

the basis for the findings. All such records will be maintained for the life of the Fund and at least six years thereafter and will be subject to examination by the Commission and its staff.<sup>9</sup>

2. The General Partner of each Fund will adopt, and periodically review and update, procedures designed to ensure that reasonable inquiry is made, prior to the consummation of any Section 17 Transaction, with respect to the possible involvement in the transaction of any affiliated person or promoter of or principal underwriter for the Fund or any affiliated person of such person, promoter or principal underwriter.

3. The General Partner of each Fund will not invest the funds of the Fund in any investment in which an Affiliated Co-Investor (as defined below) has acquired or proposes to acquire the same class of securities of the same issuer and where the investment transaction involves a joint enterprise or other joint arrangement within the meaning of rule 17d-1 in which the Fund and an Affiliated Co-Investor are participants (each such investment, a "Rule 17d-1 Investment"), unless any such Affiliated Co-Investor, prior to disposing of all or part of its investment, (i) gives the General Partner sufficient, but not less than one day's, notice of its intent to dispose of its investment, and (ii) refrains from disposing of its investment unless the Fund has the opportunity to dispose of the Fund's investment prior to or concurrently with, on the same terms as and pro rata with, the Affiliated Co-Investor.<sup>10</sup> The term "Affiliated Co-Investor" with respect to any Fund means any person who is (i) an "affiliated person" (as such term is defined in section 2(a)(3) of the Act) of the Fund (other than a Third Party Fund), (ii) Lazard, (iii) an officer or director of Lazard, (iv) an Eligible Employee, or (v) an entity (other than a Third Party Fund) in which Lazard acts as a general partner or has a similar capacity to control the sale or other disposition of the entity's securities. The restrictions contained in this condition, however, shall not be deemed to limit or prevent the disposition of an investment by an Affiliated Co-Investor (i) to its direct or

indirect wholly owned subsidiary, to any company (a "Parent") of which the Affiliated Co-Investor is a direct or indirect wholly owned subsidiary or to a direct or indirect wholly owned subsidiary of its Parent, (ii) to immediate family members of the Affiliated Co-Investor or a trust or other investment vehicle established for any Affiliated Co-Investor or any such immediate family member, or (iii) when the investment is comprised of securities that are (a) listed on a national securities exchange registered under section 6 of the Exchange Act, (b) NMS stocks pursuant to section 11A(a)(2) of the Exchange Act and rule 600(a) of Regulation NMS thereunder, (c) government securities as defined in section 2(a)(16) of the Act or other securities that meet the definition of "Eligible Security" in rule 2a-7 under the Act, or (d) listed or traded on any foreign securities exchange or board of trade that satisfies regulatory requirements under the law of the jurisdiction in which such foreign securities exchange or board of trade is organized similar to those that apply to a national securities exchange or a national market system for securities.

4. Each Fund and its General Partner will maintain and preserve, for the life of each Fund and at least six years thereafter, such accounts, books and other documents constituting the record forming the basis for the audited financial statements that are to be provided to the investors in the Fund, and each annual report of the Fund required to be sent to the investors, and agree that all such records will be subject to examination by the Commission and its staff.<sup>11</sup>

5. Within 120 days after the end of each fiscal year of each Fund, or as soon as practicable thereafter, the General Partner of each Fund will send to each Investor having an Interest in the Fund at any time during the fiscal year then ended Fund financial statements audited by the Fund's independent accountants. At the end of each fiscal year, the General Partner will make or cause to be made a valuation of all of the assets of the Fund as of such fiscal year end in a manner consistent with customary practice with respect to the valuation of assets of the kind held by the Fund. In addition, within 120 days after the end of each fiscal year of each Fund (or as soon as practicable thereafter) the General Partner will send a report to each person who was an Investor at any time during the fiscal

year then ended, setting forth such tax information as shall be necessary for the preparation by the Investor of that person's federal and state income tax returns and a report of the investment activities of the Fund during that fiscal year.

6. If a Fund makes purchases or sales from or to an entity affiliated with the Fund by reason of an officer, director or employee of Lazard (i) serving as an officer, director, general partner, manager or investment adviser of the entity (other than an entity that is an Aggregation Vehicle), or (ii) having a 5% or more investment in the entity, such individual will not participate in the Fund's determination of whether or not to effect the purchase or sale.

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

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 2019-26407 Filed 12-6-19; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

**TIME AND DATE:** 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 Small Business Capital Formation Advisory Committee on Small and Emerging Companies will hold a public telephonic meeting on Wednesday, December 11, 2019 at 11:00 a.m. (ET).

**PLACE:** The meeting will be conducted by telephonic conference call. There will be no physical meeting place. Members of the public may listen to the live audiocast of the telephonic meeting on the Commission's website at [www.sec.gov](http://www.sec.gov).

**STATUS:** The meeting will begin at 11:00 a.m. (ET) and will be open to the public. Members of the public may listen to the live audiocast of the telephonic meeting on the Commission's website at [www.sec.gov](http://www.sec.gov).

**MATTERS TO BE CONSIDERED:** On November 26, 2019, the Commission published notice of the Committee meeting (Release No. 33-10729), indicating that the meeting is open to the public and inviting the public to submit written comments to the Committee. This Sunshine Act notice is being issued because a majority of the Commission may attend the meeting.

The agenda for the meeting includes matters relating to rules and regulations

<sup>9</sup> Each Fund will preserve the accounts, books and other documents required to be maintained in an easily accessible place for the first two years.

<sup>10</sup> If a Fund invests in a Rule 17d-1 Investment through an Aggregation Vehicle, the requirements of clauses (i) and (ii) of this sentence shall apply to both the Affiliated Co-Investor's disposition of such Rule 17d-1 Investment and, if the Affiliated Co-Investor also holds a Rule 17d-1 Investment through such Aggregation Vehicle, its disposition of all or part of its investment in the Aggregation Vehicle.

<sup>11</sup> Each fund will preserve the accounts, books, and other documents required to be maintained in an easily accessible place for the first two years.

affecting small and emerging companies under the federal securities laws.

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

Dated: December 4, 2019.

**Vanessa A. Countryman,**

Secretary.

[FR Doc. 2019-26509 Filed 12-5-19; 11:15 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87649; File No. SR-LCH SA-2019-011]

### Self-Regulatory Organizations; LCH SA; Notice of Filing of Proposed Rule Change Relating to Amendments to CDS Clearing Supplement To Reflect the ISDA NTCE Protocol and Supplement

December 3, 2019.

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 21, 2019, Banque Centrale de Compensation, which conducts business under the name LCH SA (“LCH SA”), filed with the Securities and Exchange Commission (“Commission”) the proposed rule change described in Items I, II and III below, which Items have been prepared by LCH SA. 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

Banque Centrale de Compensation, which conducts business under the name LCH SA (“LCH SA”), is proposing to amend its CDS Clearing Supplement (“Supplement”) to incorporate new terms and to make conforming, clarifying, and clean-up changes intended to: (1) Incorporate the ISDA 2019 Narrowly Tailored Credit Event Protocol (the “NTCE Protocol”) into the Supplement, allowing parties to amend their legacy transactions to incorporate the 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions (the “NTCE Supplement”); and (2) make certain clarifications as to the notion of Outstanding Principal Balance, which shall always have the meaning set out in the ISDA 2003 and ISDA 2014 Credit

Derivatives Definitions. Capitalized terms not defined or modified in this rule proposal will have the same meaning as in LCH SA’s existing Rule Book, Supplement, or Procedures.

The text of the proposed rule change has been annexed as Exhibit 5.<sup>3</sup>

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

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

##### A. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

LCH SA is proposing to amend its Supplement to reflect the NTCE Protocol, and the NTCE Supplement amending the 2014 ISDA Credit Derivatives Definitions addressing narrowly tailored credit events (“NTCEs”). NTCEs are arrangements with corporations that cause a credit event leading to settlement of CDS contracts while minimizing the impact on the corporation.

ISDA published a statement from its Board of Directors in April 2018 noting concerns with the impact of such events on the efficiency, reliability and fairness of the overall CDS market. The NTCE Protocol, due for implementation on 27 January 2020, incorporates the terms of the NTCE Supplement for legacy uncleared in-scope single name and index transactions to match the new trading standard. Yet, CCPs are expected to reflect the NTCE Protocol changes to the transactions they clear by an amendment to their clearing rules, and the final implementation date will be aligned so that the changes will go into effect for trades cleared at different CCPs and for uncleared trades at the same time.

As such, LCH SA has determined to file this proposed rule change in order to, among other things, amend its CDS Clearing Supplement to reflect the changes brought by the NTCE Protocol and NTCE Supplement. Such changes will therefore be incorporated for new trades on corporate and financial

Reference Entities by updating the ISDA Credit Derivatives Physical Settlement Matrix.

###### (a) Amendments To Reflect the NTCE Protocol for Cleared Transactions

The updated CDS Clearing Rules will permit Clearing Members to match the new trading standard for their Index Cleared Transactions and their Single Name Cleared Transactions, without the need for LCH SA to adhere to the NTCE Protocol. To implement the ISDA NTCE Protocol and NTCE Supplement, the Supplement will be amended by adding new and amending existing provisions as described below.

In support of the above matter, LCH SA will add new provisions to the Supplement in each of Part B & Part C. Each of these changes in these two sections are substantially similar.

For Index Cleared Transactions and Single Name Transactions incorporating the 2014 ISDA Credit Derivatives Definitions:

- Part B, Section 1.2 Terms defined in the CDS Clearing Supplement—the definition of Index Cleared Transaction Confirmation will be updated with the date of the amended confirmation as published by Markit Group Limited, both for references Markit iTraxx® Europe Index Series 22 or above (a) and Markit CDX™ Index Series 23 or above (b);

- Part B, Section 2.2 (g) and (h) will be added to the Supplement—The Index Cleared Transaction Confirmation will be amended for NTCE Protocol covered transactions by making the notions of Credit Deterioration Requirement and Fallback Discounting applicable, in accordance with the Relevant Physical Settlement Matrix and amended confirmation as published by Markit Group Limited;

- Part B, Section 2.3 (h) and (i) will be added to the Supplement—The Single Name Cleared Transaction Confirmation will be amended for NTCE Protocol covered transactions by making the notions of Credit Deterioration Requirement and Fallback Discounting applicable, in accordance with the Relevant Physical Settlement Matrix and amended confirmation as published by Markit Group Limited;

- Part B, Section 2.4 (e) will be added to the Supplement—The amendments brought by the NTCE Protocol and subsequent NTCE Supplement to the 2014 ISDA Credit Derivatives Definitions shall only be applicable where the Protocol Effectiveness Condition, as defined in the NTCE Protocol, is satisfied;

- Part B, APPENDIX XIII, Section 2.6 will be added to the Supplement—

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

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

<sup>3</sup> All capitalized terms not defined herein have the same definition as the Rule Book, Supplement or Procedures, as applicable.