

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.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street NE, Washington, DC 20549, or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: November 3, 2020.

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

[FR Doc. 2020-24843 Filed 11-6-20; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-381, OMB Control No. 3235-0434]

### Submission for OMB Review; Comment Request

*Upon Written Request, Copies Available From:* U.S. Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

*Extension:*  
Rule 15g-2

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (“PRA”), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for extension of the previously approved collection of information provided for in Rule 15g-2 (17 CFR 240.15g-2) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (“Exchange Act”). Rule 15g-2 (The “Penny Stock Disclosure Rule”) requires broker-dealers to provide their customers with a risk disclosure document, as set forth in Schedule 15G, prior to their first non-exempt transaction in a “penny stock.” As amended, the rule requires broker-dealers to obtain written acknowledgement from the customer that he or she has received the required risk disclosure document. The amended rule also requires broker-dealers to maintain a copy of the customer’s written acknowledgement for at least three years following the date on which

the risk disclosure document was provided to the customer, the first two years in an accessible place. Rule 15g-2 also requires a broker-dealer, upon request of a customer, to furnish the customer with a copy of certain information set forth on the Commission’s website.

The risk disclosure documents are for the benefit of the customers, to assure that they are aware of the risks of trading in “penny stocks” before they enter into a transaction. The risk disclosure documents are maintained by the broker-dealers and may be reviewed during the course of an examination by the Commission.

The Commission estimates that approximately 182 broker-dealers are engaged in penny stock transactions and that each of these firms processes an average of three new customers for penny stocks per week. The Commission further estimates that half of the broker-dealers send the penny stock disclosure documents by mail, and the other half send them through electronic means such as email. Because the Commission estimates the copying and mailing of the penny stock disclosure document takes two minutes, this means that there is an annual burden of 28,392 minutes, or 473 hours, for this third-party disclosure burden of mailing documents. Additionally, because the Commission estimates that sending the penny stock disclosure document electronically takes one minute, the annual burden is 14,196 minutes, or 237 hours, for this third-party disclosure burden of emailing documents.

Broker-dealers also incur a recordkeeping burden of approximately two minutes per response when filing the completed penny stock disclosure documents as required pursuant to the Rule 15g-2(c), which means that the respondents incur an aggregate recordkeeping burden of 56,784 minutes, or 946 hours.

Furthermore, Rule 15g-2(d) requires a broker-dealer, upon request of a customer, to furnish the customer with a copy of certain information set forth on the Commission’s website, which takes a respondent no more than two minutes per customer. Because the Commission estimates that a quarter of customers who are required to receive the Rule 15g-2 disclosure document will request that their broker-dealer provide them with the additional microcap and penny stock information posted on the Commission’s website, the Commission therefore estimates that each broker-dealer respondent processes approximately 39 requests for paper copies of this information per year or an

aggregate total of 78 minutes per respondent, which amounts to an annual burden of 14,196 minutes, or 237 hours.

The Commission does not maintain the risk disclosure document. Instead, it must be retained by the broker-dealer for at least three years following the date on which the risk disclosure document was provided to the customer, the first two years in an accessible place. The collection of information required by the rule is mandatory. The risk disclosure document is otherwise governed by the internal policies of the broker-dealer regarding confidentiality, etc.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to (i) [MBX.OMB.OIRA.SEC\\_desk\\_officer@omb.eop.gov](mailto:MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov) and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street NE, Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: November 4, 2020.

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

[FR Doc. 2020-24839 Filed 11-6-20; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-90322; File No. SR-FICC-2020-012]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Government Securities Division Rulebook To Clarify Which Funds-Only Settlement Payments and Underlying Marks Are Applicable to Certain Transactions, and Make Other Changes

November 3, 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 October 27, 2020, Fixed Income Clearing Corporation (“FICC”) 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. FICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b–4(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 the FICC Government Securities Division (“GSD”) Rulebook (“Rules”)<sup>5</sup> in order to (i) clarify which funds-only settlement (“FOS”) payments and underlying “marks”<sup>6</sup> are applicable to transactions in GSD’s delivery-versus-payment (“DVP”) service (hereinafter “DVP Transactions”),<sup>7</sup> clarify which payments and underlying marks are applicable to GCF Repo Transactions and CCIT Transactions, and add a payment that is currently debited from/credited to (as applicable) Members that is not currently referenced in the Rules, (ii) restructure Section 1 of Rule 13 to list only FOS payments rather than both payments and some underlying marks,<sup>8</sup> and (iii) make a correction and certain technical changes, as described in greater detail below.

### 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 the proposed rule change is to amend the Rules in order to: (i) Clarify which FOS payments and underlying marks are applicable to DVP Transactions, clarify which payments and underlying marks are applicable to GCF Repo Transactions and CCIT Transactions, and add a payment that is currently debited from/credited to (as applicable) Members that is not currently referenced in the Rules, (ii) restructure Section 1 of Rule 13 to list only FOS payments rather than both payments and some underlying marks, and (iii) make a correction and certain technical changes, as described in greater detail below.

##### (i) Background

FOS is FICC’s twice daily process of generating a net credit or debit cash amount for each Member and settling those cash amounts between Members and FICC. FOS is a cash-pass-through process, meaning that those Members that are in a net debit position are obligated to submit payments that are then used to pay Members that are in a net credit position. FOS also includes certain payments that are not pass-through payments, such as Invoice Amounts and Miscellaneous Adjustment Amounts.

GSD processes FOS debit and credit payments via the Federal Reserve’s National Settlement Service (“NSS”) twice daily at 10:00 a.m. and 3:15 p.m.

GSD FOS payments are set forth in Rule 13, Section 1. The FOS payments consist of (A) transaction adjustment payments for settlement purposes, (B) risk management-related amounts (such as various mark-to-market amounts), (C) security coupon and similar amounts, and (D) other amounts (such as the invoice amounts). A description of these payments is set forth below.

##### (A) Transaction Adjustment Payments for Settlement Purposes

The Transaction Adjustment Payment<sup>9</sup> applies to both DVP

Transactions and GCF Repo Transactions that are settling the following Business Day (*i.e.*, the next Business Day after the Business Day on which the Transaction Adjustment Payment was calculated). As a central counterparty that performs a multilateral net process, FICC settles Net Settlement Positions at the System Value. The System Price is used to calculate the System Value. The Transaction Adjustment Payment adjusts the parties’ original Contract Value of their pre-netted transaction to the Market Value<sup>10</sup> of the pre-netted transaction.

##### (B) Risk Management-Related Amounts

The risk management-related amounts apply throughout the life of a transaction to bring the transaction to market value (as applicable). These amounts therefore protect FICC and its Members from market risk in the event that there is a Member default and FICC must liquidate such transactions in the market; the closer the value of such transactions is to market, the smaller the amount of the loss that FICC would face in the liquidation of such transactions.

The risk management-related amounts currently set forth in Section 1 of Rule 13 are the following: (1) Forward Mark Adjustment Payment,<sup>11</sup> (2) GCF Interest Rate Mark,<sup>12</sup> (3) Interest Rate Mark,<sup>13</sup> (4) GCF Forward Mark,<sup>14</sup> and (5) Fail Mark Adjustment Payment.<sup>15</sup> In connection with the Forward Mark Adjustment Payment, there is a payment that reflects “use of funds,” (*i.e.*, Interest Adjustment Payment), as described below.

Contract Values and the Market Values of the trades that comprise a Net Settlement Position or GCF Net Settlement Position that is scheduled to settle on the current Business Day. Rule 1, *supra* note 5.

<sup>10</sup>The term “Market Value” means, on a particular Business Day, the amount in dollars equal to: (1) As regards a trade other than a Repo Transaction, the System Price established by FICC for the underlying Eligible Netting Securities, multiplied by the par value of such Securities, plus accrued coupon interest that has accrued with regard to such Securities calculated to their Scheduled Settlement Date, (2) as regards a Repo Transaction other than a GCF Repo Transaction, the System Price established by FICC for the underlying Eligible Netting Securities, multiplied by the par value of such Securities, plus accrued coupon interest that has accrued with regard to such Securities calculated to that Business Day, and (3) as regards a GCF Repo Transaction, the principal value of the Transaction. Rule 1, *supra* note 5.

Market Value applies to transactions, and System Value applies to Net Settlement Positions. Both values are derived using the System Price; for GCF Repo Transactions, Market Value means the principal value.

<sup>11</sup> Rule 13, Section 1(c), *supra* note 5.

<sup>12</sup> Rule 13, Section 1(d), *supra* note 5.

<sup>13</sup> Rule 13, Section 1(e), *supra* note 5.

<sup>14</sup> Rule 13, Section 1(f), *supra* note 5.

<sup>15</sup> Rule 13, Section 1(h), *supra* note 5.

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

<sup>2</sup> 17 CFR 240.19b–4.

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

<sup>4</sup> 17 CFR 240.19b–4(f)(4).

<sup>5</sup> Capitalized terms not defined herein are defined in the Rules, available at <http://www.dtcc.com/legal/rules-and-procedures>.

<sup>6</sup> “Marks” refer to mark-to-market amounts that underlie or make up a FOS payment. For example, the Collateral Mark is an underlying component of the FOS payment known as the “Forward Mark Adjustment Payment.”

<sup>7</sup> “DVP Transactions” refers to buy/sell transactions and Repo Transactions that are Direct Transactions and Brokered Transactions (other than GCF Repo Transactions and CCIT Transactions).

<sup>8</sup> Currently, Section 1 of Rule 13 references both payments and some of the underlying marks that make up payments. FICC wishes to provide clarity to this rule by limiting Section 1 to actual payments rather than underlying components that make up payments. This will be discussed in greater detail below.

<sup>9</sup> Rule 13, Section 1(a), *supra* note 5. The term “Transaction Adjustment Payment” means the absolute value of the dollar difference between the

## (1) Forward Mark Adjustment Payment

Currently, the Forward Mark Adjustment Payment applies to both DVP Transactions and GCF Repo Transactions.<sup>16</sup> The Forward Mark Adjustment Payment equals the sum of 3 underlying marks (as applicable to a Member's Forward Net Settlement Position): (a) Collateral Mark, (b) Financing Mark, and (c) Interest Rate Mark. The Collateral Mark is a mark-to-market amount on Forward Trades (Contract Value versus Market Value). The Financing Mark is a mark-to-market amount on the repo rate of a Repo Transaction that has a start date prior to current Business Day. The Interest Rate Mark is a mark-to-market amount on the repo rate for a Forward-Starting Repo Transaction.

In addition, in connection with the Forward Mark Adjustment Payment, there is a payment called the Interest Adjustment Payment<sup>17</sup> that reflects "use of funds." This means that FICC will charge overnight interest to the Member that received the Forward Mark Adjustment Payment as a credit and this interest amount will be paid to the Member that was charged the Forward Mark Adjustment Payment as a debit. As FICC is passing through a cash payment for risk management purposes, the Member who receives the cash has use of those funds, and the Member who was debited does not have use of those funds. Because the funds belong to the Member who was debited, such Member is entitled to, and receives, the interest income on the amount that was debited.

## (2) GCF Interest Rate Mark

The GCF Interest Rate Mark<sup>18</sup> is the mark-to-market amount on the repo rate

<sup>16</sup> The term "Forward Mark Adjustment Payment" means, on a particular Business Day, as regards a Member's Forward Net Settlement Position, the sum of the Collateral Mark applicable to such Position, the Financing Mark applicable to such Position, and the Interest Rate Mark applicable to such Position. Notwithstanding the above, as regards an outstanding Repo Transaction where a request for substitution has been made but New Securities Collateral has not been received by FICC, the term "Forward Mark Adjustment Payment" means "Forward Unallocated Sub Mark." Rule 1, *supra* note 5.

<sup>17</sup> Rule 13, Section 1(g), *supra* note 5.

<sup>18</sup> The term "GCF Interest Rate Mark" means, on a particular Business Day as regards any GCF Repo Transaction that is not scheduled to settle on that day, the product of the principal value of the GCF Repo Transaction on the Scheduled Settlement Date for its End Leg multiplied by a factor equal to the absolute difference between the Repo Rate established by FICC for such Repo Transaction and its Contract Repo Rate, and then multiplied by a fraction, the numerator of which is the number of calendar days from the current day until the Scheduled Settlement Date for the End Leg of the Repo Transaction and the denominator of which is 360. If the Repo Transaction's Contract Repo Rate is greater than its System Repo Rate, then the GCF

of a GCF Repo Transaction that has started (typically referred to as an "in-flight" transaction).

## (3) Interest Rate Mark

As discussed above, the Interest Rate Mark<sup>19</sup> is an underlying component of the Forward Mark Adjustment Payment. In addition to applying to DVP Transactions as stated above, the Interest Rate Mark also applies to GCF Repo Transactions, and is a mark-to-market amount on the repo rate of a forward-starting GCF Repo Transaction.

Similar to the Interest Adjustment Payment, the Interest Rate Mark Adjustment Payment<sup>20</sup> is the interest paid or collected for "use of funds" in connection with the sum of a Member's GCF Interest Rate Mark and Interest Rate Mark.

## (4) GCF Forward Mark

The GCF Forward Mark<sup>21</sup> is currently stated to be the sum of the Accrued

Interest Rate Mark shall be a positive value for the Reverse Repo Party, and a negative value for the Repo Party. If the Repo Transaction's Contract Repo Rate is less than its System Repo Rate, then the GCF Interest Rate Mark shall be a positive value for the Repo Party, and a negative value for the Reverse Repo Party. The term "GCF Interest Rate Mark" means, as regards a GCF Net Settlement Position, the sum of all the GCF Interest Rate Mark Payments on each of the GCF Repo Transactions that compose such position. Rule 1, *supra* note 5.

<sup>19</sup> The term "Interest Rate Mark" means, on a particular Business Day as regards a Forward-Starting Repo Transaction during its Forward-Starting Period, the product of the principal value of the Repo Transaction on the Scheduled Settlement Date for its Start Leg multiplied by a factor equal to the absolute difference between the System Repo Rate established by FICC for such Repo Transaction and its Contract Repo Rate, and then multiplied by a fraction, the numerator of which is the number of calendar days from the Scheduled Settlement Date for the Start Leg of the Repo Transaction until the Scheduled Settlement Date for the End Leg of the Repo Transaction and the denominator of which is 360. If the Repo Transaction's Contract Repo Rate is greater than its System Repo Rate, then the Interest Rate Mark shall be a positive value for the Reverse Repo Party, and a negative value for the Repo Party. If the Repo Transaction's Contract Repo Rate is less than its System Repo Rate, then the Interest Rate Mark shall be a positive value for the Repo Party, and a negative value for the Reverse Repo Party. The Interest Rate Mark for any Repo Transaction other than a Forward-Starting Repo Transaction during its Forward-Starting Period, and for any trade other than a Repo Transaction, shall be zero. The term "Interest Rate Mark" means, as regards a Forward Net Settlement Position, the sum of all the Interest Rate Marks on each of the Forward Trades that compose such position. Rule 1, *supra* note 5.

<sup>20</sup> Rule 13, Section 1(f), *supra* note 5. The term "Interest Rate Mark Adjustment Payment" means, as regards the sum of a Netting Member's GCF Interest Rate Mark and Interest Rate Mark, the product of that sum multiplied by the applicable Overnight Investment Rate and then multiplied by a fraction, the numerator of which is the number of calendar days between the previous Business Day and the current Business Day and the denominator of which is 360. Rule 1, *supra* note 5.

<sup>21</sup> The term "GCF Forward Mark" means, on a particular Business Day as regards any GCF Repo

Repo Interest-to-Date and the GCF Interest Rate Mark.

## (5) Fail Mark Adjustment Payment

The Fail Mark Adjustment Payment<sup>22</sup> is a mark-to-market amount for obligations that were scheduled to settle and have not yet settled.

## (C) Security Coupon and Similar Amounts

FOS includes certain coupon and similar payments as follows: (1) Delivery Differential Adjustment Payment,<sup>23</sup> (2) Coupon Adjustment Payment,<sup>24</sup> and (3) Clearance Difference Amount.<sup>25</sup>

The Delivery Differential Adjustment Payment<sup>26</sup> is the amount of the difference between the Federal Reserve's auction award price and FICC's System Price.

The Coupon Adjustment Payment<sup>27</sup> is the amount that reflects coupon interest from the issuer of the security that is passed to a Member.

The Clearance Difference Amount<sup>28</sup> is the amount of any differences that may occur between the amounts that are reflected in FICC's records versus the Clearing Agent Bank.

## (D) Other Amounts

The other amounts that are part of GSD FOS are as follows: (1) Invoice Amount<sup>29</sup> and (2) Miscellaneous Adjustment Amount.<sup>30</sup>

Transaction that is not scheduled to settle on that day, the sum of the Accrued Repo Interest-to-Date and the GCF Interest Rate Mark on such GCF Repo Transaction. Rule 1, *supra* note 5.

<sup>22</sup> The term "Fail Mark Adjustment Payment" means the absolute value of the dollar difference between the Settlement Value of a Fail Deliver Obligation or a Fail Receive Obligation that constitutes all or part of a Fail Net Settlement Position on the current Business Day and the Settlement Value of such Fail Deliver Obligation or Fail Receive Obligation on the immediately previous Business Day. Rule 1, *supra* note 5.

<sup>23</sup> Rule 13, Section 1(b), *supra* note 5.

<sup>24</sup> Rule 13, Section 1(i) and Section 1(j), *supra* note 5.

<sup>25</sup> Rule 13, Section 1(k), *supra* note 5.

<sup>26</sup> The term "Delivery Differential Adjustment Payment" means the absolute value of the dollar difference between the System Value and the Settlement Value of a Netting Member's Deliver Obligation or a Receive Obligation. Rule 1, *supra* note 5.

<sup>27</sup> The term "Coupon Adjustment Payment" means the coupon payments due and owing on each Eligible Netting Security that comprises either a Coupon-Eligible End Leg or a Fail Net Settlement Position. Rule 1, *supra* note 5.

<sup>28</sup> The term "Clearance Difference Amount" means the absolute value of the dollar difference between the Settlement Value of a Deliver Obligation or a Receive Obligation and the actual value at which such Deliver Obligation or Receive Obligation was settled, by the delivery or receipt of Eligible Netting Securities. Rule 1, *supra* note 5.

<sup>29</sup> Rule 13, Section 1(l), *supra* note 5.

<sup>30</sup> Rule 13, Section 1(m), *supra* note 5.

The Invoice Amount<sup>31</sup> is a Member's billing amount.

The Miscellaneous Adjustment Amount<sup>32</sup> is a catch-all amount, in case it is needed.

(ii) Proposed Rule Changes

The purpose of the proposed rule change is to amend the Rules in order to: (A) Clarify which FOS payments and underlying marks are applicable to DVP Transactions, clarify which payments and underlying marks are applicable to GCF Repo Transactions and CCIT Transactions, and add a payment that is currently debited from/credited to (as applicable) Members that is not currently referenced in the Rules, (B) restructure Section 1 of Rule 13 to list only FOS payments rather than both payments and some underlying marks, and (C) make a correction and certain technical changes, as described in greater detail below.

(A) Clarify Which FOS Payments and Underlying Marks are Applicable to DVP Transactions, Clarify Which Payments and Underlying Marks are Applicable to GCF Repo Transactions and CCIT Transactions, and add a Payment That is Currently Debited From/Credited to (as applicable) Members That is not Currently Referenced in the Rules

At this time, Section 1 of Rule 13 includes references to payments and certain underlying marks. Some of these payments and marks as currently defined apply to both DVP Transactions and GCF Repo Transactions. In order to provide more clarity, FICC proposes to amend the Rules to clarify which FOS payments are applicable to DVP Transactions and which FOS payments are applicable to GCF Repo Transactions. This proposal would not change the way FICC operates or the payments/marks applicable to GCF Repo Transactions, but instead would take out defined terms from more general definitions in order to be more standalone. Specifically, FICC would clarify Rule 1 by amending certain existing defined terms, deleting certain existing defined terms and adding new defined terms, as described further below.

<sup>31</sup> The term "Invoice Amount" means all fee amounts due and owing from a Netting Member or CCIT Member, as applicable, to FICC on a particular Business Day. Rule 1, *supra* note 5.

<sup>32</sup> The term "Miscellaneous Adjustment Amount" means the net total of all miscellaneous funds-only amounts that, on a particular Business Day, are required to be paid by a Netting Member or CCIT Member, as applicable, to FICC and/or are entitled to be collected by a Member (including a CCIT Member, as applicable) from FICC. Rule 1, *supra* note 5.

Furthermore, FICC would amend Rule 13 to specifically list the FOS payments that are applicable to DVP Transactions and the FOS payments that are applicable to GCF Repo Transactions, as further described below.

DVP Transactions

As described above, certain FOS payments and underlying marks would be revised to clarify that they only apply to DVP Transactions. The Forward Mark Adjustment Payment is a risk management-related amount that equals the sum of 3 underlying marks (as applicable to a Member's Forward Net Settlement Position): (a) Collateral Mark, (b) Financing Mark, and (c) Interest Rate Mark. FICC proposes to clarify that the Forward Mark Adjustment Payment and its underlying marks, the Collateral Mark, Financing Mark, and Interest Rate Mark, would apply only to DVP Transactions. As such, FICC proposes to revise the definitions of Collateral Mark, Financing Mark, Interest Rate Mark, and Forward Mark Adjustment Payment in Rule 1 to clarify that these terms do not apply to GCF Repo Transactions and CCIT Transactions.

Furthermore, FICC is proposing to delete the defined term Interest Rate Mark Adjustment Payment (and its credit, debit and net equivalents, the Debit Interest Rate Mark Adjustment Payment, Credit Interest Rate Mark Adjustment Payment, and Net Interest Rate Mark Adjustment Payment) in Rule 1, because FICC believes it would enhance clarity to amend the Rules to have separate terms to describe what this FOS payment covers for GCF Repo Transactions and DVP Transactions. This FOS payment covers "use of funds" as described above. For DVP Transactions, FICC would retain Interest Adjustment Payment, as currently defined, for "use of funds" purposes. FICC would amend Rule 1 to add the specific term GCF Interest Adjustment Payment, which would be applicable to GCF Repo Transactions and with respect to CCIT Transactions, only as stipulated in Rule 3B.

In addition, FICC proposes to amend the definitions of Credit Transaction Adjustment Payment, Debit Transaction Adjustment Payment and Transaction Adjustment Payment in Rule 1 to state that these terms apply to DVP Transactions. Specifically, FICC proposes to delete the reference to GCF Net Settlement Position in the definition of Transaction Adjustment Payment, and the descriptions related to GCF Net Settlement Position in the definitions of Credit Transaction Adjustment Payment and Debit Transaction Adjustment

Payment in Rule 1. The definition of Transaction Adjustment Payment would also be amended to add that it would not apply to GCF Repo Transactions and CCIT Transactions. FICC would delete the reference to GCF Net Settlement Position in Section 1(a) of Rule 13 because this Section 1(a) describes Transaction Adjustment Payments (which would be revised to only describe payments for settlement purposes for DVP Transactions). FICC would also add the defined term GCF Transaction Adjustment Payment to Rule 1, as described below.

Coupon Adjustment Payment, Clearance Difference Amount and Delivery Differential Adjustment Payment currently apply only to DVP Transactions. As such, FICC proposes to revise the definitions of Coupon Adjustment Payment, Coupon-Eligible End Leg, Fail Mark Adjustment Payment, and Clearance Difference Amount (and its credit and debit equivalents, Credit Clearance Difference Amount and Debit Clearance Difference Amount), and Delivery Differential Adjustment Payment to clarify that these terms do not apply to GCF Repo Transactions and CCIT Transactions.<sup>33</sup>

FICC also proposes to add a new defined term, Redemption Adjustment Payment (and its credit, debit and net equivalents, Credit Redemption Adjustment Payment, Debit Redemption Adjustment Payment, and Net Redemption Adjustment Payment) to Rule 1 to reflect an amount that is currently being debited from/credited to Members today. For a Net Settlement Position, the Redemption Adjustment Payment means the difference between the Redemption Value (as defined below and in the proposed rule change) and the Settlement Value due and owing on each Eligible Netting Security that comprises such position. For the End Leg of a Repo Transaction, the Redemption Adjustment Payment means the difference between the Maturity Value and the Contract Value due and owing on each Eligible Netting Security that comprises such Transaction. If the Redemption Adjustment Payment is a positive value, it would be a Credit Redemption Adjustment Payment. If the Redemption Adjustment Payment is a negative value, it would be a Debit Redemption Adjustment Payment. Net Redemption Adjustment Payment would mean the absolute dollar value difference on a

<sup>33</sup> As described above, the term "Coupon Adjustment Payment" means the coupon payments due and owing on each Eligible Netting Security that comprises either a Coupon-Eligible End Leg or a Fail Net Settlement Position. Rule 1, *supra* note 5.

particular Business Day for a Netting Member between the total of all Credit Redemption Adjustment Payments and the total of all Debit Redemption Adjustment Payments.<sup>34</sup>

FICC also proposes to add the defined term Redemption Value to Rule 1, which would mean, as regards a Net Settlement Position or a Deliver Obligation, the principal amount paid to the holder of such position or obligation in redeeming Eligible Netting Securities at the maturity for such securities.

#### GCF Repo Transactions and CCIT Transactions

Furthermore, FICC proposes to add certain defined terms associated with FOS that would be applicable only to GCF Repo Transactions and CCIT Transactions.

Specifically, FICC proposes to add GCF Forward Mark Adjustment Payment (and its credit, debit and net equivalents, Credit GCF Forward Mark Adjustment Payment, Debit GCF Forward Mark Adjustment Payment, and Net GCF Forward Mark Adjustment Payment) to Rule 1. These proposed terms would only be applicable to GCF Repo Transactions.

FICC also proposes to add GCF Transaction Adjustment Payment (and its credit, debit, and net equivalents, Credit GCF Transaction Adjustment Payment, Debit GCF Transaction Adjustment Payment, and Net GCF Transaction Adjustment Payment) to Rule 1. These proposed terms would be applicable to both GCF Repo Transactions and CCIT Transactions.

In addition, FICC proposes to add the following terms to Rule 1, which would be applicable to GCF Repo Transactions and with respect to CCIT Transactions, only as stipulated in Rule 3B: (1) GCF Forward Starting Interest Rate Mark, and (2) GCF Interest Adjustment Payment (and its credit, debit and net equivalents, Credit GCF Interest Adjustment Payment, Debit GCF Interest Adjustment Payment, and Net GCF Interest Adjustment Payment).

#### GCF Forward Mark and GCF Forward Mark Adjustment Payment

While GCF Forward Mark is referenced in Rule 13, Section 1(f) and is defined to be the sum of Accrued

Repo Interest-to-Date and GCF Interest Rate Mark, FICC believes that Section 1 of Rule 13 should be clarified to reference an actual payment (the proposed “GCF Forward Mark Adjustment Payment”) that represents the payment of this mark (which is discussed below). FICC also proposes to revise the definition of GCF Forward Mark in Rule 1 to include the new defined term GCF Forward Starting Interest Rate Mark. FICC is currently collecting the amount represented by the proposed GCF Forward Starting Interest Rate Mark, and the addition of this reference to the definition of GCF Forward Mark is not a substantive change.

The GCF Forward Mark Adjustment Payment would apply only to GCF Repo Transactions and would mean, on a particular Business Day, as regards a Member’s Forward Net Settlement Position, the payment as it relates to the Member’s GCF Forward Mark. If the GCF Forward Mark Adjustment Payment is a positive value, it would be a Credit GCF Forward Mark Adjustment Payment. If the GCF Forward Mark Adjustment Payment is a negative value, then it would be a Debit GCF Forward Mark Adjustment Payment. Net GCF Forward Mark Adjustment Payment would mean the absolute value of the dollar difference on a particular Business Day for a Netting Member between the total of all Credit GCF Forward Mark Adjustment Payments and the total of all of the Debit GCF Forward Mark Adjustment Payments.<sup>35</sup>

#### GCF Forward Starting Interest Rate Mark

GCF Forward Starting Interest Rate Mark would be applicable only to GCF Repo Transactions and with respect to CCIT Transactions, only as stipulated in Rule 3B, and would be the equivalent term to Interest Rate Mark for DVP Transactions. Like Interest Rate Mark for DVP Transactions, this would be a mark (or underlying component) of a FOS payment. Specifically, this mark would be part of the GCF Forward Mark, which is a FOS payment that is applicable to Forward-Starting Repo Transactions that are GCF Repo Transactions.

#### GCF Interest Adjustment Payment

FICC also proposes to add the defined term GCF Interest Adjustment Payment (and its credit, debit and net equivalents, the Credit GCF Interest Adjustment Payment, Debit GCF Interest Adjustment Payment, and Net GCF Interest Adjustment Payment) to Rule 1. This term would be applicable to GCF Repo Transactions and with respect to CCIT Transactions, as stipulated in Rule 3B, and would be the equivalent term to Interest Adjustment Payment for DVP Transactions.

#### GCF Transaction Adjustment Payment

The current definition of Transaction Adjustment Payment covers both FOS payments applicable to DVP Transactions and those that are applicable to GCF Repo Transactions. In order to enhance clarity, as described above, FICC would distinguish between the FOS payments that are applicable to DVP Transactions and those that are applicable to GCF Repo Transactions. Specifically, as described above, FICC would add the defined term GCF Transaction Adjustment Payment (and its credit, debit and net equivalents, the Credit GCF Transaction Adjustment Payment, Debit GCF Transaction Adjustment Payment, and Net GCF Transaction Adjustment Payment) to Rule 1.

GCF Transaction Adjustment Payment would mean, as regards a Netting Member, the total repo interest on the Netting Member’s GCF Repo Transactions and CCIT Transactions, as applicable, for which the Scheduled Settlement Date for the End Leg of such transactions is the next Business Day.

If the GCF Transaction Adjustment Payment is a positive value, it would be a Credit GCF Transaction Adjustment Payment. If the GCF Transaction Adjustment Payment is a negative value, it would be a Debit GCF Transaction Adjustment Payment. Net GCF Transaction Adjustment Payment would mean, on a particular Business Day, the absolute value of the dollar difference between the total of all Credit GCF Transaction Adjustment Payments and the total of all Debit GCF Transaction Adjustment Payments for a Netting Member.<sup>36</sup>

<sup>34</sup> If the total of all of the Credit Redemption Adjustment Payments is greater than all of the Debit Redemption Adjustment Payments, then the Net Redemption Adjustment Payment would be a positive dollar amount owing from FICC to the Member. If the total of all of the Credit Redemption Adjustment Payments is less than the total of all of the Debit Redemption Adjustment Payments, then the Net Redemption Adjustment Payment would be a negative dollar amount owing from the Member to FICC.

<sup>35</sup> If the total of all of the Credit GCF Forward Mark Adjustment Payments is greater than the total of all of the Debit GCF Forward Mark Adjustment Payments, then the Net GCF Forward Mark Adjustment Payment would be a positive dollar amount owing from FICC to the Member. If the total of all of the Credit GCF Forward Mark Adjustment Payments is less than the total of all of the Debit GCF Forward Mark Adjustment Payments, then the Net GCF Forward Mark Adjustment Payment would be a negative dollar amount owing from the Member to FICC.

<sup>36</sup> If the total of all of the Credit GCF Transaction Adjustment Payments is greater than the total of all of the Debit GCF Transaction Adjustment Payments, then the Net GCF Transaction Adjustment Payment would be a positive dollar amount owing from FICC to the Member. If the total of all of the Credit GCF Transaction Adjustment Payments is less than the total of all of the Debit GCF Transaction Adjustment Payments, then the Net GCF Transaction Adjustment Payment would be a negative dollar amount owing from the Member to FICC.

FICC would also amend the definition of Transaction Adjustment Payment so that it would be applicable only to DVP Transactions, as described above.

#### Forward-Starting Period and Forward-Starting Repo Transaction

FICC also proposes to clarify that the definitions of Forward-Starting Period and Forward-Starting Repo Transaction in Rule 1 include CCIT Transactions. As such, FICC would amend the definitions of Forward-Starting Period and Forward-Starting Repo Transaction in Rule 1 to reference CCIT Transactions.

#### Rule 3B

In addition, FICC proposes to revise Section 13(b) of Rule 3B, which describes the FOS payments that apply to Netting Members with respect to their CCIT Transactions. In Section 13(b)(i) of Rule 3B, Transaction Adjustment Payment would be revised to the new proposed term GCF Transaction Adjustment Payment. As described above, with respect to CCIT Transactions and GCF Repo Transactions, GCF Transaction Adjustment Payment would be the equivalent term to Transaction Adjustment Payment for DVP Transactions. GCF Transaction Adjustment Payment, like Transaction Adjustment Payment, would describe payments for settlement purposes.

Similarly, the references in Section 13(b)(iii) of Rule 3B to Interest Rate Mark would be revised to GCF Forward Starting Interest Rate Mark. GCF Forward Starting Interest Rate Mark would apply only to GCF Repo Transactions and with respect to CCIT Transactions, as stipulated in Rule 3B, and would be equivalent to the current defined term Interest Rate Mark (which, as described above, would be amended to clarify that it only applies to DVP Transactions). Like Interest Rate Mark for DVP Transactions, GCF Forward Starting Interest Rate Mark would be an underlying mark of a FOS payment, the proposed GCF Forward Mark Adjustment Payment. GCF Forward Mark Adjustment Payment is a FOS payment for risk management-related amounts and is applicable to Forward-Starting Repo Transactions that are a GCF Repo Transactions. As described above, the definition of GCF Forward Mark would be revised to include GCF Forward Starting Interest Rate Mark, so it would state that, on a particular Business Day as regards any GCF Repo Transaction that is not scheduled to settle on that day, the sum of the Accrued Repo Interest-to-Date, the GCF Forward Starting Interest Rate Mark and

the GCF Interest Rate Mark on such GCF Repo Transaction.

Furthermore, in Section 13(b)(iv) of Rule 3B, FICC would revise the reference from Interest Rate Mark Adjustment Payment to GCF Interest Adjustment Payment and would add that the GCF Interest Adjustment Payment is as it relates to (ii) and (iii) of Section 13(b) of Rule 3B. Current Section 13(b)(ii) of Rule 3B specifies that Netting Members are obligated to pay debits but are not entitled to collect credits for GCF Interest Rate Mark with respect to their CCIT Transactions. As described above, Section 13(b)(iii) of Rule 3B would be revised to reference the GCF Forward Starting Interest Rate Mark rather than the Interest Rate Mark. Netting Members would be obligated to pay debits but would not be entitled to collect credits for the GCF Forward Starting Interest Rate Mark with respect to their CCIT Transactions. As described above, GCF Interest Adjustment Payment would be added as a new defined term and would be equivalent to the current defined term, Interest Adjustment Payment (which would apply only to DVP Transactions). As described above, FICC is proposing to delete the term Interest Rate Mark Adjustment Payment because this payment would be covered by the new defined term GCF Interest Adjustment Payment (which would apply to GCF Repo Transactions and with respect to CCIT Transactions, only as stipulated in Rule 3B) and the current defined term, Interest Adjustment Payment (which would apply only to DVP Transactions).

#### (B) Restructure Section 1 of Rule 13 To List Only FOS Payments Rather Than Both Payments and Some Underlying Marks

FICC believes it would enhance clarity and consistency in Rule 13 to only list the FOS payments in Section 1 of Rule 13 (and not the underlying marks). Currently, Section 1 of Rule 13 lists both FOS payments and some underlying marks. Specifically, Sections 1(d), (e), and (f) of Rule 13 lists the GCF Interest Rate Mark, the Interest Rate Mark, Debit Interest Rate Marks, Debit GCF Forward Marks and Credit Interest Rate Marks and Credit GCF Forward Marks, which are underlying marks of FOS payments. As such, FICC proposes to delete current Sections 1(d), (e), and (f) of Rule 13.

FICC also proposes to amend Rule 13 by adding the new proposed FOS payment, Redemption Adjustment Payment, as proposed Section 1(h).

FICC also proposes to amend Rule 13 by adding the new proposed FOS payments that are applicable to GCF

Repo Transactions (GCF Transaction Adjustment Payment, GCF Forward Mark Adjustment Payment, and GCF Interest Adjustment Payment) as proposed Sections 1(j), (k), and (l).

#### (C) A Correction and Certain Technical Changes

FICC is proposing to make corrections to the definition of Forward Trade to reflect FICC's practice. FICC is correcting that a Repo Transaction may be a Forward Trade (the current definition excludes Repo Transactions in error). In addition, FICC is also adding a sentence to make clear that if the Forward Trade is a Repo Transaction, the Start Leg and the End Leg would be considered separate trades. FICC is making a correction to provide that a Forward Trade is a trade whose Scheduled Settlement Date is one or more Business Days after the date it is submitted to FICC (not two or more Business Days as is currently stated in the definition). These corrections are necessary to ensure that the definition of Forward Trade reflects current practice. Specifically, the definition of Forward Trade must be consistent with the definition of Forward Net Settlement Position, which is made up of a Member's Forward Trades. The definition of Forward Net Settlement Position provides that the Scheduled Settlement Date of a Forward Trade is one or more Business Days in the future, it includes Repo Transactions, and provides the Start and End Legs shall constitute separate positions. These are the items that FICC is proposing to correct in the definition of Forward Trade. These corrections to the definition of Forward Trade are relevant to the FOS process because under FICC's current process, a Forward Mark Adjustment Payment is applied to Forward Trades that are T+1 trades.

FICC is also proposing to make certain technical changes, such as conforming grammatical changes, capitalizing defined terms, renumbering sections, and reordering a list. For example, in Rule 1, FICC proposes to make a conforming grammatical change to add "and a" in the definition of Forward-Starting Period because a reference to CCIT Transaction would be added. As another example, because FICC is adding a new defined term, Redemption Value, in Rule 1, FICC proposes to capitalize the references to redemption value in the definition of Maturity Value and System Value.

In addition, certain paragraphs would be deleted or added in Rule 13, so FICC proposes to make conforming technical changes to renumber these paragraphs accordingly.

FICC would also make conforming changes to Section 2 of Rule 13, which currently states that the Funds-Only Settlement Amount of each Netting Member is determined by calculating the net total, for a particular Business Day, of the payments and underlying marks set forth in that section. FICC proposes to delete the following terms: The Net Interest Rate Mark Adjustment Payment, the GCF Interest Rate Mark, and the Interest Rate Mark. FICC would add the new proposed terms, Net GCF Transaction Adjustment Payment, Net GCF Forward Mark Adjustment Payment, Net GCF Interest Adjustment Payment, and Net Redemption Adjustment Payment.

In order to enhance clarity and consistency, FICC proposes to reorder the list of payments that make up the Funds-Only Settlement Amount in Section 2 of Rule 13. Currently, the Net Coupon Adjustment Payment and the Net Clearance Difference Amount are listed as items (i) and (j) in the second paragraph of Section 2 of Rule 13. FICC proposes to move the Net Coupon Adjustment Payment to new item (f) and the Net Clearance Difference Amount to new item (g) to be consistent with the order in which these payments appear in Section 1 of Rule 13. FICC would also make a conforming change to renumber the subsections in Section 2 of Rule 13 accordingly.

In addition, FICC is proposing to delete the reference to the term "Clearing Fund Funds-Only Settlement Amount" from the definition of Opening Balance in Rule 1, because this is an outdated Clearing Fund component that should have been deleted when GSD moved to a VaR-based Clearing Fund methodology. FICC is also proposing to clarify the definition by deleting "on a given Business Day" and "of the previous Business Day" from the definition of Opening Balance and adding "immediately prior" before processing cycle because, as described above, FOS occurs twice daily. As such, the Opening Balance of the intraday FOS would be the amount reported to the Member during the morning FOS cycle.

## 2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires, in part, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>37</sup>

The proposed changes to (i) clarify which FOS payments and underlying marks are applicable to DVP Transactions, clarify which payments

and underlying marks are applicable to GCF Repo Transactions and CCIT Transactions, and add a payment that is currently debited from/credited to (as applicable) Members that is not currently referenced in the Rules, (ii) restructure Section 1 of Rule 13 to list only FOS payments rather than both payments and some underlying marks, and (iii) make a correction and certain technical changes to the Rules would help to ensure that the Rules are accurate and clear to participants. When participants better understand their rights and obligations regarding the Rules, such participants are more likely to act in accordance with the Rules, which FICC believes would promote the prompt and accurate clearance and settlement of securities transactions. As such, FICC believes that the proposed changes are consistent with Section 17A(b)(3)(F) of the Act.<sup>38</sup>

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

FICC does not believe the proposed rule changes to (i) clarify which FOS payments and underlying marks are applicable to DVP Transactions, clarify which payments and underlying marks are applicable to GCF Repo Transactions and CCIT Transactions, and add a payment that is currently debited from/credited to (as applicable) Members that is not currently referenced in the Rules, (ii) restructure Section 1 of Rule 13 to list only FOS payments rather than both payments and some underlying marks, and (iii) make a correction and certain technical changes would impact competition. The proposed rule changes would help to ensure that the Rules remain clear and accurate. In addition, the changes would facilitate participants' understanding of the Rules and their obligations thereunder. These changes would not affect FICC's operations or the rights and obligations of the membership. As such, FICC believes the proposed rule changes would not have any impact on competition.

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

FICC has not received or solicited any written comments relating to this proposal. FICC will notify the Commission of any written comments received by FICC.

## 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)<sup>39</sup> of the Act and paragraph (f)<sup>40</sup> of Rule 19b-4 thereunder. 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-FICC-2020-012 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-FICC-2020-012. 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

<sup>37</sup> 15 U.S.C. 78q-1(b)(3)(F).

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

<sup>39</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>40</sup> 17 CFR 240.19b-4(f).



filing also will be available for inspection and copying at the principal office of FICC 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-FICC-2020-012 and should be submitted on or before November 30, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>41</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2020-24785 Filed 11-6-20; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-90329; File No. SR-NYSENAT-2020-28]

### Self-Regulatory Organizations; NYSE National, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To Amend the Exchange's Co-Location Services To Establish Procedures for the Allocation of Cabinets to Its Co-located Users

November 3, 2020.

On September 2, 2020, NYSE National, Inc., ("NYSE National" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to establish procedures as part of the Exchange's co-location rules to allocate cabinets to its co-located users in situations where the Exchange cannot satisfy the user demand for cabinets. The proposed rule change was published for comment in the **Federal Register** on September 22, 2020.<sup>3</sup> The Commission received no comments on the proposed rule change.

Section 19(b)(2) of the Act<sup>4</sup> provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up

to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is November 6, 2020. The Commission is extending this 45-day time period.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> designates December 21, 2020, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-NYSENAT-2020-28).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2020-24791 Filed 11-6-20; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-184, OMB Control No. 3235-0236]

### Proposed Collection; Comment Request

*Extension:*

Form N-54C

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the "Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Certain investment companies can elect to be regulated as business development companies, as defined in section 2(a)(48) of the Investment Company Act of 1940 ("Investment Company Act"), under sections 55

through 65 of the Investment Company Act. Under section 54(a) of the Investment Company Act,<sup>1</sup> any company defined in section 2(a)(48)(A) and (B) of the Investment Company Act may, if it meets certain enumerated eligibility requirements, elect to be subject to the provisions of Sections 55 through 65 of the Investment Company Act by filing with the Commission a notification of election. Under section 54(c) of the Investment Company Act,<sup>2</sup> any business development company may voluntarily withdraw its election under section 54(a) of the Investment Company Act by filing a notice of withdrawal of election with the Commission. The Commission has adopted Form N-54C as the form for the notification of withdrawal of election to be subject to Sections 55 through 65 of the Investment Company Act. The purpose of Form N-54C is to notify the Commission that the business development company withdraws its election to be subject to Sections 55 through 65 of the Investment Company Act.

The Commission estimates that on average approximately eight business development companies file notifications on Form N-54C each year. Each of those business development companies need only make a single filing of Form N-54C. The Commission further estimates that this information collection imposes a burden of one hour, resulting in a total annual burden of eight hours. Based on the estimated wage rate, the total cost to the business development company industry of the hour burden for complying with Form N-54C would be approximately \$2,944.<sup>3</sup> The Commission also estimates that cost burden for outside professionals associated with the filing of Form N-54C increased to \$560 because the Commission believes that filers use third-party vendors to comply with this requirement.

The collection of information under Form N-54C is mandatory. The information provided by the form is not kept confidential. An agency may not

<sup>1</sup> 15 U.S.C. 80a-53(a).

<sup>2</sup> 15 U.S.C. 80a-53(c).

<sup>3</sup> The industry burden is calculated by multiplying the total annual hour burden to prepare Form N-54C (eight) by the estimated hourly wage rate of \$368 for a compliance attorney or other similarly situated business development company employee. The estimated wage figure is based on published rates for compliance attorneys from the Securities Industry and Financial Markets Association's Report on Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for an 1,800 hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead, yielding an effective hourly rate of \$2,944.

<sup>41</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.

<sup>3</sup> See Securities Exchange Act Release Nos. 89884 (September 16, 2020), 85 FR 59576 (SR-NYSENAT-2020-28).

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> *Id.*

<sup>6</sup> 17 CFR 200.30-3(a)(31).