

For these reasons, the Commission believes that the proposed rule change is consistent with the Act.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,[95] that the proposed rule change (SR–BX–2020–016), be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[96]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020–19718 Filed 9–4–20; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–522; OMB Control No. 3235–0586]

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 38a–1

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 collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Rule 38a–1 (17 CFR 270.38a–1) under the Investment Company Act of 1940 (15 U.S.C. 80a) (''Investment Company Act'') is intended to protect investors by fostering better fund compliance with securities laws. The rule requires every registered investment company and business development company (''fund'') to: (i) Adopt and implement written policies and procedures reasonably designed to prevent violations of the federal securities laws by the fund, including procedures for oversight of compliance by each investment adviser, principal underwriter, administrator, and transfer agent of the fund; (ii) obtain the fund board of directors' approval of those policies and procedures; (iii) annually review the adequacy of those policies and procedures and the policies and procedures of each investment adviser, principal underwriter, administrator, and transfer agent of the fund, and the effectiveness of their implementation; (iv) designate a chief compliance officer to administer the fund's policies and procedures and prepare an annual report to the board that addresses certain specified items relating to the policies and procedures; and (v) maintain for five years the compliance policies and procedures and the chief compliance officer's annual report to the board.

The rule contains certain information collection requirements that are designed to ensure that funds establish and maintain comprehensive, written internal compliance programs. The information collections also assist the Commission's examination staff in assessing the adequacy of funds' compliance programs.

While Rule 38a–1 requires each fund to maintain written policies and procedures, most funds are located within a fund complex. The experience of the Commission's examination and oversight staff suggests that each fund in a complex is able to draw extensively from the fund complex's ''master'' compliance program to assemble appropriate compliance policies and procedures. Many fund complexes already have written policies and procedures documenting their compliance programs. Further, a fund needing to develop or revise policies and procedures on one or more topics in order to achieve a comprehensive compliance program can draw on a number of outlines and model programs available from a variety of industry representatives, commentators, and organizations.

There are approximately 4,093 funds subject to Rule 38a–1. Among these funds, 101 were newly registered in the past year. These 101 funds, therefore, were required to adopt and document the policies and procedures that make up their compliance programs. Commission staff estimates that the average annual hour burden for a fund to adopt and document these policies and procedures is 105 hours. Thus, we estimate that the aggregate annual burden hours associated with the adoption and documentation requirement is 10,605 hours.

[93] *See, e.g., supra* note 7.

[94] *See supra* note 29.

[95] 15 U.S.C. 78s(b)(2).

[96] 17 CFR 200.30–3(a)(12).

All funds are required to conduct an annual review of the adequacy of their existing policies and procedures and the policies and procedures of each investment adviser, principal underwriter, administrator, and transfer agent of the fund, and the effectiveness of their implementation. In addition, each fund chief compliance officer is required to prepare an annual report that addresses the operation of the policies and procedures of the fund and the policies and procedures of each investment adviser, principal underwriter, administrator, and transfer agent of the fund, any material changes made to those policies and procedures since the date of the last report, any material changes to the policies and procedures recommended as a result of the annual review, and certain compliance matters that occurred since the date of the last report. The staff estimates that each fund spends 49 hours per year, on average, conducting the annual review and preparing the annual report to the board of directors. Thus, we estimate that the annual aggregate burden hours associated with the annual review and annual report requirement is 200,557 hours.

Finally, the staff estimates that each fund spends 6 hours annually, on average, maintaining the records required by proposed Rule 38a–1. Thus, the aggregate annual burden hours associated with the recordkeeping requirement is 24,558 hours.

In total, the staff estimates that the aggregate annual information collection burden of Rule 38a–1 is 235,720 hours.

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act. The estimate is based on communications with industry representatives, and is not derived from a comprehensive or even a representative survey or study. 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 OMB control number.

Written comments are invited on: (i) Whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (ii) the accuracy of the Commission's estimate of the burden(s) of the collection of information; (iii) ways to enhance the quality, utility, and clarity of the information collected; and (iv) 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: *PRA_Mailbox@sec.gov*.

Dated: September 1, 2020.

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020–19724 Filed 9–4–20; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–89730; File No. SR–PEARL–2020–10]

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Implement a Second Equity Rights Program

September 1, 2020.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on August 20, 2020, MIAX PEARL, LLC (''MIAX PEARL'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 the Substance of the Proposed Rule Change

The Exchange is filing a proposal to implement an equity rights program related to fees charged for the trading of both options and equity securities on the Exchange.

The text of the proposed rule change is available on the Exchange's website at *http://www.miaxoptions.com/rule-filings/pearl* at MIAX PEARL's principal office, 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 Exchange 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 these 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 aspects of such statements.

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

1. Purpose

On April 6, 2018, the Exchange filed for immediate effectiveness a proposed rule change with the Commission to implement an equity rights program (''Existing Program'') pursuant to which units representing the right to acquire equity in the Exchange's parent holding company, Miami International Holdings, Inc. (''MIH'') were issued to a participating Member[3] in exchange for payment of an initial purchase price or the prepayment of certain ERP Exchange Fees[4] and the achievement of certain liquidity volume thresholds on the Exchange over a 32-month period.[5] On August 14, 2020, the Commission approved a proposed rule change to adopt rules governing the trading of equity securities on the Exchange (the platform for the trading of equity securities is referred to herein as ''MIAX PEARL Equities'').[6] The Exchange now proposes to implement a second equity rights program under which ERP Exchange fees would be expanded to include fees incurred on and after

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] The term ''Member'' means an individual or organization that is registered with the Exchange pursuant to Chapter II of the Exchange's Rules for purposes of trading on the Exchange as an ''Electronic Exchange Member'' or ''Market Maker.'' Members are deemed ''members'' under the Exchange Act. *See* Exchange Rule 100.

[4] The ERP Exchange fees under the Existing Program consist of: (a) Transaction fees as set forth in Section 1)a of the MIAX PEARL Options Fee Schedule; (b) membership fees as set forth in Section 3 of the MIAX PEARL Options Fee Schedule; (c) system connectivity fees as set forth in Section 5 of the MIAX PEARL Options Fee Schedule; and (d) market data fees as set forth in Section 6 of the MIAX PEARL Options Fee Schedule (collectively, the ''ERP Exchange Fees'').

[5] *See* Securities Exchange Act Release No. 83012 (April 9, 2018), 83 FR 16163 (April 13, 2018) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Implement an Equity Rights Program) (''Initial ERP Filing'').

[6] *See* Securities Exchange Act Release Nos. 88132 (February 6, 2020), 85 FR 8053 (February 12, 2020) (SR–PEARL–2020–03) (Notice of Filing of a Proposed Rule Change to Adopt Rules Governing the Trading of Equity Securities); *and* 89563 (August 14, 2020), 85 FR 51510 (August 20, 2020) (Order Approving Proposed Rule Change to Adopt Rules Governing the Trading of Equity Securities).