

reliance on Rule 10f-3 on Form N-CEN, which is subject to a separate PRA information collection.

The collection of information required by Rule 10f-3 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 required to respond to, a collection of information 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). Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice by October 3, 2024 to (i) [MBX.OMB.OIRA.SEC\\_desk\\_officer@omb.eop.gov](mailto:MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov) and (ii) Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Oluwaseun Ajayi, 100 F Street NE, Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: August 27, 2024.

**Vanessa A. Countryman,**  
Secretary.

[FR Doc. 2024-19628 Filed 8-30-24; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-233, OMB Control No. 3235-0223]

### Submission for OMB Review; Comment Request; Extension: Rule 17f-2

*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 *et seq.*), the Securities and Exchange Commission (the "Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Rule 17f-2 (17 CFR 270.17f-2), entitled "Custody of Investments by Registered Management Investment Company," establishes safeguards for arrangements in which a registered management investment company or business development company ("fund") is deemed to maintain custody

of its own assets, such as when the fund maintains its assets in a facility that provides safekeeping but not custodial services.<sup>1</sup> The rule includes four distinct requirements that are an information collection under the Paperwork Reduction Act. First, fund's directors must prepare a resolution designating not more than five fund officers or responsible employees who may have access to the fund's assets. Secondly, the fund's board must vote to approve this resolution. Third, the designated access persons (two or more of whom must act jointly when handling fund assets) must prepare a written notation providing certain information about each deposit or withdrawal of fund assets and must transmit the notation to another officer or director designated by the directors. Lastly, an independent public accountant must verify the fund's assets three times each year, and two of those examinations must be unscheduled.<sup>2</sup>

Rule 17f-2's requirements are designed to safeguard fund assets from loss by requiring certain specific controls when those assets are not placed and maintained in the custody of a bank or other custodian as permitted under section 17(f) of the Investment Company Act of 1940 (15 U.S.C. 80a-17(f)) ("Act") and the rules thereunder. Specifically, the requirement that directors designate access persons is intended to ensure that directors evaluate the trustworthiness of insiders who handle fund assets. The requirements that access persons act jointly in handling fund assets, prepare a written notation of each transaction, and transmit the notation to another designated person are intended to reduce the risk of misappropriation of fund assets by access persons, and to ensure that adequate records are prepared, reviewed by a responsible third person, and available for examination by the Commission. The requirement that auditors verify fund assets without notice twice each year is intended to provide an additional deterrent to the misappropriation of fund assets and to detect any irregularities. Less frequent

<sup>1</sup> The rule generally requires all assets to be deposited in the safekeeping of a "bank or other company whose functions and physical facilities are supervised by Federal or State authority."

<sup>2</sup> The accountant must transmit to the Commission promptly after each examination a certificate describing the examination on Form N-17f-2; the preparation and filing of Form N-17f-2, which largely serves as a cover-sheet for the accountant's certification of their audit, is covered by a separate information collection; the third (scheduled) examination may coincide with the annual verification required for every fund by section 30(g) of the Act (15 U.S.C. 80a-29(g)).

examinations by a fund's accountants could impair the ability of the Commission's examination staff to ascertain the fund's compliance with the rule.

The Commission staff estimates that each fund makes 974 responses and spends an average of 252 hours annually in complying with the rule's requirements.<sup>3</sup> Commission staff estimates that on an annual basis it takes: (i) 0.5 hours of fund accounting personnel at a total cost of \$126 and 1 hour of fund attorney personnel time at a cost of \$484, for a total of 1.5 hours and a cost of \$610 to draft director resolutions;<sup>4</sup> (ii) 0.5 hours of the fund's board of directors at a total cost of \$2,385 to adopt the resolution;<sup>5</sup> (iii) 244 hours for the fund's accounting personnel at a total cost of \$81,086 to prepare written notations of transactions;<sup>6</sup> and (iv) 3 hours for the fund's controller or administrator at a total cost of \$1,704 to assist the independent public accountants when they perform verifications of fund assets.<sup>7</sup> The total of these four requirements would then be 249 hours at a cost of \$84,081 per respondent.<sup>8</sup> Commission staff estimates that approximately 165 funds file Form N-17f-2 each year.<sup>9</sup> Thus, the total annual

<sup>3</sup> The 974 responses are: 1 (one) response to draft and adopt the resolution and 973 notations; estimates of the number of hours are based on conversations with individuals in the fund industry; the actual number of hours may vary significantly depending on individual fund assets.

<sup>4</sup> The estimate relating to fund accounting personnel is based on the following calculation: 0.5 (burden hours per fund) × \$252 (senior accountant's hourly rate) = approximately \$126; unless otherwise indicated, the hourly wage figures used herein are from the Securities Industry and Financial Markets Association's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff 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.

<sup>5</sup> The staff has estimated the average cost of board of director time as \$4,770 per hour, which was last adjusted for inflation through 2019; this is a combined cost for the entire board and assumes an average of 9 board members per board.

<sup>6</sup> Respondents estimated that each fund makes 973 responses on an annual basis and spends a total of 0.25 hours per response; the staff assumes that the fund personnel involved are Accounts Payable Manager (\$237 hourly rate), Senior Operations Manager (\$425 hourly rate) and General Accounting Manager (\$337 hourly rate); the blended average hourly rate of these personnel is \$333 ( $(237 + 425 + 337)/3$ ); the total estimated cost of preparing notations is based on the following calculation:  $974 \times 0.25 \times \$333 = \$81,086$ .

<sup>7</sup> This estimate is based on the following calculation:  $3 \times \$568$  (fund controller's hourly rate) = \$1,704.

<sup>8</sup>  $249 = 0.5 + 1 + 0.5 + 3 + 244$ ;  $\$84,081 = 126 + 484 + \$2,385 + 81,086 + 1,704$ .

<sup>9</sup> On average, each year approximately 165 funds filed Form N-17f-2 with the Commission during

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hour burden for rule 17f-2 is estimated to be 41,085 hours.<sup>10</sup> Based on the total costs per fund listed above, the total cost of rule 17f-2's collection of information requirements is estimated to be approximately \$13,873.<sup>11</sup>

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. Complying with the collections of information required by rule 17f-2 is mandatory for those funds that maintain custody of their own assets. 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.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice by October 3, 2024 to (i) [MBX.OMB.OIRA.SEC\\_desk\\_officer@omb.eop.gov](mailto:MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov) and (ii) Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Oluwaseun Ajayi, 100 F Street NE, Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: August 27, 2024.

**Vanessa A. Countryman,**  
Secretary.

[FR Doc. 2024-19629 Filed 8-30-24; 8:45 am]

**BILLING CODE 8011-01-P**

calendar years 2020–2022; as every fund subject to rule 17f-2 must file Form N-17f-2, we believe this is a good estimate for the number of respondents to the rule.

<sup>10</sup> This estimate is based on the following calculation: 165 (funds) × 249 (total annual hourly burden per fund) = 41,085 hours for rule; the annual burden for rule 17f-2 does not include time spent preparing Form N-17f-2; the burden for Form N-17f-2 is included in a separate collection of information.

<sup>11</sup> This estimate is based on the following calculation: \$84,081 (total annual cost per fund) × 165 funds = \$13,873,365.

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100835; File No. SR-CboeEDGA-2024-033]

### Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Establish Fees for Industry Members Related to Reasonably Budgeted Costs of the National Market System Plan Governing the Consolidated Audit Trail for the Period From July 16, 2024 Through December 31, 2024

August 27, 2024.

Pursuant to Section 19(b)(1) under the Securities Exchange Act of 1934 (the "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 15, 2024, Cboe EDGA Exchange, Inc. (the "Exchange" or "EDGA") filed with the Securities and Exchange Commission (the "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

Cboe EDGA Exchange, Inc. (the "Exchange" or "Cboe EDGA") proposes to adopt a fee schedule entitled "Consolidated Audit Trail Funding Fees"<sup>3</sup> to establish fees for Industry Members<sup>4</sup> related to reasonably budgeted CAT costs of the National Market System Plan Governing the Consolidated Audit Trail (the "CAT NMS Plan" or "Plan") for the period from July 16, 2024 through December 31, 2024. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website ([http://markets.cboe.com/us/equities/regulation/rule\\_filings/edga/](http://markets.cboe.com/us/equities/regulation/rule_filings/edga/)), at the Exchange's Office of the Secretary, 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.

<sup>3</sup> The Exchange and each of its affiliated exchanges (Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe Exchange, Inc., and Cboe EDGX Exchange, Inc.) are filing to adopt this fee schedule.

<sup>4</sup> An "Industry Member" is defined as "a member of a national securities exchange or a member of a national securities association." See Exchange Rule 7.20(u); see also Section 1.1 of the CAT NMS Plan. Unless otherwise specified, capitalized terms used in this rule filing are defined as set forth in the CAT NMS Plan and/or the CAT Compliance Rule. See Exchange Rules 4.5–4.17.

#### 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 July 11, 2012, the Commission adopted Rule 613 of Regulation NMS, which required the self-regulatory organizations ("SROs") to submit a national market system ("NMS") plan to create, implement and maintain a consolidated audit trail that would capture customer and order event information for orders in NMS securities across all markets, from the time of order inception through routing, cancellation, modification or execution.<sup>5</sup> On November 15, 2016, the Commission approved the CAT NMS Plan.<sup>6</sup> Under the CAT NMS Plan, the Operating Committee has the discretion to establish funding for CAT LLC to operate the CAT, including establishing fees for Industry Members to be assessed by CAT LLC that would be implemented on behalf of CAT LLC by the Participants.<sup>7</sup> The Operating Committee adopted a revised funding model to fund the CAT ("CAT Funding Model"). On September 6, 2023, the Commission approved the CAT Funding Model after concluding that the model was reasonable and that it satisfied the requirements of Section 11A of the Exchange Act and Rule 608 thereunder.<sup>8</sup>

The CAT Funding Model provides a framework for the recovery of the costs to create, develop and maintain the CAT, including providing a method for allocating costs to fund the CAT among Participants and Industry Members. The CAT Funding Model establishes two

<sup>5</sup> Securities Exchange Act Rel. No. 67457 (July 18, 2012), 77 FR 45722 (Aug. 1, 2012).

<sup>6</sup> Securities Exchange Act Rel. No. 79318 (Nov. 15, 2016), 81 FR 84696 (Nov. 23, 2016) ("CAT NMS Plan Approval Order").

<sup>7</sup> Section 11.1(b) of the CAT NMS Plan.

<sup>8</sup> Securities Exchange Act Rel. No. 98290 (Sept. 6, 2023), 88 FR 62628 (Sept. 12, 2023) ("CAT Funding Model Approval Order").