

disclosure that describes their material rules, policies, and procedures regarding their legal, governance, risk management, and operating framework, accurate in all material respects at the time of publication.<sup>37</sup> Section 4.1 of the Framework currently describes how the Clearing Agencies provide their respective participants with information and incentives to enable them, and, through them, their customers, to understand, monitor, manage and contain the risks they pose to the respective Clearing Agencies, and identifies some of the tools the Clearing Agencies provide to their participants to facilitate this understanding. The proposed rule change would revise Section 4.1 of the Framework to state that those tools and activities support the Clearing Agencies' compliance with Rule 17Ad-22(e)(23) under the Act.<sup>38</sup> By describing these actions, including the publication of disclosure frameworks and quantitative disclosures, the Clearing Agencies believe that the proposed change to the Risk Management Framework is consistent with Rule 17Ad-22(e)(23).<sup>39</sup>

*(B) Clearing Agency's Statement on Burden on Competition*

The Clearing Agencies do not believe that the proposed changes to the Framework described above would have any impact, or impose any burden, on competition. As described above, the proposed rule changes would improve the comprehensiveness of the Framework by including a description of the Clearing Agencies' compliance with Rule 17Ad-22(e)(22) under the Act and would also improve the clarity and accuracy of the descriptions of certain matters within the Framework. Therefore, the proposed changes are technical and non-material in nature, relating mostly to the operation of the Framework rather than the risk management functions described therein. As such, the Clearing Agencies do not believe that the proposed rule changes would have any impact on competition.

*(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

The Clearing Agencies have not solicited or received any written comments relating to this proposal. The Clearing Agencies will notify the Commission of any written comments received by the Clearing Agencies.

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

Because the foregoing proposed rule change does not:

- (i) Significantly affect the protection of investors or the public interest;
- (ii) impose any significant burden on competition; and
- (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>40</sup> and Rule 19b-4(f)(6) thereunder.<sup>41</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 necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**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-DTC-2020-009 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to File Number SR-DTC-2020-009. 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>). 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 DTC and on DTCC's website (<http://dtcc.com/legal/sec-rule-filings.aspx>). 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-DTC-2020-009 and should be submitted on or before August 5, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>42</sup>

**J. Matthew DeLesDernier,**  
Assistant Secretary.

[FR Doc. 2020-15206 Filed 7-14-20; 8:45 am]

BILLING CODE 8011-01-P

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-89268; File No. SR-LCH SA-2020-002]

**Self-Regulatory Organizations; LCH SA; Notice of Filing of Proposed Rule Change, as Modified by Amendment No. 1, Relating to Introduction of Clearing of the New Markit iTraxx MSCI ESG Screened Europe Index Contracts**

July 9, 2020.

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 26, 2020, 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 primarily by LCH SA. On July 8, 2020, LCH SA filed Amendment No. 1 to the proposed rule change. The Commission is publishing this notice to solicit comments on the proposed rule change as modified by

<sup>37</sup> 17 CFR 240.17Ad-22(e)(23).

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>41</sup> 17 CFR 240.19b-4(f)(6).

<sup>42</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.

Amendment No. 1 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 the Amendment 1 to the filing LCH SA-2020-002 in order to (i) explain the few minor clarifications made below with respect to both sections 3.2 and 3.8 and also remove (ii) the non-relevant change made to the Legal Entity Identifier Margin in section 6.2 of its Reference Guide: CDS Margin Framework.

LCH SA is proposing to amend its Reference Guide: CDS Margin Framework to permit the clearing of iTraxx MSCI ESG Screened Europe index contracts. As further detailed below, LCH SA is also making a number of other minor changes unrelated to the clearing of iTraxx MSCI ESG Screened Europe index CDS transactions.

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 Reference Guide: CDS Margin Framework in order to introduce clearing of the iTraxx MSCI ESG Screened Europe index CDS transactions.

Markit launched the iTraxx MSCI ESG Screened Europe Index ("iTraxx ESG Index") on March 20th, 2020. This index is a subset of the iTraxx Europe Main index. The constituents of the iTraxx MSCI ESG Screened Europe index must meet various Corporate Responsibility Criteria. The first series that launched on March 20th, 2020 (Series 33) has 81 constituents, all are

constituents of the iTraxx Europe Main index Series 33.

To permit participants to submit for clearing iTraxx ESG Index contracts, LCH SA needs to modify its Reference Guide: CDS Margin Framework.

In this regard, LCH SA has made the following changes to the Reference Guide: CDS Margin Framework:

- (i) Removing references to specific indices in the document and replacing them with a generic reference to an index in sections 2.3.3, and 3.8.1.3,
- (ii) removing the fixed 24% value and changing the spread shock formula for it to be applicable more generically to both iTraxx Main index and any of its sub index including financial Single Names.

Clearing of the new iTraxx ESG Index contracts will not require any other changes to LCH SA CDSClearing Rule Book or risk management framework or other policies and procedures constituting rules within the meaning of the Securities Exchange Act of 1934 ("Act").

LCH SA is also taking this opportunity to make the following changes which are unrelated to the clearing of iTraxx MSCI ESG Screened Europe index CDS transactions;

- (i) removing the list of Dealers in section 2.3.3 as LCH SA may contact a broader list of Dealers than that currently listed in this section;
- (ii) correction in section 3.2 of a typing error to confirm the relevant application of the Wrong Way Risk Margin to Options;
- (iii) correction of the worst 5 day P&L value per date and the worst P&L value aggregated per date formulae in section 3.5.6 to reflect the fact that the same date is selected to calculate the portfolio P&L for all contracts in the portfolio;
- (iv) the 9M curve has been removed from the Interest Rate Risk Margin calculation in section 3.6, reflecting the change of interest rate curve imposed by ISDA within the framework of the risk-free rate benchmark review;
- (v) clarification under section 3.8 that the short charge is covering the risk that at least one entity defaults;
- (vi) the Wrong Way Risk formulae in section 3.8.1 were incomplete, the second value "0" to be used to derive the maximum resulting from these formulae has been added.

At the request of LCH SA Risk Model Validation team so that the CDSClear risk framework can be better assessed, LCH SA is making the relevant clarifications specified under the below subsections (vii) to (xii):

- (vii) Adding a note in section 3.8.1.2 that clarifies that the recovery rate for a Senior Unsecured Debt (Corporate/Financial)/ Foreign Currency Sovereign Debt (Government) (SNRFOR) and Senior Loss Absorbing Capacity (SNRLAC) seniorities are considered as if they were two different instruments;

(viii) adding a note in section 3.8.2 to explicit the calibration of the shocks displayed in the table;

(ix) adding a note in section 4.1.3.1 to describe the parameters used in the formula;

(x) the Average Liquidity Score formula has been amended and a note inserted in order to clarify which days are used to compute the Average Liquidity Score;

(xi) the net notional for the index basis product p, tenor t used in the formula for the sum of the 5Y equivalent notional has been amended to an absolute value;

(xii) in view of the upcoming supervisory/regulatory transition from the Euro Overnight Index Average (EONIA) to the new Euro Short-Term Rate (ESTER or €STR) and the Fed Funds to the Secured Overnight Financing Rate (SOFR), references to the interest rate applied to the Price Alignment Interest in section 5.2 have been removed.

##### 2. Statutory Basis

LCH SA has determined that Proposed Rule Change is consistent with the requirements of Section 17A of the Securities Exchange Act ("Act")<sup>4</sup> and regulations thereunder applicable to it. Section 17A(b)(3)(F) of the Act requires, *inter alia*, that the rules of a clearing agency "assure the safeguarding of securities and funds that are in its custody or control or for which it is responsible . . . and, in general, to protect investors and the public interest."<sup>5</sup>

LCH SA believes that acceptance of the new iTraxx ESG Index contracts, on the terms and conditions set out in the Rules, is consistent with the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts and transactions cleared by LCH SA, the safeguarding of securities and funds in the custody or control of LCH SA or for which it is responsible, and the protection of investors and the public interest, within the meaning of Section 17A(b)(3)(F) of the Act. Indeed, the new iTraxx ESG Index contracts proposed for clearing are similar to the other European Indices contracts currently cleared by LCH SA CDSClear, and will be cleared pursuant to LCH SA's existing clearing arrangements and related financial safeguards, protections and risk management procedures.

Clearing of the iTraxx ESG Index contracts will also satisfy the relevant requirements of Rule 17Ad-22,<sup>6</sup> as set forth in the following discussion.

**Margin Requirements.** Rule 17Ad-22(e)(4)<sup>7</sup> requires LCH SA to effectively identify, measure, monitor, and manage its credit exposures to participants and

<sup>4</sup> 15 U.S.C. 78q-1.

<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>6</sup> 17 CFR 240.17Ad-22.

<sup>7</sup> 17 CFR 240.17Ad-22(e)(4).

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

those arising from its payment, clearing, and settlement processes. In terms of financial resources, LCH SA will apply its existing margin methodology—including its Wrong Way Risk margin framework—to the new iTraxx ESG Index, which are similar to the European indices currently cleared by LCH SA. LCH SA believes that this model will provide sufficient margin requirements to cover its credit exposure to its clearing members from clearing such contracts, consistent with the requirements of Rule 17Ad–22(e)(4).

**Financial Resources.** Rule 17Ad–22(e)(4)(i)<sup>8</sup> requires LCH SA to maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence and to the extent not already maintained pursuant to paragraph (e)(4)(i), Rule 17Ad–22(e)(4)(ii)<sup>9</sup> requires LCH SA to maintain additional financial resources at the minimum to enable it to cover a wide range of foreseeable stress scenarios that include, but are not limited to, the default of the two participant families that would potentially cause the largest aggregate credit exposure for the covered clearing agency in extreme but plausible market conditions. LCH SA believes its Default Fund, under its existing methodology, will, together with the required margin, provide sufficient financial resources to support the clearing of the iTraxx ESG Index contracts, consistent with the requirements of Rule 17Ad–22(e)(4).

**Operational Resources.** Rule 17Ad–22(e)(3)<sup>10</sup> requires LCH SA to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by the covered clearing agency. LCH SA believes that its existing operational and managerial resources will be sufficient for clearing of the iTraxx ESG Index contracts, consistent with the requirements of Rule 17Ad–22(e)(3), as this new index contract is substantially the same from an operational perspective as the existing index contracts.

LCH SA will also apply its existing default management policies and procedures for the iTraxx ESG Index contracts. LCH SA believes that these procedures allow for it to take timely action to contain losses and liquidity pressures and to continue meeting its obligations in the event of clearing member insolvencies or defaults in respect of the additional single names,

in accordance with Rule 17Ad–22(e)(13).

The proposed change regarding the transition from EONIA which does not comply with the recently introduced EU Benchmarks Regulation to ESTER is intended to comply with this European Central Bank (ECB) initiative supported by regulators. Rule 17Ad–22(e)(1)<sup>11</sup> requires a covered clearing agency to provide for a well-founded, clear, transparent and enforceable legal basis for each aspect of its activities in all relevant jurisdictions. Rule 17Ad–22(e)(2)(iii)<sup>12</sup> also requires to support the objectives of participants.

For all these reasons, LCH SA believes that the Proposed Rule Change is consistent with the requirements of Section 17A of the Act and the regulations thereunder, including the standards under Rule 17Ad–22.

#### *B. Clearing Agency's Statement on Burden on Competition*

Section 17A(b)(3)(I) of the Act requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.<sup>13</sup> The iTraxx ESG Index contracts will be available to all LCH SA's CDS Clear participants for clearing. The clearing of these new iTraxx ESG Index contracts by LCH SA does not preclude the offering of the iTraxx ESG Index contracts for clearing by other market participants. Accordingly, LCH SA does not believe that clearance of the new iTraxx ESG Index contracts will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

#### *C. Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

Written comments relating to the proposed rule change have not been solicited or received. LCH SA will notify the Commission of any written comments received by LCH SA.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which

the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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–LCH SA–2020–002 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–LCH SA–2020–002. 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>). 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 LCH SA and on LCH SA's website at: <https://www.lch.com/resources/rules-and-regulations/proposed-rule-changes-0>. 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

<sup>8</sup> 17 CFR 240.17Ad–22(e)(4)(i).

<sup>9</sup> 17 CFR 240.17Ad–22(e)(4)(ii).

<sup>10</sup> 17 CFR 240.17Ad–22(e).

<sup>11</sup> 17 CFR 240.17Ad–22 (e)(1).

<sup>12</sup> 17 CFR 240.17Ad–22(e)(iii).

<sup>13</sup> 15 U.S.C. 78q–1(b)(3)(I).

to make available publicly. All submissions should refer to File Number SR-LCH SA-2020-002 and should be submitted on or before August 5, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**J. Matthew DeLesDernier,**  
Assistant Secretary.

[FR Doc. 2020-15205 Filed 7-14-20; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 33924; File No. 812-15051]

### Aspiriant Defensive Allocation Fund and Aspiriant LLC

July 10, 2020.

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

**ACTION:** Notice.

Notice of application<sup>1</sup> for an order under sections 6(c) and 23(c)(3) of the Investment Company Act of 1940 (the “Act”) for an exemption from rule 23c-3 under the Act.

**SUMMARY OF APPLICATION:** Applicants request an order under sections 6(c) and 23(c)(3) of the Act for an exemption from certain provisions of rule 23c-3 to permit certain registered closed-end investment companies to make repurchase offers on a monthly basis.

**APPLICANTS:** Aspiriant Defensive Allocation Fund (the “Fund”) and Aspiriant LLC (the “Adviser”).

**FILING DATES:** The application was filed on July 26, 2019 and amended on April 10, 2020.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by emailing the Commission’s Secretary at *Secretarys-Office@sec.gov* 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 July 30, 2020, and should be accompanied by proof of service on the 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 emailing the Commission’s Secretary at *Secretarys-Office@sec.gov*.

**ADDRESSES:** The Commission: *Secretarys-Office@sec.gov*. Applicants: Benjamin D. Schmidt, Aspiriant LLC, 111 East Kilbourne Avenue, Suite 1700, Milwaukee, WI 53202.

**FOR FURTHER INFORMATION CONTACT:** Stephan N. Packs, Senior Counsel, at (202) 551-6853, or David J. Marcinkus, Branch Chief, at (202) 551-6825 (Division of Investment Management, Chief Counsel’s Office).

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

### Applicants’ Representations

1. The Fund is a Delaware statutory trust that filed for registration under the Act on October 22, 2019 as a diversified, closed-end management investment company that will be operated as an interval fund. The Adviser is a Delaware limited liability company and is registered as an investment adviser under the Investment Advisers Act of 1940. The Adviser serves as investment adviser to the Fund.

2. Applicants request that any relief granted also apply to any registered closed-end management investment company that operates as an interval fund pursuant to rule 23c-3 for which the Adviser or any entity controlling, controlled by, or under common control with the Adviser, or any successor in interest to any such entity,<sup>2</sup> acts as investment adviser (the “Future Funds,” and together with the Fund, the “Funds,” and each, individually, a “Fund”).<sup>3</sup> The Fund’s common shares are not offered or traded in the secondary market and are not listed on any exchange or quoted on any quotation medium.

3. Applicants request an order to permit each Fund to offer to repurchase a portion of its common shares at one-month intervals, rather than the three,

six, or twelve-month intervals specified by rule 23c-3.

4. Each Fund will disclose in its prospectus and annual reports its fundamental policy to make monthly offers to repurchase a portion of its common shares at net asset value, less deduction of a repurchase fee, if any, as permitted by rule 23c-3(b)(1). The fundamental policy will be changeable only by a majority vote of the holders of such Fund’s outstanding voting securities. Under the fundamental policy, the repurchase offer amount will be determined by the board of trustees of the applicable Fund (“Board”) prior to each repurchase offer. Each Fund will comply with rule 23c-3(b)(8)’s requirements with respect to its trustees who are not interested persons of such Fund, within the meaning of section 2(a)(19) of the Act (“Disinterested Trustees”) and their legal counsel. Each Fund will make monthly offers to repurchase not less than 5% of its outstanding shares at the time of the repurchase request deadline. The repurchase offer amounts for the then-current monthly period, plus the repurchase offer amounts for the two monthly periods immediately preceding the then-current monthly period, will not exceed 25% of the outstanding common shares of the applicable Fund.

5. Each Fund’s fundamental policies will specify the means to determine the repurchase request deadline and the maximum number of days between each repurchase request deadline and the repurchase pricing date. Each Fund’s repurchase pricing date normally will be the same date as the repurchase request deadline and pricing will be determined after close of business on that date.

6. Pursuant to rule 23c-3(b)(1), each Fund will repurchase shares for cash on or before the repurchase payment deadline, which will be no later than seven calendar days after the repurchase pricing date. The Fund (and any Future Fund) currently intends to make payment by the fifth business day or seventh calendar day (whichever period is shorter) following the repurchase pricing date. Each Fund will make payment for shares repurchased in the previous month’s repurchase offer at least five business days before sending notification of the next repurchase offer. The Fund intends to, and a Future Fund may, deduct a repurchase fee in an amount not to exceed 2% from the repurchase proceeds payable to tendering shareholders, in compliance with rule 23c-3(b)(1).

7. Each Fund will provide common shareholders with notification of each repurchase offer no less than seven days

<sup>14</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> The notice is being reissued solely because the original notice inadvertently was not published in the Federal Register.

<sup>2</sup> A successor in interest is limited to an entity that results from a reorganization into another jurisdiction or a change in the type of business organization.

<sup>3</sup> All entities currently intending to rely on the requested relief have been named as applicants. Any entity that relies on the requested order in the future will do so only in accordance with the terms and conditions of the application.