

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSE-2024-37 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-2024-37. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSE-2024-37 and should be submitted on or before July 22, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁷

Vanessa A. Countryman,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-526, OMB Control No. 3235-0584]

Proposed Collection; Comment Request; Extension: Rule 12d1-1

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 (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 ("OMB") for extension and approval.

An investment company ("fund") is generally limited in the amount of securities the fund ("acquiring fund") can acquire from another fund ("acquired fund"). Section 12(d) of the Investment Company Act of 1940 (the "Investment Company Act" or "Act")¹ provides that a registered fund (and companies it controls) cannot:

- acquire more than three percent of another fund's securities;
- invest more than five percent of its own assets in another fund; or
- invest more than ten percent of its own assets in other funds in the aggregate.²

In addition, a registered open-end fund, its principal underwriter, and any registered broker or dealer cannot sell that fund's shares to another fund if, as a result:

- the acquiring fund (and any companies it controls) owns more than three percent of the acquired fund's stock; or
- all acquiring funds (and companies they control) in the aggregate own more than ten percent of the acquired fund's stock.³

³⁷ 17 CFR 200.30-3(a)(12).

¹ See 15 U.S.C. 80a.

² See 15 U.S.C. 80a-12(d)(1)(A). If an acquiring fund is not registered, these limitations apply only with respect to the acquiring fund's acquisition of registered funds.

³ See 15 U.S.C. 80a-12(d)(1)(B).

Rule 12d1-1 under the Act provides an exemption from these limitations for "cash sweep" arrangements in which a fund invests all or a portion of its available cash in a money market fund rather than directly in short-term instruments.⁴ An acquiring fund relying on the exemption may not pay a sales load, distribution fee, or service fee on acquired fund shares, or if it does, the acquiring fund's investment adviser must waive a sufficient amount of its advisory fee to offset the cost of the loads or distribution fees.⁵ The acquired fund may be a fund in the same fund complex or in a different fund complex. In addition to providing an exemption from section 12(d)(1) of the Act, the rule provides exemptions from section 17(a) of the Act and rule 17d-1 thereunder, which restrict a fund's ability to enter into transactions and joint arrangements with affiliated persons.⁶ These provisions would otherwise prohibit an acquiring fund from investing in a money market fund in the same fund complex,⁷ and prohibit a fund that acquires five percent or more of the securities of a money market fund in another fund complex from making any additional investments in the money market fund.⁸

The rule also permits a registered fund to rely on the exemption to invest in an unregistered money market fund that limits its investments to those in which a registered money market fund may invest under rule 2a-7 under the Act, and undertakes to comply with all the other provisions of rule 2a-7.⁹ In addition, the acquiring fund must reasonably believe that the unregistered money market fund (i) operates in compliance with rule 2a-7, (ii) complies

⁴ See 17 CFR 270.12d1-1.

⁵ See rule 12d1-1(b)(1).

⁶ See 15 U.S.C. 80a-17(a), 15 U.S.C. 80a-17(d); 17 CFR 270.17d-1.

⁷ An affiliated person of a fund includes any person directly or indirectly controlling, controlled by, or under common control with such other person; see 15 U.S.C. 80a-2(a)(3) (definition of "affiliated person"); most funds today are organized by an investment adviser that advises or provides administrative services to other funds in the same complex; funds in a fund complex are generally under common control of an investment adviser or other person exercising a controlling influence over the management or policies of the funds; see 15 U.S.C. 80a-2(a)(9) (definition of "control"); not all advisers control funds they advise; the determination of whether a fund is under the control of its adviser, officers, or directors depends on all the relevant facts and circumstances; see Investment Company Mergers, Investment Company Act Release No. 25259 (Nov. 8, 2001) [66 FR 57602 (Nov. 15, 2001)], at n.11; to the extent that an acquiring fund in a fund complex is under common control with a money market fund in the same complex, the funds would rely on the rule's exemptions from section 17(a) and rule 17d-1.

⁸ See 15 U.S.C. 80a-2(a)(3)(A), (B).

⁹ See 17 CFR 270.2a-7.

with sections 17(a), (d), (e), 18, and 22(e) of the Act¹⁰ as if it were a registered open-end fund, (iii) has adopted procedures designed to ensure that it complies with these statutory provisions, (iv) maintains the records required by rules 31a-1(b)(1), 31a-1(b)(2)(ii), 31a-1(b)(2)(iv), and 31a-1(b)(9);¹¹ and (v) preserves permanently, the first two years in an easily accessible place, all books and records required to be made under these rules.

Rule 2a-7 contains certain collection of information requirements. An unregistered money market fund that complies with rule 2a-7 would be subject to these collection of information requirements. In addition, the recordkeeping requirements under rule 31a-1 with which the acquiring fund reasonably believes the unregistered money market fund complies are collections of information for the unregistered money market fund. The adoption of procedures by unregistered money market funds to ensure that they comply with sections 17(a), (d), (e), 18, and 22(e) of the Act also constitute collections of

¹⁰ See 15 U.S.C. 80a-17(a), 15 U.S.C. 80a-17(d), 15 U.S.C. 80a-17(e), 15 U.S.C. 80a-18, 15 U.S.C. 80a-22(e).

¹¹ See 17 CFR 270.31a-1(b)(1), 17 CFR 270.31a-1(b)(2)(ii), 17 CFR 270.31a-1(b)(2)(iv), 17 CFR 270.31a-1(b)(9).

information. By allowing funds to invest in registered and unregistered money market funds, rule 12d1-1 is intended to provide funds greater options for cash management. In order for a registered fund to rely on the exemption to invest in an unregistered money market fund, the unregistered money market fund must comply with certain collection of information requirements for registered money market funds. These requirements are intended to ensure that the unregistered money market fund has established procedures for collecting the information necessary to make adequate credit reviews of securities in its portfolio, as well as other recordkeeping requirements that will assist the acquiring fund in overseeing the unregistered money market fund (and Commission staff in its examination of the unregistered money market fund's adviser).

The estimated average burden hours in this collection of information are made solely for purposes of the Paperwork Reduction Act and are not derived from a quantitative, comprehensive or even representative survey or study of the burdens associated with Commission rules and forms. The number of unregistered money market funds that are affected by rule 12d1-1 is an estimate based on the number of private liquidity funds reported on Form PF as of the third

calendar quarter 2023.¹² The hour burden estimates for the condition that an unregistered money market fund comply with rule 2a-7 are based on the burden hours included in the Commission's 2022 PRA extension regarding rule 2a-7.¹³ We use the estimated burdens for registered money market funds to extrapolate the information collection burdens for unregistered money market funds under rule 12d1-1.

Based on the estimated burden of information collection for rule 2a-7 and Form PF filings, the estimated burden of information collection for rule 12d1-1 is set forth in the table below.

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¹² See the U.S. Securities and Exchange Commission's Division of Investment Management—Analytics Office Private Funds Statistics, Third Calendar Quarter (March 31, 2024) available at <https://www.sec.gov/files/investment/2023q3-private-funds-statistics-20240331-accessible.pdf>.

¹³ See Securities and Exchange Commission, Request for OMB Approval of Extension for Approved Collection for Rule 2a-7 under the Investment Company Act of 1940 (OMB Control No. 3235-0268) (approved May 28, 2019; August 3, 2022) (the "2022 rule 2a-7 PRA extension"), available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202109-3235-024; the 2022 rule 2a-7 PRA extension is the most recent rule 2a-7 submission that includes certain estimates with respect to aggregate annual hour and cost burdens for collections of information for registered money market funds.

**Rule 12d1-1 information collection burden estimates
for unregistered money market funds**

	Estimated Responses	Estimated Burden Hours	Estimated Internal Cost Burden ¹⁴
Record of credit risk analyses, and determination regarding adjustable rate securities, asset backed securities, securities subject to a demand feature or guarantee, and counterparties to repurchase agreements			
	85 responses annually per 33 liquidity funds ¹⁵	680 burden hours of professional (business analyst or portfolio manager) time per liquidity fund x 33 liquidity funds 680 x 33 funds =	\$276 per hour (intermediate business analyst) + \$396 per hour (senior portfolio manager) = \$672 ÷ 2 = \$336 median weighted average per hour \$336 x 22,440 hours =
Total	2,805 estimated responses per liquidity fund annually	22,440 estimated burden hours	\$7,539,840 estimated cost burden
Fund's website disclosures including portfolio holding			

	Estimated Responses	Estimated Burden Hours	Estimated Internal Cost Burden ¹⁴
information, daily and weekly liquid assets, net shareholder flow, daily current NAV, financial support received by the fund, the imposition and removal of liquidity fees, and the suspension and resumption of fund redemptions			
	<p><i>Disclosure of Portfolio Holdings Information</i></p> <p>12 months x 33 liquidity funds = 396 responses per year</p>	<p><i>Disclosure of Portfolio Holdings Information</i></p> <p>12 hours (one hour per monthly filing) to update the website to include the disclosure of portfolio holdings information x 33 liquidity funds = 396 hours per year</p> <p style="text-align: center;">+</p> <p>24 hours of webmaster time for an estimated 1 new liquidity fund¹⁶ each year to initially develop a webpage and provide monthly disclosure for the initial year = 24 one-time burden hours</p> <p style="text-align: center;">=</p> <p>420 aggregate annual one-time and recurring burden hours for the disclosure of portfolio holdings</p>	<p><i>Disclosure of Portfolio Holdings Information</i></p> <p>396 hours (for 33 liquidity funds) x \$299 (per hour for a webmaster) = \$118,404 (for recurring internal burden labor costs)</p> <p style="text-align: center;">+</p> <p>24 hours for 1 new liquidity fund x \$299 (per hour for a webmaster) = \$7,176</p> <p style="text-align: center;">=</p> <p>\$125,580 total aggregate annual one-time and recurring labor burdens for disclosure of portfolio holdings</p>
	<p><i>Disclosure of Daily and Weekly Liquid Assets and Net Shareholder Flow</i></p> <p>252 business days x 33 liquidity funds = 8,316 responses per year</p>	<p><i>Disclosure of Daily and Weekly Liquid Assets and Net Shareholder Flow</i></p> <p>36 hours ongoing annual burden x 33 liquidity funds = 1,188 hours per year</p> <p style="text-align: center;">+</p> <p>70 hours for each new liquidity fund x 1 new fund = 70 one-time hours</p>	<p><i>Disclosure of Daily and Weekly Liquid Assets and Net Shareholder Flow</i></p> <p>[31.5 hours x \$371 (blended rate for a senior systems analyst (\$342) and senior programmer (\$399) = \$11,687 (per liquidity fund)]</p> <p style="text-align: center;">+</p>

	Estimated Responses	Estimated Burden Hours	Estimated Internal Cost Burden ¹⁴
	<p><i>Disclosure of Daily Current NAV</i></p> <p>252 business days x 33 liquidity funds = 8,316 responses per year</p>	<p>=</p> <p>1,258 aggregate annual recurring and one-time burden hours for disclosure of daily and weekly liquid assets and shareholder flow</p> <p><i>Disclosure of Daily Current NAV</i></p> <p>[32 hours (sr. systems analyst/sr. programmer) x 33 liquidity funds = 1,056 hours per year]</p> <p>+</p> <p>[70 one-time burden hours for each new liquidity fund</p>	<p>[4.5 hours x \$406 (blended rate for compliance manager (\$372) and a compliance attorney (\$440)) = \$1,827]</p> <p>=</p> <p>\$13,514 (per fund to update the depiction of daily and weekly liquid assets and the liquidity fund's net inflow or outflow on the liquidity fund's website each business day during that year) x 33 liquidity funds</p> <p>=</p> <p>\$445,962 recurring aggregate annual cost burdens for the disclosure of daily and weekly liquid assets and weekly liquid assets and the fund's net inflow or outflow on the liquidity fund's website each business day during the year</p> <p>+</p> <p>[(20 hours x \$406 (blended rate for compliance manager (\$372) and a compliance attorney (\$440)) = \$8,120 + 50 hours x \$371 (blended rate for a senior systems analyst (\$342) and senior programmer (\$399)) = \$18,550)] = \$26,670 (internal labor cost burden for each new fund)]</p> <p>=</p> <p>\$472,632 aggregate annual recurring and one-time cost burdens for disclosure of daily and weekly liquid assets and shareholder flow</p> <p><i>Disclosure of Daily Current NAV</i></p> <p>32 hours x \$371 (blended rate for a senior systems analyst (\$342) and senior programmer (\$399)) = \$11,872 (annual ongoing internal labor cost burden</p>

	Estimated Responses	Estimated Burden Hours	Estimated Internal Cost Burden ¹⁴
	<p><i>Disclosure of Financial Support Received by the Fund, and Imposition and Removal of Liquidity Fees, and the Suspension and Resumption of Fund Redemptions</i></p> <p>Not applicable</p> <p><i>Total Estimated Burden Hours Relating to Website Disclosure</i> 396 + 8,316 + 8,316 =</p>	<p>x 1 new liquidity fund = 70 one-time burden hours] = 1,126 aggregate annual recurring and one-time burden hours for disclosure of daily current NAV</p> <p><i>Disclosure of Financial Support Received by the Fund, and Imposition and Removal of Liquidity Fees, and the Suspension and Resumption of Fund Redemptions</i></p> <p>Not applicable</p> <p><i>Total Estimated Burden Hours Relating to Website Disclosure</i> 420 + 1,258 + 1,126 =</p>	<p>per fund) x 33 funds = \$391,776 ongoing annual cost burdens + [(20 hours x \$406 (blended rate for compliance manager (\$372) and a compliance attorney (\$440)) = \$8,120 + (50 hours x \$371 (blended rate for a senior systems analyst (\$342) and senior programmer (\$399) = \$18,550)] = \$26,670 (internal labor cost burden for each new fund)] x 1 new fund = \$26,670 (total one-time cost burden) = \$418,446 aggregate annual recurring and one-time cost burdens</p> <p><i>Disclosure of Financial Support Received by the Fund, and Imposition and Removal of Liquidity Fees, and the Suspension and Resumption of Fund Redemptions</i></p> <p>Not applicable</p> <p><i>Total Estimated Burden Hours Relating to Website Disclosure</i> \$125,580 + \$472,632 + \$418,446 =</p>
TOTAL	16,928 estimated responses	2,804 estimated burden hours	\$1,016,658 estimated cost burden
Board review of procedures and guidelines of any investment adviser or officers to whom the fund's board has delegated responsibility under rule 2a-7 and amendment of such			

	Estimated Responses	Estimated Burden Hours	Estimated Internal Cost Burden ¹⁴
procedures and guidelines¹⁷			
	1 response annually for each of 8 funds ¹⁸	1 hour (board time) + 4 hours (compliance and professional legal time) = 5 hours	1 hour x \$5,672 (board time) = \$5,672 + 4 x \$406 (blended rate for compliance manager (\$372) and a compliance attorney (\$440)) = \$1,624 = \$7,296 (cost per fund)
		5 hours x 8 responses =	\$7,296 x 8 responses =
TOTAL	8 estimated responses	40 estimated burden hours	\$58,368 estimated cost burden
Review, revise, and approve written procedures to stress test a fund's portfolio			
	1 response annually for each of 33 fund complexes ¹⁹	1 hour of board time + 5 hours of senior portfolio manager time + 3 hours of risk management specialist time + 3 hours of professional legal time = 12 hours	1 hour x \$5,672 (board time) = \$5,672 5 x \$396 (Sr. portfolio manager) = \$1,980 3 x \$240 (risk management specialist) = \$720 3 x \$500 (attorney) = \$1,500 \$5,672 + \$1,980 + \$720 + \$1,500 = \$9,872 per liquidity fund complex
		12 hours x 33 responses =	\$9,872 x 33 responses =
TOTAL	33 estimated responses	396 estimated burden hours	\$325,776 estimated cost burden

	Estimated Responses	Estimated Burden Hours	Estimated Internal Cost Burden ¹⁴
Reports to fund boards on the results of stress testing²⁰			
	5 responses annually for each of 33 fund complexes	5 hours senior portfolio manager time + 2 hours compliance manager time + 2 hours professional legal time + 1 hour paralegal time = 10 hours per response	5 x \$396 (sr. portfolio manager) = \$1,980 2 x \$372 (compliance manager) = \$744 2 x \$500 (attorney) = \$1,000 1 x \$262 (paralegal) = \$262 \$1,980 + \$744 + \$1,000 + \$262 = \$3,986 per response \$3,986 x 165 responses =
	5 responses x 33 fund complexes =	10 hours x 165 responses =	
TOTAL	165 estimated responses	1,650 estimated burden hours	\$657,690 estimated cost burden
Retail Funds Policies and Procedures²¹			
TOTAL	Not applicable	Not applicable	Not applicable
Establishment of written procedures to test periodically the ability of the fund to maintain a stable NAV per share based on certain hypothetical events (“stress testing”)			
	1 response annually for 1 new liquidity fund	3 hours board time + 8 hours professional legal time + 7 hours risk management specialist time + 4 hours senior risk management time = 22 hours	3 hours x \$5,672 (board time) = \$17,016 8 hours x \$500 (attorney) = \$4,000 7 hours x \$240 (risk management specialist) = \$1,680 4 hours x \$430 (sr. risk management specialist) = \$1,720

	Estimated Responses	Estimated Burden Hours	Estimated Internal Cost Burden ¹⁴
		22 hours x 1 response =	\$17,016 + \$4,000 + \$1,680 + \$1,720 = \$24,416 (per response) \$24,416 x 1 response =
TOTAL	1 estimated response	22 estimated burden hours	\$24,416 estimated cost burden
Establishment of written procedures designed to stabilize NAV and guidelines and procedures for board delegation of authority²²			
	1 response annually for 1 new liquidity fund	0.5 hours board time + 7.2 hours professional legal time + 7.8 hours paralegal time = 15.5 hours	0.5 hours x \$5,672 (board time) = \$2,836 7.2 hours x \$500 (attorney) = \$3,600 7.8 hours x \$262 (paralegal) = \$2,044 \$2,836 + \$3,600 + \$2,044 = \$8,480 (per response) 15.5 hours x 1 response =
TOTAL	1 estimated response	15.5 estimated burden hours	\$8,480 estimated cost burden
Board determination – Fees and Gates²³			
	2 liquidity funds per year	4 hours attorney + 2 hours of board time + 1 hours of fund's compliance attorney = 7 hours per liquidity fund	4 hours x \$500 (attorney) = \$2,000 2 hours x \$5,672 (board time) = \$11,344 1 x \$440 (compliance attorney) = \$440 \$2,000 + \$11,344 + \$440 = \$13,784 per liquidity fund 7 hours x 2 funds =
TOTAL	2 estimated responses	14 estimated hours burden	\$27,568 estimated costs burden
Written record of board determinations and			

	Estimated Responses	Estimated Burden Hours	Estimated Internal Cost Burden ¹⁴
actions related to failure of a security to meet certain eligibility standards or an event of default or insolvency²⁴			
	2 responses annually for 2 liquidity funds ²⁵	.5 hours (professional legal time)	.5 hours x \$500 (attorney) = \$250
		.5 hours x 4 responses	\$250 x 4 responses =
Total	4 estimated responses	2 estimated burden hours	\$1,000 estimated cost burden
TOTAL ESTIMATED BURDEN OF INFORMATION COLLECTION FOR RULE 12d1-1	19,947 estimated responses annually	27,384 estimated burden hours annually	\$9,659,796 estimated cost burden annually

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Commission staff estimates that in addition to the internal costs described

¹⁴ The cost burdens shown in this chart for professional personnel are based on SIFMA's *Management & Professional Earnings in the Securities Industry 2013*, modified for 2024 by the Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead and the cost burdens for clerical personnel are based on SIFMA's *Office Salaries in the Securities Industry 2013*, modified for 2024 by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead; however, SIFMA data does not include a board of directors; for board time, Commission staff currently uses a cost of \$5,672 per hour, which was last adjusted for inflation in December 2024; this estimate assumes an average of nine board members per year.

¹⁵ The number of liquidity funds is based on the following: $68 \times$ the percentage of liquidity funds that are at least partially in compliance with the risk-limiting provisions of rule 2a-7, or $100 - 52 = 48\%$; the result (rounded up to a whole number) is 33 liquidity funds ($68 * 0.48 = 33$); the number of liquidity funds and percentage of funds that are at least partially compliant with the risk-limiting provisions of rule 2a-7 is based on the U.S. Securities and Exchange Commission's Division of Investment Management—Analytics Office Private Funds Statistics, Third Calendar Quarter 2023 (March 31, 2024) available at <https://www.sec.gov/files/investment/2023q3-private-funds-statistics-20240331-accessible.pdf>.

¹⁶ The number of new unregistered money market funds is estimated from 2021–2023 historical Form PF filings by liquidity fund advisers; see Securities and Exchange Commission's Division of Investment Management—Analytics Office Private Funds Statistics, Third Calendar Quarter 2023 (March 31, 2024) available at <https://www.sec.gov/files/investment/2023q3-private-funds-statistics-20240331-accessible.pdf>.

¹⁷ We recognize that in many cases the adviser to an unregistered money market fund typically performs the function of the fund's board; *Money Market Fund Reform; Amendments to Form PF* Investment Company Act Rel. No. 31166 (Jul. 23, 2014), 79 FR 47735, 47809 (Aug. 14, 2014).

in the table above, unregistered money market funds also will incur external costs to preserve records, as required under rule 2a-7. These costs will vary significantly for individual funds, depending on the amount of assets under fund management and whether the fund preserves its records in a storage facility in hard copy or has developed and maintains a computer system to create and preserve compliance records. In the 2022 rule 2a-7 PRA extension, Commission staff estimated that the amount an individual money market fund may spend ranges from \$100 per year to \$300,000. We have no reason to believe the range is different for unregistered money market

¹⁸ For purposes of this PRA extension, we assumed that on average 25% (33 funds \times .25 = approximately 8 funds) of liquidity funds would review and update their procedures on annual basis.

¹⁹ This number has been derived from the number of advisers to liquidity funds; see U.S. Securities and Exchange Commission, Division of Investment Management, Analytics Office, Private Fund Statistics, Third Quarter 2023 (March 31, 2024), Table 2.

²⁰ See *supra* note 25.

²¹ There are no liquidity funds of this type; liquidity funds only are offered to qualified investors.

²² See *supra* note 25.

²³ *Id.*

²⁴ *Id.*

²⁵ In the context of registered money market funds, we have previously estimated an average of approximately 2 occurrences for 20 funds each year; however, this number may vary significantly in any particular year; for purposes of this PRA extension, we assumed there would be same proportion of unregistered money market funds experiencing events of default or solvency each year. (20/320 registered money market funds = approximately 5%. $5\% \times 33$ liquidity funds = approximately 2 liquidity funds).

funds. Based on Form PF data as of the third calendar quarter 2023, liquidity funds have \$361 billion in gross asset value.²⁶ The Commission does not have specific information about the proportion of assets held in small, medium-sized, or large unregistered money market funds. Because liquidity funds are often used as cash management vehicles, the staff estimates that each private liquidity fund is a "large" fund (*i.e.*, more than \$1 billion in assets under management). Based on a cost of \$0.0000009 per dollar of assets under management (for large funds),²⁷ the staff estimates compliance with the record storage requirements of rule 2a-7 for these unregistered money market funds costs approximately \$324,900 annually.²⁸

Consistent with estimates made in the rule 2a-7 submission, Commission staff estimates that unregistered money market funds also incur capital costs to create computer programs for maintaining and preserving compliance records for rule 2a-7 of \$0.0000132 per dollar of assets under management. Based on the assets under management figures described above, staff estimates

²⁶ See U.S. Securities and Exchange Commission, Division of Investment Management, Analytics Office, Private Fund Statistics, Fourth Quarter 2019 (Oct. 2, 2020), Table 3.

²⁷ The recordkeeping cost estimates are \$0.0051295 per dollar of assets under management for small funds, and \$0.0005041 per dollar of assets under management for medium-sized funds; the cost estimates are the same as those used in the most recently approved rule 2a-7 submission.

²⁸ This estimate is based on the following calculation: (\$294 billion \times \$0.0000009) = \$264,600 for large funds.

annual capital costs for all unregistered money market funds of \$4.76 million.²⁹

Commission staff further estimates that, even absent the requirements of rule 2a–7, money market funds would spend at least half of the amounts described above for record preservation (\$162,450) and for capital costs (\$2.38 million). Commission staff concludes that the aggregate annual external costs of compliance with the rule are \$162,450 for record preservation and \$2.38 million for capital costs, or a total of \$2.54 million.

The collections of information required for unregistered money market funds by rule 12d1–1 are necessary in order for acquiring funds to be able to obtain the benefits described above. Notices to the Commission will not be kept confidential. 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.

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 August 30, 2024.

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, 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.

Dated: June 26, 2024.

Sherry R. Haywood,
Assistant Secretary.

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²⁹ This estimate is based on the following calculation: (\$294 billion × 0.0000132) = \$3.88 million.

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–100423; File No. SR–NYSEARCA–2024–54]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Connectivity Fee Schedule

June 25, 2024.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”)² and Rule 19b–4 thereunder,³ notice is hereby given that, on June 12, 2024, NYSE Arca, Inc. (“NYSE Arca” 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 the Connectivity Fee Schedule (“Fee Schedule”) regarding colocation services and fees to provide Users with wireless connectivity to additional market data feeds. 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 the Fee Schedule regarding colocation services and fees to provide Users⁴ with wireless connectivity to additional market data feeds.

The Exchange currently provides Users with wireless connections to nine market data feeds or combinations of feeds from third-party markets (the “Existing Third Party Data”), and wired connections to more than 45 market data feeds or combinations of feeds.⁵

The Exchange proposes to add to the Fee Schedule wireless connections (“Connectivity”) to four additional market data feeds (together, the “Proposed Third Party Data”):

- MIAX Pearl Equities Depth of Market Feed (“MIAX DoM”),⁶
- Nasdaq BX TotalView-ITCH FPGA,⁷
- Nasdaq PSX TotalView, and
- Nasdaq PSX TotalView-ITCH FPGA.⁸

⁴ For purposes of the Exchange's colocation services, a “User” means any market participant that requests to receive colocation services directly from the Exchange. See Securities Exchange Act Release No. 76010 (September 29, 2015), 80 FR 60197 (October 5, 2015) (SR–NYSEARCA–2015–82). As specified in the Fee Schedule, a User that incurs colocation fees for a particular colocation service pursuant thereto would not be subject to colocation fees for the same colocation service charged by the Exchange's affiliates the New York Stock Exchange LLC, NYSE American LLC, NYSE Chicago, Inc., and NYSE National, Inc. (together, the “Affiliate SROs”). Each Affiliate SRO has submitted substantially the same proposed rule change to propose the changes described herein. See SR–NYSE–2024–37, SR–NYSEAMER–2024–40, SR–NYSECHX–2024–24, and SR–NYSENAT–2024–20.

⁵ See Securities Exchange Act Release No. 99808 (March 20, 2024), 89 FR 21151 (March 26, 2024) (SR NYSEARCA–2024–26).

⁶ As described by MIAX PEARL, LCC, “[t]he [MIAX] DoM feed is a data feed that contains the displayed price and size of each order entered on MIAX PEARL Equities, as well as order execution information, order cancellations, order modifications, order identification numbers, and administrative messages.” Securities Exchange Act Release No. 91073 (February 5, 2021), 86 FR 9096, 9100 (February 11, 2021) (SR–PEARL–2021–02).

⁷ The difference between the Nasdaq BX TotalView feed and the Nasdaq BX TotalView-ITCH feed, which is part of the Existing Third Party Data, is the delivery mechanism: the data is the same. As described by Nasdaq BX, Inc., “BX TotalView is a real-time market data product that provides full order depth using a series of order messages to track the life of customer orders in the BX market, as well as trade data for BX executions and administrative messages such as Trading Action messages, Symbol Directory, and Event Control messages.” Securities Exchange Act Release No. 98158 (August 17, 2023), 88 FR 57505 (August 23, 2023) (SR–BX–2023–020), at 57506.

⁸ According to Nasdaq PHLX LLC, “PSX TotalView is a real-time market data product that provides full order depth using a series of order

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¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.