

The purchase of Creation Units by a Fund of Funds directly from a Fund will be accomplished in accordance with the policies of the Fund of Funds and will be based on the NAVs of the Funds.

9. Applicants also request relief to permit a Feeder Fund to acquire shares of another registered investment company managed by the Adviser having substantially the same investment objectives as the Feeder Fund (“Master Fund”) beyond the limitations in section 12(d)(1)(A) and permit the Master Fund, and any principal underwriter for the Master Fund, to sell shares of the Master Fund to the Feeder Fund beyond the limitations in section 12(d)(1)(B).

10. Section 6(c) of the Act permits the Commission to exempt any persons or transactions from any provision of the Act if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Section 12(d)(1)(J) of the Act provides that the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision of section 12(d)(1) if the exemption is consistent with the public interest and the protection of investors. Section 17(b) of the Act authorizes the Commission to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that (a) the terms of the proposed transaction are fair and reasonable and do not involve overreaching on the part of any person concerned; (b) the proposed transaction is consistent with the policies of each registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act.

For the Commission, by the Division of Investment Management, under delegated authority.

**Eduardo A. Aleman,**  
*Deputy Secretary.*

[FR Doc. 2018-27128 Filed 12-13-18; 8:45 am]

**BILLING CODE 8011-01-P**

for, and the requested relief will not apply to, transactions where a Fund could be deemed an Affiliated Person, or a Second-Tier Affiliate, of a Fund of Funds because an investment adviser to the Funds is also an investment adviser to a Fund of Funds.

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84775; File No. SR-NYSE-2018-57]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Certain of Its Listing Fees

December 10, 2018.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on November 29, 2018, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III 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

The Exchange proposes to amend certain of its listing fees. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.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 self-regulatory organization 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 those 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 parts of such statements.

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

###### 1. Purpose

The Exchange proposes to amend certain of its listing fees set forth in Chapter 9 of the Manual, in each case

with effect from the beginning of the calendar year commencing on January 1, 2019.

The annual fee set forth in Section 902.03 of the Manual will increase from \$0.00108 per share to \$0.0011 per share for each of the following: A primary class of common shares (including Equity Investment Tracking Stocks); each additional class of common shares (including tracking stock), a primary class of preferred stock (if no class of common shares is listed); each additional class of preferred stock (whether the primary class is common or preferred stock); and each class of warrants. In addition, the minimum annual fee will be increased from \$65,000 to \$68,000 for each of (i) a primary class of common shares (including Equity Investment Tracking Stocks) and (ii) a primary class of preferred stock (if no class of common shares is listed).

The Exchange proposes to amend the annual fee schedule for structured products set forth in Section 902.05 of the Manual and for short term securities set forth in Section 902.06. In each case, the annual fee per share will increase from \$0.00108 to \$0.0011 per share. The minimum annual fee will increase from \$25,000 to \$35,000 for securities listed under Sections 902.05 and 902.06 (except for warrants to purchase equity securities, which will remain \$5,000). In addition, the Exchange proposes to amend the provision in Section 902.02 relating to the \$500,000 Total Maximum Fee by including annual fees paid for all structured products in calculating the Total Maximum Fee. The Exchange notes that retail debt securities are already included in the Total Maximum Fee calculation. Historically many listed structured products were financial products issued by banks and other financial institutions so there was a reasonable basis for excluding them from the benefits of the Total Maximum Fee provision. Today, however, most structured products listed on the Exchange are issued by listed companies for similar financing reasons to those for which they issue retail debt, so it is reasonable to treat them the same for purposes of the Total Maximum Fee calculation.

The Exchange proposes to make an adjustment to the Investment Management Entity Group Fee Discount set forth in Section 902.02 of the Manual. The Investment Management Entity Group Fee Discount is currently based on all annual and listing fees paid by the Investment Management Entity and its Eligible Portfolio Companies in the applicable calendar year. The Exchange proposes to amend the

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

discount by applying it only to annual fees incurred as of January 1 of the applicable year.<sup>4</sup> The current approach is logistically difficult for Exchange staff and the benefitting companies, as the size and proportionate share of the discount received by each company cannot be calculated until year-end, as it must reflect the effect of supplemental listing fees incurred for issuances of new shares during the course of the year in addition to annual fees. A discount based on annual fee bills incurred on January 1 will be more transparent and predictable and will enable the Exchange to reduce the benefitting companies' bills at the beginning of the year rather than charging them in full and giving them a credit for the discount at year-end. In connection with this modification, the Exchange also proposes to modify the manner in which a company qualifies as an Eligible Portfolio Company to reflect the fact that the benefits—and therefore Eligible Portfolio Company Status—will be determined at the beginning of the applicable year. As such, for calendar 2019 and subsequent years, a company will be an Eligible Portfolio Company if it was listed on the Exchange as of the first trading day of such calendar year. In order to qualify for the Investment Management Entity Group Fee Discount in calendar 2019 or any subsequent year, an issuer must submit satisfactory proof to the Exchange no later than the first trading day of such calendar year that it meets the ownership requirements specified above.<sup>5</sup>

As described below, the Exchange proposes to make the aforementioned fee increases to better reflect the Exchange's costs related to listing equity securities and the corresponding value of such listing to issuers.

The Exchange also proposes to remove a number of references in Chapter 9 to fees that are no longer applicable as they were superseded by new fee rates specified in the rule text or refer to fees that are no longer applicable.

<sup>4</sup> The Investment Management Entity Group Fee Discount is limited to \$500,000 per year for any Investment Management Entity and its Eligible Portfolio Companies and, in the Exchange's experience, each group of companies utilizing the discount has benefited from the maximum \$500,000 amount. The Exchange expects that all groups of companies utilizing the discount will continue to benefit from the maximum discount in the future based solely on their annual fee obligations.

<sup>5</sup> Under the current rule, a company qualifies for the Investment Management Entity Group Fee Discount in any calendar year by submitting satisfactory proof to the Exchange no later than December 31 that it has met the ownership requirements specified above for the entire period between January 1 and September 30 of that year.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(4)<sup>7</sup> of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges. The Exchange also believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>8</sup> in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to 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 and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that it is not unfairly discriminatory and represents an equitable allocation of reasonable fees to amend Chapter Nine of the Manual to increase the various listing fees as set forth above because of the increased costs incurred by the Exchange since it established the current rates. In that regard, the Exchange notes that its general costs have increased since its most recent fee adjustments, including due to price inflation. In addition, the Exchange continues to improve and increase the services it provides to listed companies. These improvements include the continued development and enhancement of an interactive web-based platform designed to improve communication between the Exchange and listed companies, the availability to listed companies of the Exchange's new state-of-the-art conference facilities at 11 Wall Street, and continued development of an investor relations tool available to all listed companies which provides companies with information enabling them to better understand the trading and ownership of their securities and the cost of providing content for inclusion in that tool.

The inclusion of all structured products in the Total Maximum Fee calculation is not unfairly discriminatory and represents an equitable allocation of reasonable fees, as retail debt securities are already included in the Total Maximum Fee calculation. Most listed structured products are issued by listed companies

for similar financing reasons to those for which they issue retail debt, so it is reasonable, equitable and not unfairly discriminatory to treat them the same for purposes of the Total Maximum Fee calculation.

The adjustments to the Investment Management Entity Group Fee Discount are not unfairly discriminatory and represent an equitable allocation of reasonable fees, because a discount based on annual fee bills incurred on January 1 will be more transparent and predictable and will enable the Exchange to reduce the benefitting companies' bills at the beginning of the year rather than charging them in full and giving them a credit for the discount at year-end. The proposed amendment is not unfairly discriminatory because the eligible fees and the test for receiving the benefits of the discount will be the same for all listed companies.

The above fee changes are not unfairly discriminatory because the same fee schedule will apply to all listed issuers. Further, the Exchange operates in a competitive environment and its fees are constrained by competition in the marketplace. Other venues currently list all of the categories of securities covered by the proposed fees and if a company believes that the Exchange's fees are unreasonable it can decide either not to list its securities or to list them on an alternative venue.

The proposed removal of text relating to fees that are no longer applicable is ministerial in nature and has no substantive effect.

## *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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is designed to ensure that the fees charged by the Exchange accurately reflect the services provided and benefits realized by listed companies. The market for listing services is extremely competitive. Each listing exchange has a different fee schedule that applies to issuers seeking to list securities on its exchange. Issuers have the option to list their securities on these alternative venues based on the fees charged and the value provided by each listing. Because issuers have a choice to list their securities on a different national securities exchange, the Exchange does not believe that the proposed fee changes impose a burden on competition.

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

<sup>7</sup> 15 U.S.C. 78f(b)(4).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were solicited or received with respect to the proposed rule change.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>9</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>10</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such 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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>11</sup> of the Act to determine whether the proposed rule change 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-NYSE-2018-57 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-NYSE-2018-57. 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 (<http://www.sec.gov/>

[rules/sro.shtml](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 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 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2018-57 and should be submitted on or before January 4, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2018-27084 Filed 12-13-18; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No 34-84771; File No. SR-NSCC-2018-012]

**Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Certain Fees Relating to Mutual Fund Services, and Insurance and Retirement Processing Services**

December 10, 2018.

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 November 26, 2018, National Securities Clearing Corporation ("NSCC") 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 clearing agency. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rules 19b-4(f)(2) and (f)(4) thereunder.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change**

The proposed rule change consists of modifications to Addendum A (Fee Structure) ("Addendum A") of NSCC's Rules & Procedures ("Rules") in order to make certain adjustments and clarifications in the fee provisions for NSCC's Mutual Fund Services ("MFS") and Insurance and Retirement Processing Services ("I&RS"), as described below.<sup>5</sup>

**II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the clearing agency 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 clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

*(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

1. Purpose

The purpose of this proposed rule change is to reduce certain fees for MFS and I&RS set forth in Addendum A as described below, in order to better align fees with the costs of services provided by NSCC by reducing the fees so that the revenue received by NSCC would be closer to the costs of providing the services. In addition, certain fee reductions as described below are also intended to incentivize greater use of certain MFS and I&RS products. The proposed rule change would also clarify the description of certain fees as described below to improve clarity and transparency of the Rules. NSCC expects the proposed rule change would result in a decrease in revenue of

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

<sup>4</sup> 17 CFR 240.19b-4(f)(2) and (f)(4).

<sup>5</sup> Capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in the Rules, available at [http://dtcc.com/-/media/Files/Downloads/legal/rules/nsccl\\_rules.pdf](http://dtcc.com/-/media/Files/Downloads/legal/rules/nsccl_rules.pdf).

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(2).

<sup>11</sup> 15 U.S.C. 78s(b)(2)(B).

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

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

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