

designation of a physical location as a clearing office); and (iii) expand requirements with regard to members' operational capability, personnel, and reporting, as well as testing (e.g., participation in business continuity testing). The Commission believes that such enhancements to OCC's financial and operational standards for Clearing Members should help to ensure that OCC's Clearing Members are capable of meeting their obligations to OCC, which in turn will help ensure that OCC continues to promote the prompt and accurate clearance and settlement of securities transactions.

Further, OCC proposes to consolidate its admission procedures and requirements and modify such admission procedures and requirements to help streamline the application review process. The Commission believes that such streamlining should promote consistent application across membership types, which, in turn may reduce the likelihood of unfair discrimination in the admission of OCC's Clearing Members. OCC also proposes to amend its conditions for member admission (e.g., an applicant must notify OCC in writing if it is or becomes subject to Statutory Disqualification), and directly address voluntary membership termination.

The Commission believes, therefore, that the proposal is consistent with the requirements of section 17A(b)(3)(F) of the Exchange Act.

#### *C. Consistency With Section 17A(b)(3)(G) of the Exchange Act*

Section 17A(b)(3)(G) of the Exchange Act requires, among other things, that the rules of a clearing agency provide that its participants shall be appropriately disciplined for violation of any provision of the rules of that clearing agency by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, or any other fitting sanction.<sup>46</sup>

As described above, OCC proposes to broaden its authority to impose protective measures on Clearing Members who may pose a risk to OCC. Such measures include the imposition of financial obligations, such as additional margin requirements, as well as activity restrictions. OCC also proposes to raise fines, reduce the threshold for instituting a disciplinary proceeding, define when fines for uncontested violations become due, and make other strengthening changes to the way it enforces and addresses minor rule violations. The Commission believes that strengthening OCC's ability

to respond to risks and violations in this way is consistent with the requirements of section 17A(b)(3)(G) of the Exchange Act.

#### *D. Consistency With Rule 17Ad-22(e)(2)(i) of the Exchange Act*

Rule 17Ad-22(e)(2)(i) requires that a covered clearing agency establish, implement, maintain, and enforce written policies and procedures reasonably designed to provide for governance arrangements that are clear and transparent.<sup>47</sup>

OCC's existing membership eligibility requirements, admissions criteria, and ongoing standards are scattered across OCC's By-Laws and Rules. As described above, OCC proposes to reorganize, relocate, or consolidate such rule text into chapters 2 and 3 of OCC's Rules (along with supporting definitional changes to chapter 1 of OCC's rules). Further, OCC proposes other non-substantive wording changes throughout its rules (e.g., changing "will" to "shall"). Because such changes would improve the readability of OCC's publically available rules, which, in turn, would make such rules clearer and more transparent to members and the public, the Commission believes that such changes are consistent with Rule 17Ad-22(e)(2)(i).<sup>48</sup>

#### *E. Consistency With Rule 17Ad-22(e)(18) of the Exchange Act*

Rule 17Ad-22(e)(18) requires a covered clearing agency to establish, implement, maintain, and enforce policies and procedures reasonably designed to, among other things, establish objective, risk-based, and publically disclosed criteria for participation, which permit fair and open access by direct participants, require participants to have sufficient financial resources and robust operational capacity to meet obligations arising from participation in the clearing agency, and to monitor compliance with such participation requirements on an ongoing basis.<sup>49</sup>

As stated above, OCC proposes to align and strengthen its financial responsibility standards for members. OCC also proposes to modify its operational requirements for members to (i) reflect changes in technology (e.g., allowing for reliance on electronic signatures); (ii) remove provisions no longer applicable to current practice (e.g., the use of authorization stamps or designation of a physical location as a clearing office); and (iii) expand

requirements with regard to members' operational capability, personnel, and reporting, as well as testing (e.g., participation in business continuity testing). The Commission believes that such enhancements to OCC's financial and operational standards should help to ensure that OCC's membership has sufficient financial resources and robust operational capacity to meet obligations for participation in OCC. Further, OCC proposes to modify and consolidate its admission procedures and requirements to help streamline the application review process. The Commission believes that such streamlining should promote consistent application across membership types, which, in turn, would permit fair and open access by direct participants.

Therefore, the Commission believes, therefore, that the proposal is consistent with the requirements of Rule 17Ad-22(e)(18) of the Exchange Act.<sup>50</sup>

#### **VI. Conclusion**

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Exchange Act, and in particular the requirements of section 17A of the Exchange Act<sup>51</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to section 19(b)(2) of the Exchange Act,<sup>52</sup> that the proposed rule change (SR-OCC-2023-002) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>53</sup>

**J. Matthew DeLesDernier,**  
*Deputy Secretary.*

[FR Doc. 2023-10029 Filed 5-10-23; 8:45 am]

**BILLING CODE 8011-01-P**

#### **SECURITIES AND EXCHANGE COMMISSION**

**[SEC File No. 270-524, OMB Control No. 3235-0582]**

#### **Proposed Collection; Comment Request; Extension: Form N-PX**

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

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995

<sup>50</sup> 17 CFR 240.17Ad-22(e)(18).

<sup>51</sup> In approving this proposed rule change, the Commission has considered the proposed rules' impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>52</sup> 15 U.S.C. 78s(b)(2).

<sup>53</sup> 17 CFR 200.30-3(a)(12).

<sup>47</sup> 17 CFR 240.17Ad-22(e)(2)(i).

<sup>48</sup> 17 CFR 240.17Ad-22(e)(2)(i).

<sup>49</sup> 17 CFR 240.17Ad-22(e)(18).

<sup>46</sup> 15 U.S.C. 78q-1(b)(3)(G).

(44 U.S.C. 3501 *et seq.*) (“Paperwork Reduction Act”), 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 (“OMB”) for extension and approval.

On November 2, 2022, the Commission adopted rule and form amendments (“Amendments”) that would enhance the information funds report on Form N-PX and make that information easier to analyze.<sup>1</sup> The Commission also adopted a new rule that would require an institutional investment manager subject to section 13(f) of the Securities Exchange Act of 1934 (“Exchange Act”) to report annually on Form N-PX how it voted proxies relating to executive compensation matters, as required by section 14A of the Exchange Act. The

Amendments require funds (and, for executive compensation matters, institutional investment managers) to (i) identify voting matters using language from the issuer’s form of proxy (with certain exceptions for issuers who are not subject to the Commission’s proxy rules) and categorize their votes from a list of categories; (ii) disclose quantitative information regarding the number of votes cast (or instructed to be cast) and the number of shares not voted because they are out on loan; and (iii) file reports in an XML structured data language using a standardized format. In addition, the Amendments included changes to Forms N-1A, N-2, and N-3 that require funds, if they have a website, to disclose that their proxy voting records are publicly available on or through their websites, free of charge, and to make this information available on or through its website as soon as reasonably practicable after filing a

report on Form N-PX with the Commission.

The purpose of Form N-PX is to meet the filing and disclosure requirements of rules under the Act and also to enable funds to provide investors with information necessary to evaluate overall patterns in the manager’s voting behavior. This information collection is primarily for the use and benefit of investors. The information filed with the Commission also permits the verification of compliance with securities law requirements and assures the public availability and dissemination of the information. Due to the Amendments, Form N-PX will also be used by institutional investment managers to meet the filing and disclosure requirements of section 14A under the Exchange Act.

The table below summarizes our estimates associated with the amendments to Form N-PX that the Amendments address:

FORM N-PX PRA ESTIMATES

	Internal initial burden hours	Internal annual burden hours <sup>1</sup>		Wage rate <sup>2</sup>	Internal time costs	Annual external cost burden
<b>Funds Holding Equity Securities</b>						
Estimated annual burden of current Form N-PX per response .....		7.2	×	<sup>3</sup> \$400	\$2,880	\$1,000
Estimated initial burden to accommodate new reporting requirements .....	36	12	×	<sup>4</sup> 349	\$4,188	\$500
Additional estimated annual burden associated with amendments to Form N-PX .....		12	×	<sup>5</sup> 349	\$4,188	\$1,000
Website availability requirement <sup>6</sup> .....		0.5	×	<sup>7</sup> 272	\$136	.....
Estimated number of annual responses <sup>8</sup> .....		× 5,496		.....	× 5,496	× 5,496
<b>Total annual burden .....</b>		<b>188,490</b>			<b>\$67,737,479</b>	<b>\$14,865,142</b>
<b>Funds Not Holding Equity Securities</b>						
Estimated annual burden of current Form N-PX per response .....		0.17	×	<sup>3</sup> 400	\$68	.....
Additional estimated annual burden associated with amendments to Form N-PX .....		.....		.....	.....	.....
Estimated number of annual responses <sup>8</sup> .....		× 2,588		.....	× 2,588	.....
<b>Total annual burden .....</b>		<b>440</b>			<b>\$176,005</b>	.....
<b>Funds of Funds</b>						
Estimated annual burden of current Form N-PX per response .....		1	×	<sup>3</sup> 400	\$400	\$100
Additional estimated annual burden associated with amendments to Form N-PX .....		0.5	×	<sup>3</sup> 400	\$200	\$100
Website availability requirement <sup>6</sup> .....		0.5	×	<sup>6</sup> 272	\$136	.....
Estimated number of annual responses <sup>8</sup> .....		× 1,619		.....	× 1,619	× 1,619
<b>Total annual burden .....</b>		<b>3,238</b>			<b>\$1,191,584</b>	<b>\$323,800</b>

<sup>1</sup> Enhanced Reporting of Proxy Votes by Registered Management Investment Companies;

Reporting of Executive Compensation Votes by Institutional Investment Managers, Investment

Company Release No. 34745 (November 2, 2022) [87 FR 78770 (Dec. 22, 2022)] (“Adopting Release”).

FORM N-PX PRA ESTIMATES—Continued

	Internal initial burden hours	Internal annual burden hours <sup>1</sup>		Wage rate <sup>2</sup>	Internal time costs	Annual external cost burden
<b>Institutional Investment Managers</b>						
Changes to systems to accommodate new reporting requirements .....	45	15	×	<sup>9</sup> 349	\$5,235	\$500
Estimated annual burden associated with Form N-PX filing requirement .....		7.5	×	<sup>10</sup> 343	\$2,573	\$2,000
Estimated number of annual responses ..		× 8,381			× 8,381	× 8,381
<b>Total annual burden .....</b>		<b>188,572</b>			<b>\$65,438,848</b>	<b>\$20,952,500</b>
<b>Total Burden</b>						
Currently Approved Burden .....		47,984				\$17,657,958
Additional Burden Associated with Amendments .....		332,757				\$18,483,484
<b>Total Burden .....</b>		<b>380,741</b>				<b>\$36,141,445</b>

Certain products and sums do not tie due to rounding.

<sup>1</sup> Includes initial burden estimates amortized over a three-year period.

<sup>2</sup> The Commission's estimates of the relevant wage rates are based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association's Office Salaries in the Securities Industry 2013. The estimated figures are modified by firm size, employee benefits, overhead, and adjusted annually to account for the effects of inflation, with the last adjustment before the adoption of the Amendments occurring in early 2022. See Securities Industry and Financial Markets Association, Report on Management & Professional Earnings in the Securities Industry 2013.

<sup>3</sup> Represents the estimated hourly wage rate of a compliance attorney.

<sup>4</sup> Represents the blended estimated hourly wage rates of a programmer and a compliance attorney and includes, *inter alia*, the costs of obtaining from service providers data on the number of shares on loan but not recalled. In the case of the final estimates, the blended hourly rate is based on 18 hours for a programmer at \$297 per hour and 18 hours for a compliance attorney at \$400 per hour.

<sup>5</sup> Represents the blended estimated hourly wage rates of a programmer and a compliance attorney. In the case of the final estimates, the blended hourly rate is based on 6 hours for a programmer at \$297 per hour and 6 hours for a compliance attorney at \$400 per hour.

<sup>6</sup> While the Amendments will require funds to disclose that their proxy voting records both are available on fund websites and will be delivered to investors upon request, the Form N-PX PRA estimates includes only the burdens associated with website posting. Funds' registration forms currently require them to disclose that they either make their proxy voting records available on their websites or deliver them upon request. We understand most funds deliver proxy voting records upon request and, therefore, the burdens of delivery upon request are already included in the information collection burdens of each relevant registration form.

<sup>7</sup> Represents the estimated hourly wage rate of a webmaster.

<sup>8</sup> These estimates are conducted for each fund portfolio, not for each filing, and are an average estimate across all Form N-PX reporting persons. In certain cases, a single Form N-PX filing will report the proxy voting records of multiple fund portfolios. In those circumstances, the reporting person will bear the burden associated with each fund portfolio it reported. This average estimate takes into account higher costs for funds filing reports for multiple portfolios without assuming any economies of scale that multiple-portfolio fund complexes may be able to achieve.

<sup>9</sup> Represents the blended estimated hourly wage rates of a programmer and a compliance attorney. In the case of the final estimates, the blended hourly rate is based on 22.5 hours for a programmer at \$297 per hour and 22.5 hours for a compliance attorney at \$400 per hour.

<sup>10</sup> Represents the blended estimated hourly wage rates of a programmer and a compliance attorney. In the case of the final estimates, the blended hourly rate is based on 3 hours for a programmer at \$297 per hour and 4.5 hours for a compliance attorney at \$400 per hour.

The table above summarizes our PRA initial and ongoing annual burden estimates associated with Form N-PX, as amended. In the aggregate, we estimate the total annual burden to comply with amended Form N-PX to be 380,741 hours, with an average external cost of \$36,141,445.

Compliance with Form N-PX is mandatory. Responses to the collection of information requirements will not be kept confidential.

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

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted by July 10, 2023.

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 John Pezzullo, 100 F Street NE, Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: May 5, 2023.

**J. Matthew DeLesDernier,**  
Deputy Secretary.

[FR Doc. 2023-10002 Filed 5-10-23; 8:45 am]

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**SMALL BUSINESS ADMINISTRATION**

[Docket No.: SBA-2023-0005]

**Development Company Loan Program—Job Creation and Retention Requirements; Additional Areas for Higher Portfolio Average**

AGENCY: Small Business Administration.