

(“ISG”)<sup>21</sup> the Exchange shares information and coordinates inquiries and investigations with other exchanges designed to address potential intermarket manipulation and trading abuses. Accordingly, there is a strong nexus between the ORF and the Exchange’s regulatory activities with respect to customer trading activity of its members and member organizations.

The Exchange’s proposal to amend Options 7, Section 6D of the Phlx Pricing Schedule to make clear that the ORF is assessed to member organizations and note “member organization” next to the term “member” in one place is reasonable, equitable and not unfairly discriminatory. The proposed amendments will bring greater clarity to the ORF rule text by utilizing the defined terms “member” and “member organization” correctly.

#### *B. Self-Regulatory Organization’s Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. This proposal does not create an unnecessary or inappropriate intra-market burden on competition because the ORF applies to all customer activity, thereby raising regulatory revenue to offset regulatory expenses. It also supplements the regulatory revenue derived from non-customer activity. The Exchange notes, however, the proposed change is not designed to address any competitive issues. Indeed, this proposal does not create an unnecessary or inappropriate inter-market burden on competition because it is a regulatory fee that supports regulation in furtherance of the purposes of the Act. The Exchange is obligated to ensure that the amount of regulatory revenue collected from the ORF, in combination with its other regulatory fees and fines, does not exceed regulatory costs.

The Exchange’s proposal to amend Options 7, Section 6D of the Phlx Pricing Schedule to make clear that the ORF is assessed to member organizations and note “member organization” next to the term “member” in one place does not impose an undue burden on competition. The proposed amendments will bring greater

<sup>21</sup> ISG is an industry organization formed in 1983 to coordinate intermarket surveillance among the SROs by cooperatively sharing regulatory information pursuant to a written agreement between the parties. The goal of the ISG’s information sharing is to coordinate regulatory efforts to address potential intermarket trading abuses and manipulations.

clarity to the ORF rule text by utilizing the defined terms “member” and “member organization” correctly.

#### *C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were either solicited or received.

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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>22</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>23</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such 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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>24</sup> of the Act to determine whether the proposed rule change should be approved or disapproved.

#### **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 No. SR-Phlx-2021-16 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 No. SR-Phlx-2021-16. 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

<sup>22</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>23</sup> 17 CFR 240.19b-4(f)(2).

<sup>24</sup> 15 U.S.C. 78s(b)(2)(B).

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 the Exchange. 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 No. SR-Phlx-2021-16, and should be submitted on or before April 22, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>25</sup>

**J. Matthew DeLesDernier,**  
*Assistant Secretary.*

[FR Doc. 2021-06672 Filed 3-31-21; 8:45 am]

**BILLING CODE 8011-01-P**

#### **SECURITIES AND EXCHANGE COMMISSION**

**[SEC File No. 270-321, OMB Control No. 3235-0358]**

#### **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 11a-3

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), 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

<sup>25</sup> 17 CFR 200.30-3(a)(12).

Management and Budget for extension and approval.

Section 11(a) of the Investment Company Act of 1940 (“Act”) (15 U.S.C. 80a–11(a)) provides that it is unlawful for a registered open-end investment company (“fund”) or its underwriter to make an offer to the fund’s shareholders or the shareholders of any other fund to exchange the fund’s securities for securities of the same or another fund on any basis other than the relative net asset values (“NAVs”) of the respective securities to be exchanged, “unless the terms of the offer have first been submitted to and approved by the Commission or are in accordance with such rules and regulations as the Commission may have prescribed in respect of such offers.” Section 11(a) was designed to prevent “switching,” the practice of inducing shareholders of one fund to exchange their shares for the shares of another fund for the purpose of exacting additional sales charges.

Rule 11a–3 (17 CFR 270.11a–3) under the Act is an exemptive rule that permits open-end investment companies (“funds”), other than insurance company separate accounts, and funds’ principal underwriters, to make certain exchange offers to fund shareholders and shareholders of other funds in the same group of investment companies. The rule requires a fund, among other things, (i) to disclose in its prospectus and advertising literature the amount of any administrative or redemption fee imposed on an exchange

transaction, (ii) if the fund imposes an administrative fee on exchange transactions, other than a nominal one, to maintain and preserve records with respect to the actual costs incurred in connection with exchanges for at least six years, and (iii) give the fund’s shareholders a sixty day notice of a termination of an exchange offer or any material amendment to the terms of an exchange offer (unless the only material effect of an amendment is to reduce or eliminate an administrative fee, sales load or redemption fee payable at the time of an exchange).

The rule’s requirements are designed to protect investors against abuses associated with exchange offers, provide fund shareholders with information necessary to evaluate exchange offers and certain material changes in the terms of exchange offers, and enable the Commission staff to monitor funds’ use of administrative fees charged in connection with exchange transactions.

The staff estimates that there are approximately 1,397 active open-end investment companies registered with the Commission as of October 2020. The staff estimates that 25 percent of these funds (349 funds) impose a non-nominal administrative fee on exchange transactions. The staff estimates that the recordkeeping requirement of the rule requires approximately 1 hour annually of clerical time (at an estimated \$63 per hour)<sup>1</sup> per fund, for a total of 349 hours for all funds (at a total annual cost of \$21,987).<sup>2</sup>

The staff estimates that 5 percent of these 1,397 funds (or 70 funds) terminate an exchange offer or make a material change to the terms of their exchange offer each year, requiring the fund to comply with the notice requirement of the rule. The staff estimates that complying with the notice requirement of the rule requires approximately 1 hour of attorney time (at an estimated \$419 per hour)<sup>3</sup> and 2 hours of clerical time (at an estimated \$63 per hour) per fund, for a total of approximately 210 hours for all funds to comply with the notice requirement (at a total annual cost of \$38,150).<sup>4</sup> The staff estimates that such notices will be enclosed with other written materials sent to shareholders, such as annual shareholder reports or account statements, and therefore any burdens associated with mailing required notices are accounted for in the burdens associated with Form N–1A registration statements for funds.

The recordkeeping and notice requirements together impose an estimated total burden of 559 hours on all funds (at a total annual cost of \$60,137).<sup>5</sup> The total number of respondents is 419, each responding once a year.<sup>6</sup> The burdens associated with the disclosure requirement of the rule are accounted for in the burdens associated with the Form N–1A registration statement for funds.

Table 1 below summarizes the currently-approved and updated burdens associated with rule 11a–3.

TABLE 1—SUMMARY OF BURDEN ESTIMATES FOR RULE 11a–3

	Internal burden	Wage rate	Cost of internal burden
<b>CURRENTLY-APPROVED BURDEN ESTIMATES</b>			
Recordkeeping Requirement .....	1 hour .....	\$59/hr. (clerk) .....	\$59.
Respondents .....	402 funds .....	.....	402 funds.
Total .....	402 hours .....	.....	\$23,718.
Notice Requirement .....	1 hour .....	\$392/hr. (attorney) .....	\$392.
.....	2 hours .....	\$59/hr. (clerk) .....	\$118.
Respondents .....	80 funds .....	.....	80 funds.
Total .....	240 hours .....	.....	\$40,800.
Total Responses .....	482 .....	.....	.....
(Recordkeeping + Notice) .....	.....	.....	.....

<sup>1</sup> This estimate of \$63 per hour for clerical work and the other estimated wage rates below are derived from the Securities Industry and Financial Markets Association’s (“SIFMA”) Office Salaries in the Securities Industry 2013, modified to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead (updated for inflation).

<sup>2</sup> This estimate is based on the following calculations: (1,397 funds × 25% = 349 funds); (349 × 1 (clerical hour) = 349 clerical hours); (349 × \$63 = \$21,987 total annual cost for recordkeeping requirement).

<sup>3</sup> The estimate of \$419 per hour for an Attorney is derived from SIFMA’s Management & Professional Earnings in the Securities Industry 2013, modified to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead (adjusted for inflation).

<sup>4</sup> This estimate is based on the following calculations: (1,397 (funds) × 5% = 70 funds); (70 × 1 (attorney hour) = 70 total attorney hours); (70 (funds) × 2 (clerical hours) = 140 total clerical hours); (70 (attorney hours) + 140 (clerical hours) = 210 total hours); (70 (attorney hours) × \$419 =

\$29,330 total attorney cost); (140 (clerical hours) × \$63 = \$8,820 clerical cost); (\$29,330 + \$8,820 = \$38,150 total annual cost).

<sup>5</sup> This estimate is based on the following calculations: (210 (notice hours) + 349 (recordkeeping hours) = 559 total hours); (\$38,150 (notice costs) + \$21,987 (recordkeeping costs) = \$60,137 total annual costs).

<sup>6</sup> This estimate is based on the following calculation: (349 funds responding to recordkeeping requirement + 70 funds responding to notice requirement = 419 total respondents).

TABLE 1—SUMMARY OF BURDEN ESTIMATES FOR RULE 11a-3—Continued

	Internal burden	Wage rate	Cost of internal burden
Total Burden (Recordkeeping + Notice)	642 hours		\$64,518.
<b>UPDATED BURDEN ESTIMATES</b>			
Recordkeeping Requirement	1 hour	\$63/hr. (clerk)	\$63.
Respondents	349 funds		349 funds.
Total	349 hours		\$21,987.
Notice Requirement	1 hour	\$419/hr. (attorney)	\$419.
	2 hours	\$63/hr. (clerk)	\$126.
Respondents	70 funds		70 funds.
Total	210 hours		\$38,150.
Total Responses (Recordkeeping + Notice)	419		
Total Burden (Recordkeeping + Notice)	559 hours		\$60,137

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act, and is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms. 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 requested on: (a) Whether the collection of information is 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 burden(s) 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: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: March 29, 2021.

**J. Matthew DeLesDernier,**  
Assistant Secretary.

[FR Doc. 2021-06731 Filed 3-31-21; 8:45 am]

BILLING CODE 8011-01-P

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-91425; File No. SR-PEARL-2021-09]

**Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 2614, Orders and Order Instructions, To Adopt and Make Available the Reserve Quantity Instruction for Orders on the MIAX PEARL Equities Platform**

March 26, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 23, 2021, 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 Substance of the Proposed Rule Change**

The Exchange is filing a proposed rule change to amend Exchange Rule 2614, Orders and Order Instructions, to adopt the Reserve Quantity instruction.

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.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

**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**

The purpose of the proposed rule change is to amend Exchange Rule 2614, Orders and Order Instructions, to adopt the Reserve Quantity instruction that would be available to orders in equity securities traded on the Exchange’s equity trading platform (referred to herein as “MIAX Pearl Equities”). In sum, a Reserve Quantity instruction would enable a User<sup>3</sup> to specify that a portion of their order be displayed and another portion of their order be non-displayed. The proposed operation of the Reserve Quantity instruction is well established in the equity markets and is based on similar functionality offered at other exchanges.<sup>4</sup>

<sup>3</sup> Exchange Rule 1901 defines the term “User” as “any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Exchange Rule 2602.”

<sup>4</sup> See, e.g., Cboe BYX Exchange, Inc. (“BYX”) and Cboe BZX Exchange, Inc. Rules 11.9(c)(1), Cboe