

products that other exchanges offer.<sup>19</sup> The Exchange further states that it does not propose to amend the fee for ad hoc requests for historical intra-day Open-Close Report data. For these reasons, and because the proposal raises no novel legal or regulatory issues, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.<sup>20</sup>

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 (<https://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-MIAX-2023-31 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-MIAX-2023-31. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-MIAX-2023-31 and should be submitted on or before September 28, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>21</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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

[SEC File No. 270-173, OMB Control No. 3235-0178]

#### **Proposed Collection; Comment Request; Extension: Rule 31a-1**

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

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the Securities and Exchange Commission ("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 for extension.

Rule 31a-1 (17 CFR 270.31a-1) under the Investment Company Act of 1940 (the "Act") (15 U.S.C. 80a) is entitled "Records to be maintained by registered investment companies, certain majority-owned subsidiaries thereof, and other persons having transactions with registered investment companies." Rule

31a-1 requires registered investment companies ("funds"), and every underwriter, broker, dealer, or investment adviser that is a majority-owned subsidiary of a fund, to maintain and keep current accounts, books, and other documents which constitute the record forming the basis for financial statements required to be filed pursuant to section 31 of the Act (15 U.S.C. 80a-30) and of the auditor's certificates relating thereto. The rule lists specific records to be maintained by funds. The rule also requires certain underwriters, brokers, dealers, depositors, and investment advisers to maintain the records that they are required to maintain under federal securities laws.

There are approximately 2,766 investment companies registered with the Commission, all of which are required to comply with rule 31a-1. For purposes of determining the burden imposed by rule 31a-1, the Commission staff estimates that each fund is divided into approximately four series, on average, and that each series is required to comply with the recordkeeping requirements of rule 31a-1. Based on conversations with fund representatives, it is estimated that rule 31a-1 imposes an average burden of approximately 1,750 hours annually per series for a total of 7,000 annual hours per fund. The estimated total annual burden for all 2,766 funds subject to the rule therefore is approximately 19,362,000 hours. Based on conversations with fund representatives, however, the Commission staff estimates that even absent the requirements of rule 31a-1, 90 percent of the records created pursuant to the rule are the type that generally would be created as a matter of normal business practice and to prepare financial statements. Thus, the Commission staff estimates that the total annual burden associated with rule 31a-1 is 1,936,200 hours.

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. 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: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the

<sup>19</sup> See *supra* note 10.

<sup>20</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>21</sup> 17 CFR 200.30-3(a)(12), (59).

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 by November 6, 2023.

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.

Please direct your written comments to: David Bottom, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street, NE Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: August 31, 2023.

**Sherry R. Haywood,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-238, OMB Control No. 3235-0214]

### Proposed Collection; Comment Request; Extension: Rule 17a-7

*Upon Written Request, Copies Available*

*From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the Securities and Exchange Commission (“Commission”) is soliciting comments on the collections of information summarized below. The Commission plans to submit the existing collection of information to the Office of Management and Budget for extension and approval.

Rule 17a-7 (17 CFR 270.17a-7) (the “rule”) under the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) (the “Act”) is entitled “Exemption of certain purchase or sale transactions between an investment company and certain affiliated persons thereof.” It provides an exemption from section 17(a) of the Act for purchases and sales of securities between registered investment companies (“funds”), that are affiliated persons (“first-tier affiliates”) or affiliated persons of affiliated persons (“second-tier affiliates”), or between a fund and a first- or second-tier affiliate other than another fund, when the affiliation arises

solely because of a common investment adviser, director, or officer. Rule 17a-7 requires funds to keep various records in connection with purchase or sale transactions effected in reliance on the rule. The rule requires the fund’s board of directors to establish procedures reasonably designed to ensure that the rule’s conditions have been satisfied. The board is also required to determine, at least on a quarterly basis, that all affiliated transactions effected during the preceding quarter in reliance on the rule were made in compliance with these established procedures. If a fund enters into a purchase or sale transaction with an affiliated person, the rule requires the fund to compile and maintain written records of the transaction.<sup>1</sup> The Commission’s examination staff uses these records to evaluate for compliance with the rule.

While most funds do not commonly engage in transactions covered by rule 17a-7, the Commission staff estimates that nearly all funds have adopted procedures for complying with the rule.<sup>2</sup> Of the approximately 2,768 currently active funds, the staff estimates that virtually all have already adopted procedures for compliance with rule 17a-7. This is a one-time burden, and the staff therefore does not estimate an ongoing burden related to the policies and procedures requirement of the rule for funds.<sup>3</sup> The staff estimates that there are approximately 110 new funds that register each year, and that each of these funds adopts the relevant policies and procedures. The staff estimates that it takes approximately 4 hours to develop and adopt these policies and procedures. Therefore, the total annual burden related to developing and adopting these policies and procedures would be approximately 360 hours.<sup>4</sup>

Of the 2,768 existing funds, the staff assumes that approximately 21%, (or 582) enter into transactions affected by

<sup>1</sup> Rule 17a-7(g) requires the written record of the affiliated transaction to include the following information: a description of the security purchased or sold, the identity of the person on the other side of the transaction, the terms of the purchase or sale transaction, and the information or materials upon which the board determined that the purchase or sale complied with the procedures set by the board.

<sup>2</sup> Unless stated otherwise, these estimates are based on conversations with the examination and inspections staff of the Commission and fund representatives.

<sup>3</sup> Based on our reviews and conversations with fund representatives, we understand that funds rarely, if ever, need to make changes to these policies and procedures once adopted, and therefore we do not estimate a paperwork burden for such updates.

<sup>4</sup> This estimate is based on the following calculations: (4 hours × 110 new funds = 440 hours).

rule 17a-7 each year (either by the fund directly or through one of the fund’s series), and that the same percentage (21%, or 23 funds) of the estimated 110 funds that newly register each year will also enter into these transactions, for a total of 605<sup>5</sup> companies that are affected by the recordkeeping requirements of rule 17a-7. These funds must keep records of each of these transactions, and the board of directors must quarterly determine that all relevant transactions were made in compliance with the company’s policies and procedures. The rule generally imposes a minimal burden of collecting and storing records already generated for other purposes.<sup>6</sup> The staff estimates that the burden related to making these records and for the board to review all transactions would be 3 hours annually for each respondent, (2 hours spent by compliance attorneys and 1 hour spent by the board of directors)<sup>7</sup> or 1,815 total hours each year at cost of \$3,400,100.<sup>8</sup>

Based on these estimates, the staff estimates the combined total annual burden hours associated with rule 17a-7 is 2,225 hours at a cost of \$4,065,050.<sup>9</sup> The staff also estimates that there are approximately 605 respondents and 4,840 total responses.<sup>10</sup>

The estimates of average burden hours is made solely for the purposes of the Paperwork Reduction Act, and are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules. The collection of information required by rule 17a-7 is necessary to obtain the benefits of the rule. Responses will not be kept confidential. An agency may not conduct or sponsor, and a person is not

<sup>5</sup> This estimate is based on the following calculation: (21% = 582/2,768); (605 = 582 + 23).

<sup>6</sup> Commission staff believes that rule 17a-7 does not impose any costs associated with record preservation in addition to the costs that funds already incur to comply with the record preservation requirements of rule 31a-2 under the Act. Rule 31a-2 requires companies to preserve certain records for specified periods of time.

<sup>7</sup> The staff estimates that funds that rely on rule 17a-7 annually enter into an average of 8 rule 17a-7 transactions each year. The staff estimates that the compliance attorneys of the companies spend approximately 15 minutes per transaction on this recordkeeping, and the board of directors spends a total of 1 hour annually in determining that all transactions made that year were done in compliance with the company’s policies and procedures. This estimate is based on the following calculations: (2 hours × \$425 = \$850); (\$850 + \$4,770 = \$5,620).

<sup>8</sup> This estimate is based on the following calculation: (3 hours × 605 companies = 1,815 hours); (\$5,620 × 605 companies = \$3,400,100).

<sup>9</sup> This estimate is based on the following calculation: (440 hours + 1,815 hours = 2,255 total hours); (\$664,950 + \$3,400,100 = \$4,065,050).

<sup>10</sup> This estimate is based on the following calculations: 605 funds that engage in rule 17a-7 transactions × 8 transactions per year = 64,840.