

The General Counsel of the Commission, or her designee, has certified that, in her opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the closed meeting will consist of the following topics:

- Institution and settlement of injunctive actions;
- Institution and settlement of administrative proceedings;
- Resolution of litigation claims; and
- Other matters relating to examinations and enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

**CONTACT PERSON FOR MORE INFORMATION:** For further information, please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

*Authority:* 5 U.S.C. 552b.

Dated: June 20, 2024.

**Vanessa A. Countryman,**  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

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

### Proposed Collection; 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") 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 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

<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)).

irregularities. Less frequent 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 (\$333 = (237 + 425 + 337)/3); the total estimated cost of preparing notations is based on the following calculation: 974 × 0.25 × \$333 = \$81,086.

<sup>7</sup> This estimate is based on the following calculation: 3 × \$568 (fund controller's hourly rate) = \$1704.

<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

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.

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 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 August 23, 2024.

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, 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).

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.

Dated: June 17, 2024.

**Sherry R. Haywood,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100356; File No. SR-CboeEDGA-2024-023]

### Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule

June 17, 2024

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 June 10, 2024, Cboe EDGA Exchange, Inc. (“Exchange” or “EDGA”) 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

Cboe EDGA Exchange, Inc. (the “Exchange” or “EDGA”) proposes to amend its Fee Schedule. 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.

#### 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.

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

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

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

#### 1. Purpose

The Exchange proposes to amend its Fee Schedule applicable to its equities trading platform (“EDGA Equities”) by: (1) modifying the description of fee code MT; and (2) modifying the criteria associated with Add Volume Tier 3. The Exchange proposes to implement these changes effective June 3, 2024.<sup>3</sup>

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of 16 registered equities exchanges, as well as a number of alternative trading systems and other off-exchange venues that do not have similar self-regulatory responsibilities under the Securities Exchange Act of 1934 (the “Act”), to which market participants may direct their order flow. Based on publicly available information,<sup>4</sup> no single registered equities exchange has more than 15% of the market share. Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. The Exchange in particular operates a “Taker-Maker” model whereby it pays liquidity and assesses fees to those that add liquidity. The Exchange's Fee Schedule sets forth the standard rebates and rates applied per share for orders that remove and provide liquidity, respectively. Currently, for orders in securities priced at or above \$1.00, the Exchange provides a standard rebate of \$0.0014 per share for orders that remove liquidity and assesses a fee of \$0.0030 per share for orders that add liquidity.<sup>5</sup> For orders in securities priced below \$1.00, the Exchange does not assess any fees or provide any rebates for orders that add or remove liquidity.<sup>6</sup> Additionally, in response to the competitive environment, the Exchange also offers tiered pricing which provides Members opportunities to qualify for

<sup>3</sup> The Exchange initially filed the proposed fee change on June 3, 2024 (SR-CboeEDGA-2024-019). On June 10, 2024, the Exchange withdrew that filing and submitted this proposal.

<sup>4</sup> See Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (May 22, 2024), available at [https://www.cboe.com/us/equities/market\\_statistics/](https://www.cboe.com/us/equities/market_statistics/).

<sup>5</sup> See EDGA Equities Fee Schedule, Standard Rates.

<sup>6</sup> *Id.*