

estimates, our staff estimates that the total annual burden for all funds to comply with rule 31a-2 is 692,120 hours at an estimated cost of \$49,832,640.⁷

The hour burden estimates for retaining records under rule 31a-2 are based on our experience with registrants and our experience with similar requirements under the Act and the rules under the Act. The number of burden hours may vary depending on, among other things, the complexity of the fund, the issues faced by the fund, and the number of series and classes of the fund. The estimated average burden hours are made solely for purposes of the Paperwork Reduction Act and are not derived from quantitative, comprehensive, or even representative survey or study of the burdens associated with our rules and forms.

Based on conversations with representatives of the fund industry and past estimates, our staff estimates that the average cost of preserving books and records required by rule 31a-2 is approximately \$74,782 annually per fund.⁸ As discussed previously, there are 3146 funds currently operating, for a total cost of preserving records as required by rule 31a-2 of approximately \$235,264,172 per year.⁹ Our staff understands, however, based on previous conversations with representatives of the fund industry, that even in the absence of rule 31a-2 funds would already spend approximately half of this amount (\$117,632,086) to preserve these same books and records, as they are also necessary to prepare financial statements, meet various state reporting

2013, modified by Commission staff to account for an 1800-hour work-year and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead.

⁷ This estimate is based on the following calculations: 3146 funds × 220 hours = 692,120 total hours; 692,120 hours/2 = 346,060 hours; 346,060 × \$57 rate per hour for a clerk = \$19,725,420; 346,060 × \$87 rate per hour for a computer operator = \$30,107,220; \$19,725,420 + \$30,107,220 = \$49,832,640 total cost.

⁸ This estimate is based on staff's 2012 estimate of costs of preserving books and records required by rule 31a-2 (\$70,000), adjusted for inflation to January 2015 values using the Personal Consumption Expenditures Chain-Type Price Index ("PCE Index"). The values of the PCE Index are available from the Bureau of Economic Analysis, a bureau of the Department of Commerce. See Bureau of Economic Analysis, Table 2.8.6. Real Personal Consumption Expenditures by Major Type of Product, Monthly, Chained Dollars (Last Revised on March 2, 2015), available at <http://www.bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=3&isuri=1&903=83>. Thus, \$70,000 (2012 estimate) × 11,163.6 (Jan. 2015 PCE Index value)/10,449.7 (2012 PCE Index value) = \$74,782 (Jan. 2015 inflation adjusted estimate).

⁹ This estimate is based on the following calculation: 3146 funds × \$74,782 = \$235,264,172.

requirements, and prepare their annual federal and state income tax returns. Therefore, we estimate that the total annual cost burden for all funds as a result of compliance with rule 31a-2 is approximately \$117,632,086 per year.

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.

The collection of information under rule 31a-2 is mandatory for all funds. 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 will 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 in writing within 60 days of this publication.

Please direct your written comments to Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, C/O Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549; or send an email to: PRA_Mailbox@sec.gov.

Dated: May 20, 2015.

Robert W. Errett,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75013; File No. SR-FINRA-2014-048]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Designation of a Longer Period for Commission Action on Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change to Adopt FINRA Rule 2242 (Debt Research Analysts and Debt Research Reports)

May 20, 2015.

I. Introduction

On November 14, 2014, Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")¹ and Rule 19b-4 thereunder,² a proposed rule to adopt new FINRA Rule 2242 (Debt Research Analysts and Debt Research Reports) to address conflicts of interest relating to the publication and distribution of debt research reports. The proposal was published for comment in the *Federal Register* on November 24, 2014.³ The Commission received five comments on the proposal.⁴ On February 19, 2015, FINRA filed Amendment No. 1 responding to the comments received to the proposal as well as to propose amendments in response to these comments. The proposal, as amended by Amendment No. 1, was published for comment in the *Federal Register* on March 18,

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Exchange Act Release No. 73623 (Nov. 18, 2014); 79 FR 69905 (Nov. 24, 2014). On January 6, 2015, FINRA consented to extending the time period for the Commission to either approve or disapprove the proposed rule change, or to institute proceedings to determine whether to approve or disapprove the proposed rule change, to February 20, 2015.

⁴ Letter from Hugh D. Berkson, Executive Vice President and President-Elect, Public Investors Arbitration Bar Association, to Brent J. Fields, Secretary, SEC, dated Dec. 15, 2014; Letter from Kevin Zambrowicz, Associate General Counsel and Managing Director, and Sean Davy, Managing Director, Securities Industry and Financial Markets Association, to Brent J. Fields, Secretary, SEC, dated Dec. 15, 2014; Letter from Yoon-Young Lee, Wilmer Cutler Pickering Hale and Dorr LLP, to Brent J. Fields, Secretary, SEC, dated Dec. 16, 2014; Letter from William Beatty, President, North American Securities Administrators Association, Inc., Brent J. Fields, Secretary, SEC, dated Dec. 19, 2014; and Letter from Kurt N. Schacht, Managing Director, Standards and Financial Market Integrity, and Linda L. Rittenhouse, Director, Capital Markets Policy, CFA Institute, to Brent J. Fields, Secretary, SEC, dated Feb. 9, 2015.

2015.⁵ On February 20, 2015, the Commission issued an order instituting proceedings pursuant to Section 19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposal. The order was published for comment in the **Federal Register** on February 26, 2015.⁷ The Commission received a further four comments regarding the proceedings or in response to Amendment No. 1,⁸ to which FINRA responded via letter on May 5, 2015.⁹

Section 19(b)(2) of the Act¹⁰ provides that, after initiating approval or disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposal was published for comment in the **Federal Register** on November 24, 2014.¹¹ The 180th day after publication of the notice of the filing of the proposed rule change in the **Federal Register** is May 23, 2015 and the 240th day after publication of the notice of the filing of the proposed rule change in the **Federal Register** is July 22, 2015.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change, including the

matters raised in the comment letters to the proposed rule change.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,¹² designates July 22, 2015 as the date by which the Commission shall either approve or disapprove the proposed rule change (File No. SR-FINRA-2014-048).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-31642; File No. 812-14469]

The Royal Bank of Scotland plc, et al.; Notice of Application and Temporary Order

May 20, 2015.

AGENCY: Securities and Exchange Commission (“Commission”).

ACTION: Temporary order and notice of application for a permanent order under section 9(c) of the Investment Company Act of 1940 (“Act”).

SUMMARY OF APPLICATION: Applicants have received a temporary order (“Temporary Order”) exempting them from section 9(a) of the Act, with respect to a guilty plea entered on May 20, 2015, by the Royal Bank of Scotland plc (“RBS” or the “Settling Firm”) in the United States District Court for the District of Connecticut (the “District Court”) in connection with a plea agreement (“Plea Agreement”) between the Settling Firm and the United States Department of Justice (“DOJ”), until the Commission takes final action on an application for a permanent order (the “Permanent Order,” and with the Temporary Order, the “Orders”). Applicants also have applied for a Permanent Order.

APPLICANTS: RBS and Citizens Investment Advisors (“Citizens IA”) (each an “Applicant” and together, the “Applicants”).

DATES: Filing Date: The application was filed on May 20, 2015.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission’s Secretary and serving

Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on June 15, 2015, and should be accompanied by proof of service on Applicants, in the form of an affidavit, or for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer’s interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary.

ADDRESSES: Secretary, U.S. Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090; Applicants: RBS: RBS, Gogarburn, P.O. Box 1000, Edinburgh, EH12 1HQ, Scotland; Citizens IA: c/o Citizens Bank, N.A., Mail Stop RC 03-30, One Citizens Plaza, Providence, Rhode Island 02903.

FOR FURTHER INFORMATION CONTACT: Parisa Haghshenas, Senior Counsel, Vanessa M. Meeks, Senior Counsel, or Holly Hunter-Ceci, Branch Chief, at (202) 551-6825 (Division of Investment Management, Chief Counsel’s Office).

SUPPLEMENTARY INFORMATION: The following is a temporary order and a summary of the application. The complete application may be obtained via the Commission’s Web site by searching for the file number, or an applicant using the Company name box, at <http://www.sec.gov/search/search.htm>, or by calling (202) 551-8090.

Applicants’ Representations

1. RBS is a company organized under the laws of Scotland and is a wholly-owned subsidiary of The Royal Bank of Scotland Group plc (“RBSG”). RBS and RBSG are international banking and financial services companies that provide a wide range of products and services to customers around the world. RBS and RBSG are both foreign banking organizations for purposes of Section 8 of the International Banking Act of 1978, as amended, and Subpart B of Regulation K, bank holding companies for purposes of the Bank Holding Company Act of 1956, as amended (the “BHC Act”) and financial holding companies for purposes of the BHC Act. Citizens IA is a separately identifiable department of Citizens Bank, N.A., which is an indirect subsidiary of RBSG and bank subsidiary of Citizens Financial Group, Inc.

2. Citizens IA is an investment adviser registered under the Investment Advisers Act of 1940, as amended. Citizens IA serves as investment sub-

⁵ Exchange Act Release No. 74490 (Mar. 12, 2015); 80 FR 14198 (Mar. 18, 2015).

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ Exchange Act Release No. 74340 (Feb. 20, 2015); 80 FR 10538 (Feb. 26, 2015). Specifically, the Commission instituted proceedings to allow for additional analysis of the proposed rule change’s consistency with Section 15A(b)(9) of the Act, which requires that FINRA’s rules be designed to, among other things, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. *See id.*

⁸ Letter from Stephanie R. Nicholas, WilmerHale, dated Apr. 6, 2015, Letter from Kurt N. Schacht, Managing Director, Standards and Financial Market Integrity, and Linda L. Rittenhouse, Director, Capital Markets Policy, CFA Institute, to Brent J. Fields, Secretary, SEC, dated April 7, 2015, an anonymous comment dated Apr. 8, 2015, and Letter from William Beatty, President and Washington (State) Securities Administrator, North American Securities Administrators Association, Inc., dated Apr. 17, 2015.

⁹ Letter from Philip Shaikun, Vice President and Associate General Counsel, FINRA, dated May 5, 2015.

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ *See supra* note 3 and accompanying text.

¹² 15 U.S.C. 78s(b)(2).

¹³ 17 CFR 200.30-3(a)(57).