

the requirements in rule 17f-4. To the extent that Rule 17f-4(c)(4) provides that a sub-custodian can be qualified as a custodian for purposes of Rule 17f-4, sub-custodians are included as “custodians” in the estimates of burden hours and costs. While the rule is elective, but most, if not all, funds use depository custody arrangements.⁴

Rule 17f-4 contains two general conditions. First, a fund’s custodian must be obligated, at a minimum, to exercise due care in accordance with reasonable commercial standards in discharging its duty as a securities intermediary to obtain and thereafter maintain financial assets. If the fund deals directly with a depository, the depository’s contract or written rules for its participants must provide that the depository will meet similar obligations. All funds that deal directly with securities depositories in reliance on rule 17f-4 should have either modified their contracts with the relevant securities depository, or negotiated a modification in the securities depository’s written rules when the rule was amended. Therefore, we estimate there is no ongoing burden associated with this collection of information.⁵

Second, the custodian must provide, promptly upon request by the fund, such reports as are available about the internal accounting controls and financial strength of the custodian. If a fund deals directly with a depository, the depository’s contract with or written rules for its participants must provide that the depository will provide similar financial reports. Custodians and depositories usually transmit financial reports to funds twice each year.⁶ The Commission staff estimates that 13 custodians, including 7 sub-custodians, spend approximately 2,330 hours (by support staff) annually in transmitting

⁴ Based on responses to Items C.12 of Form N-CEN (17 CFR 274.101), approximately 96 percent of funds’ custodians maintain some or all fund securities in a securities depository pursuant to rule 17f-4.

⁵ The Commission staff assumes that new funds relying on 17f-4 would choose to use a custodian instead of directly dealing with a securities depository because of the high costs associated with maintaining an account with a securities depository. Thus, new funds would not be subject to this condition.

⁶ The estimated 13 custodians would handle requests for reports from 9,984 fund clients (approximately 768 fund clients per custodian) and the depositories from the remaining 768 funds that choose to deal directly with a depository. It is our understanding based on staff conversations with industry representatives that custodians and depositories transmit these reports to clients in the normal course of their activities as a good business practice regardless of whether they are requested. Therefore, for purposes of this PRA estimate, the Commission staff assumes that custodians transmit the reports to all fund clients.

such reports to funds.⁷ In addition, approximately 768 funds (*i.e.*, three percent of all funds) deal directly with a securities depository and may request periodic reports from their depository. Commission staff estimates that depositories spend approximately 179 hours (by support staff) annually transmitting reports to the 768 funds.⁸ The total annual burden estimate for compliance with rule 17f-4’s reporting requirement is therefore 2,509 hours.⁹

If a fund deals directly with a securities depository, rule 17f-4 requires that the fund implement internal control systems reasonably designed to prevent an unauthorized officer’s instructions (by providing at least for the form, content, and means of giving, recording, and reviewing all officers’ instructions). All funds that seek to rely on rule 17f-4 should have already implemented these internal control systems when the rule was amended. Therefore, there is no ongoing burden associated with this collection of information requirement.¹⁰

Based on the foregoing, the Commission staff estimates that the total annual hour burden of the rule’s collection of information requirements is 2,509 hours.

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act. This estimate is not derived from a comprehensive or even representative survey or study of the costs of Commission rules.

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

The public may view the background documentation for this information collection at the following website, www.reginfo.gov. Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and

⁷ (9,984 fund clients × 2 reports) = 19,968 transmissions. The staff estimates that each transmission would take approximately 7 minutes for a total of approximately 2,330 hours (7 minutes × 19,968 transmissions).

⁸ (768 fund clients who may deal directly with a securities depository × 2 reports) = 1,536 transmissions. The staff estimates that each transmission would take approximately 7 minutes for a total of approximately 179 hours (7 minutes × 1,536 transmissions).

⁹ 2,230 hours for custodians and 179 hours for securities depositories.

¹⁰ The Commission staff assumes that new funds relying on 17f-4 would choose to use a custodian instead of directly dealing with a securities depository because of the high costs associated with maintaining an account with a securities depository. Thus new funds would not be subject to this condition.

Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to:

Lindsay.M.Abate@omb.eop.gov; and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John R. Pezzullo, 100 F Street NE, Washington, DC 20549 or send an email to: PRA_Mailbox@sec.gov. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice March 30, 2022 to www.reginfo.gov/public/do/PRAMain.

Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function.

Dated: February 23, 2022.

Eduardo A. Aleman,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-94297; File No. SR-NYSE-2022-09]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 1 To Replace References to Employees and Officers of Intercontinental Exchange Group, Inc.

February 22, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that on February 14, 2022, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 1 (“The Exchange”) to replace references to employees and officers of Intercontinental Exchange Group, Inc., the Exchange’s indirect parent

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

company, with references to employees and officers of the Exchange. The proposed rule change is available on the Exchange's website at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The Exchange proposes to amend Rule 1 ("The Exchange") to replace references to employees and officers of Intercontinental Exchange Group, Inc. ("ICE"), the Exchange's indirect parent company, with references to employees and officers of the Exchange.

Prior to 2013, NYSE Euronext was the ultimate parent company of the Exchange. At that time, Rule 1 referred to NYSE Euronext. In 2013, ICE (then called IntercontinentalExchange Group, Inc.) acquired NYSE Euronext and its subsidiaries, including the Exchange.⁴ In connection with the acquisition, references to NYSE Euronext in Rule 1 were replaced wholesale with references to ICE.⁵

As a result of the changes, Rule 1 provides that, if the person named in a

⁴ See Securities Exchange Act Release No. 70210 (August 15, 2013), 78 FR 51758 (August 21, 2013) (SR-NYSE-2013-42, SR-NYSEMKT-2013-50, and SR-NYSEArca-2013-62) (order granting approval of proposed rule change relating to a corporate transaction in which NYSE Euronext will become a wholly-owned subsidiary of IntercontinentalExchange Group, Inc.). See also Securities Exchange Act Release No. 72158 (May 13, 2014), 79 FR 28784 (May 19, 2014) (SR-NYSE-2014-23) (notice of filing and immediate effectiveness of proposed rule change relating to name changes of its ultimate parent, IntercontinentalExchange Group, Inc., and its indirect parents, IntercontinentalExchange, Inc. and NYSE Euronext Holdings LLC).

⁵ See Exhibit 5K to SR-NYSE-2013-42 (June 14, 2013), at 276-278, available at <https://www.nyse.com/publicdocs/nyse/markets/nyse/rule-filings/filings/2013/NYSE-2013-42.pdf>.

rule is not available, the chief executive officer ("CEO") or chief regulatory officer ("CRO") of the Exchange may designate one or more qualified employees of ICE to act in their place. Rule 1 goes on to state that, for purposes of a designation by the CEO, a qualified employee includes, among other things, any officer of ICE deemed by the CEO to possess the requisite knowledge and job qualifications.⁶

In practice, designations under Rule 1 are limited to Exchange employees and officers. To more accurately reflect actual practice, the Exchange proposes to replace the references to employees and officers of ICE in Rule 1 with references to employees and officers of the Exchange, as follows:

- In the first sentence of the third paragraph, "Intercontinental Exchange Group, Inc. ("ICE")" would be replaced with "the Exchange"; and
- in clause (1) of the second sentence of the third paragraph, "Exchange" would be added before "officer," and "of ICE" would be deleted.

The proposed changes would not result in any practical changes regarding which individuals would be eligible to perform the functions specified in Rule 1 and would not require the Exchange to change which individuals may currently performing these functions.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁸ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change would promote clarity and transparency in its rules. The Exchange believes that the change would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from the increased clarity and transparency that the change would introduce, thereby reducing potential confusion.

⁶ Rule 1.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

The Exchange believes that the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors and the public interest, because it would remove any potential confusion among market participants that may result if the Exchange retained references to ICE employees and ICE officers in Rule 1, adding clarity and transparency to Exchange rules. Moreover, the proposed change to the first prong of the definition of "qualified employee" for purposes of designation by the CEO would make it consistent with the first prong of the definition of "qualified employee" for purposes of designation by the CRO, reducing any potential confusion among market participants.

In practice, Exchange employees and officers, and not ICE employees and officers, are designated pursuant to Rule 1. The proposed changes would ensure that remained true, as under the changes only Exchange officers or Exchange employees could be qualified employees delegated authority by the CEO pursuant to Rule 1. For that reason, the Exchange believes that the proposed change would remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors and the public interest.

For these reasons, the Exchange believes that the proposal is consistent with the Act.

B. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act,⁹ the Exchange believes that the proposed rule change will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change is not designed to address any competitive issue but rather serve to promote clarity and consistency, thereby reducing burdens on the marketplace and facilitating investor protection. The proposed changes would be administrative and would apply only to the Exchange, and therefore would not impose any unnecessary competitive burden on third parties.

For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

⁹ 15 U.S.C. 78f(b)(8).

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

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

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

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 Act¹⁰ and Rule 19b-4(f)(6)¹¹ 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. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-NYSE-2022-09 on the subject line.

Paper Comments

- Send paper comments in triplicate to: Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSE-2022-09. 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 the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2022-09 and should be submitted on or before March 21, 2022.

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

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2022-04083 Filed 2-25-22; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-94293; File No. SR-Phlx-2022-07]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Strategy Caps for Reversal and Conversion and Jelly Roll Strategies

February 22, 2022.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the

“Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on February 9, 2022, Nasdaq PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Phlx's Pricing Schedule at Options 7, Section 4, “Multiply Listed Options Fees (Includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed) (Excludes SPY).”

The Exchange originally filed the proposed pricing changes on February 1, 2022 (SR-PHLX-2022-06). On February 9, 2022, the Exchange withdrew that filing and submitted this filing.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/phlx/rules>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Phlx proposes to amend its pricing within Options 7, Section 4, “Multiply Listed Options Fees (Includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed) (Excludes SPY).” Specifically, Phlx proposes to amend the daily strategy

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

¹² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.