

registration under the U.S. securities laws, and also to disclose prominently that the fund that issued the securities is not registered with the Commission. The burden under the rule associated with adding this disclosure to written offering documents is minimal and is non-recurring. The foreign issuer, underwriter, or broker-dealer can redraft an existing prospectus or other written offering material to add this disclosure statement, or may draft a sticker or supplement containing this disclosure to be added to existing offering materials. In either case, based on discussions with representatives of the Canadian fund industry, the staff estimates that it would take an average of 10 minutes per document to draft the requisite disclosure statement.

The staff estimates that there are 3,164 publicly offered Canadian funds that potentially would rely on the rule to offer securities to participants and sell securities to their Canadian retirement accounts without registering under the Investment Company Act.<sup>5</sup> The staff estimates that all of these funds have previously relied upon the rule and have already made the one-time change to their offering documents required to rely on the rule. The staff estimates that 158 (5 percent) additional Canadian funds would newly rely on the rule each year to offer securities to Canadian-U.S. Participants and sell securities to their Canadian retirement accounts, thus incurring the paperwork burden required under the rule. The staff estimates that each of those funds, on average, distributes 3 different written offering documents concerning those securities, for a total of 474 offering documents. The staff therefore estimates that 158 respondents would make 474 responses by adding the new disclosure statement to 474 written offering documents. The staff therefore estimates that the annual burden associated with the rule 7d-2 disclosure requirement would be 79 hours (474 offering documents × 10 minutes per document). The total annual cost of these burden hours is estimated to be \$30,020 (79 hours × \$380 per hour of attorney time).<sup>6</sup>

<sup>5</sup> Investment Company Institute, 2015 Investment Company Fact Book (2015) at 238, tbl. 66.

<sup>6</sup> The Commission's estimate concerning the wage rate for attorney time is based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association ("SIFMA"). The \$380 per hour figure for an attorney is from SIFMA's *Management & Professional Earnings in the Securities Industry 2013*, modified by Commission staff to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead.

These burden hour estimates are based upon the Commission staff's experience and discussions with the fund industry. The estimates of average burden hours are made solely for the purposes of the Paperwork Reduction Act. These estimates are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules.

Compliance with the collection of information requirements of the rule is mandatory and is necessary to comply with the requirements of the rule in general. 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 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 burdens of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burdens 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, Chief Information Officer, Securities and Exchange Commission, C/O Remi Pavlik-Simon, 100 F St. NE., Washington, DC 20549; or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: March 17, 2016.

**Robert W. Errett,**  
Deputy Secretary.

[FR Doc. 2016-06412 Filed 3-21-16; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77378; File No. SR-NASDAQ-2016-037]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Transaction Fees at Rule 7018(a)

March 16, 2016.

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 7, 2016, The NASDAQ Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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 the Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's transaction fees at Rules 7018(a)(2) and (3) to provide a new credit to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity in Tape A and B securities.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaq.cchwallstreet.com>, at the principal office of the Exchange, 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.

##### 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 Rule 7018(a)(2) and (3), concerning the fees and credits provided for the use of the order execution and routing services of the Nasdaq Market Center by members for all securities priced at \$1 or more that it trades. The Exchange is proposing to provide a new credit to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) that provide liquidity in

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

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

Tape<sup>3</sup> A and B securities in addition to other credits provided under Rules 7018(a)(2) and (3) for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders).

Currently under Rules 7018(a)(2) and (3), the Exchange provides credits ranging from \$0.0020 per share executed to \$0.00305 per share executed to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) if they qualify by meeting the requirements of the various credit tiers under the rules.

The Exchange is proposing to provide a new \$0.0001 per share executed credit that would be provided to members for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) in Tape A and B securities if they have shares of liquidity provided in all securities during the month representing at least 0.2% of Consolidated Volume<sup>4</sup> during the month, through one or more of its Nasdaq Market Center MPIDs.

As noted, this rebate will be provided in addition to other displayed liquidity credits that a member qualifies for under Rules 7018(a)(2) and (3), and will also be provided in addition to any rebates that a member qualifies for under the ISP, NBBO, and QMM programs under Rule 7014. The proposed rebate, however, will not be additive to LMM rebates under Rule 7014 or Designated Retail Order credits under Rule 7018.

The Exchange is implementing the proposed credit on March 7, 2016, at which time any member that qualifies will begin to receive the credit. The measurement period for the Consolidated Volume required to qualify for the new credit will initially be calculated based on such volume provided from March 7, 2016 through March 31, 2016, and then monthly thereafter. For example, a member with shares of liquidity provided in all securities through one or more of its Nasdaq Market Center MPIDs that

<sup>3</sup> There are three categories, or "Tapes" of securities, which are based on listing venue. Tape A securities are those that are listed on NYSE, Tape B securities are those that are listed on exchanges other than Nasdaq or NYSE, and Tape C securities are those that are listed on the Exchange.

<sup>4</sup> Consolidated Volume is the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity, expressed as a percentage of or ratio to Consolidated Volume, the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity. See Rule 7018(a).

represent more than 0.10% of Consolidated Volume during the month would qualify for a \$0.0025 per share executed credit under Rule 7018(a). If the member provides 0.21% of Consolidated Volume from March 7, 2016 through March 31, 2016 it would qualify for the new \$0.0001 additional per share executed credit. The member's credit for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) in Tape A and B securities from March 1, 2016 through March 4, 2016 would be \$0.0025 per share executed, and from March 7, 2016 through March 31, 2016 would be \$0.0026 per share executed (\$0.0025 credit + \$0.0001 credit). If a member did not provide 0.2% of Consolidated Volume from March 7, 2016 through March 31, 2016 the member would not qualify for the additional \$0.0001 credit. This is true regardless of the percent of Consolidated Volume provided for the whole month of March.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with section 6(b) of the Act<sup>5</sup> in general, and furthers the objectives of sections 6(b)(4) and 6(b)(5) of the Act<sup>6</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the Exchange operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed new credit is reasonable because it may provide incentive to members to increase the level of liquidity provided to the Exchange, which will in turn benefit all market participants. Providing credits for displayed quotes/orders (other than Supplemental Orders or Designated Retail Orders) rewards members for improving the market through displayed liquidity. As such, the Exchange believes that providing an additional credit for such liquidity is reasonable.

The Exchange also believes that it is reasonable to limit the credit to only quotes/orders in Tape A and B securities because the Exchange has observed a decline in overall volume on the Exchange in Tape A and B securities in comparison to Tape C securities, and is thus providing incentive to members to provide displayed liquidity in Tape A and B securities.

Further, the Exchange has limited funds with which to apply in the form

of incentives, and thus must deploy those limited funds to incentives that it believes will be the most effective and improve market quality in areas that the Exchange determines are in need of improvement. The Exchange believes that the proposed increased credit is an equitable allocation and is not unfairly discriminatory because the Exchange will provide the credit to all members that qualify for it under the rule.

## 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. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the proposed new credit for displayed liquidity in Tape A and B securities is reflective of robust competition among exchanges and other trading venues and does not place any burden on competition whatsoever. The credit is designed to provide additional incentive to members to enter displayed quotes and orders in Tape A and B securities traded on the Exchange, which are most in need of improvement. To the extent the incentive is successful; it will benefit all market participants trading in such securities on the Exchange.

Last, although the Exchange does not believe the proposed changes will be unattractive to market participants, if the changes were unattractive then it is likely that the Exchange would lose market share as a result. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(4) and (5).

*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 has become effective pursuant to section 19(b)(3)(A)(ii) of the Act.<sup>7</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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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 Number SR-NASDAQ-2016-037 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-NASDAQ-2016-037. 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 Web site (<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 Web site 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 such filing also will be available for inspection and copying at the principal offices of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NASDAQ-2016-037, and should be submitted on or before April 12, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-06338 Filed 3-21-16; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**Sunshine Act Meeting**

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold a Closed Meeting on Thursday, March 24, 2016 at 2:00 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters also may be present.

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. 552(b)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matter at the Closed Meeting.

Chair White, as duty officer, voted to consider the items listed for the Closed Meeting in closed session.

The subject matter of the Closed Meeting will be:

Institution and settlement of injunctive actions;  
Institution and settlement of administrative proceedings;  
Post Argument Discussion;

Opinion; and  
Other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 551-5400.

Dated: March 17, 2016.

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2016-06516 Filed 3-18-16; 11:15 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. IC-32030; File No. 812-14586]

**Principal Life Insurance Company, et al., Notice of Application**

March 17, 2016.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice of application for an order approving the substitution of certain securities pursuant to Section 26(c) of the Investment Company Act of 1940 (the "Act").

*Applicants:* Principal Life Insurance Company ("PLIC"), Principal National Life Insurance Company ("PNL") (PLIC and PNL are each an "Insurance Company" and together, the "Insurance Companies"), Principal Life Insurance Company Variable Life Separate Account ("PLIC Variable Life Separate Account"), and Principal National Life Insurance Company Variable Life Separate Account ("PNL Variable Life Separate Account") (PLIC Variable Life Separate Account and PNL Variable Life Separate Account are each a "Separate Account" and together, the "Separate Accounts").

*Summary of Application:* Applicants seek an order pursuant to Section 26(c) of the Act approving the substitution of shares of Fidelity Variable Insurance Products Fund V Government Money Market Portfolio (the "Replacement Fund") for shares of Principal Variable Contracts Funds, Inc. Money Market Account (the "Existing Fund") held by the Separate Accounts to support variable life insurance contracts (each, a "Contract" and collectively, the "Contracts") issued by the Insurance Companies.

*Filing Dates:* The application was filed on December 9, 2015, and amended on February 29, 2016, March 8, 2016, and March 14, 2016.

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>8</sup> 17 CFR 200.30-3(a)(12).