

management investment companies (“Underlying Funds”) in reliance on section 12(d)(1)(G) of the Act; and (d) also is eligible to invest in securities (as defined in section 2(a)(36) of the Act) in reliance on rule 12d1–2 under the Act (each a “Fund of Funds”), and together with the Underlying Funds, the “Funds”), also to invest, to the extent consistent with its investment objectives, policies, strategies and limitations, in financial instruments that may not be securities within the meaning of section 2(a)(36) of the Act (“Other Investments”).² Applicants also request that the order exempt any entity controlling, controlled by or under common control with VESC, that now or in the future acts as principal underwriter with respect to the transactions described in the application.

4. Consistent with its fiduciary obligations under the Act, each Fund of Funds’ board of trustees will review the advisory fees charged by the Fund of Funds’ Adviser to ensure that they are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to the advisory agreement of any investment company in which the Fund of Funds may invest.

Applicants’ Legal Analysis

1. Section 12(d)(1)(A) of the Act provides that no registered investment company (“acquiring company”) may acquire securities of another investment company (“acquired company”) if such securities represent more than 3% of the acquired company’s outstanding voting stock or more than 5% of the acquiring company’s total assets, or if such securities, together with the securities of other investment companies, represent more than 10% of the acquiring company’s total assets. Section 12(d)(1)(B) of the Act provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company’s voting stock, or cause more than 10% of the acquired company’s voting stock to be owned by investment companies and companies controlled by them.

2. Section 12(d)(1)(G) of the Act provides, in part, that section 12(d)(1) will not apply to securities of an acquired company purchased by an acquiring company if: (i) The acquired

company and acquiring company are part of the same group of investment companies; (ii) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, Government securities, and short-term paper; (iii) the aggregate sales loads and distribution-related fees of the acquiring company and the acquired company are not excessive under rules adopted pursuant to section 22(b) or section 22(c) of the Act by a securities association registered under section 15A of the Exchange Act or by the Commission; and (iv) the acquired company has a policy that prohibits it from acquiring securities of registered open-end investment companies or registered unit investment trusts in reliance on section 12(d)(1)(F) or (G) of the Act.

3. Rule 12d1–2 under the Act permits a registered open-end investment company or a registered unit investment trust that relies on section 12(d)(1)(G) of the Act to acquire, in addition to securities issued by another registered investment company in the same group of investment companies, Government securities, and short-term paper: (i) Securities issued by an investment company that is not in the same group of investment companies, when the acquisition is in reliance on section 12(d)(1)(A) or 12(d)(1)(F) of the Act; (ii) securities (other than securities issued by an investment company); and (iii) securities issued by a money market fund, when the investment is in reliance on rule 12d1–1 under the Act. For the purposes of rule 12d1–2, “securities” means any security as defined in section 2(a)(36) of the Act.

4. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction from any provision of the Act, or from any rule under the Act, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act. Applicants submit that their request for relief meets this standard.

5. Applicants request an order under section 6(c) of the Act for an exemption from rule 12d1–2(a) to allow the Funds of Funds to invest in Other Investments while investing in Underlying Funds. Applicants state that the Funds of Funds will comply with rule 12d1–2 under the Act, but for the fact that the Funds of Funds may invest a portion of their assets in Other Investments. Applicants assert that permitting the Funds of Funds to invest in Other Investments as described in the

application would not raise any of the concerns that the requirements of section 12(d)(1) were designed to address.

Applicants’ Condition

Applicants agree that any order granting the requested relief will be subject to the following condition: Applicants will comply with all provisions of rule 12d1–2 under the Act, except for paragraph (a)(2) to the extent that it restricts any Fund of Funds from investing in Other Investments as described in the application.

For the Commission, by the Division of Investment Management, under delegated authority.

Brent J. Fields,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–74656; File No. SR–BATS–2015–25]

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 4.3, Record of Written Complaints

April 6, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b–4 thereunder,² notice is hereby given that on March 26, 2015, BATS Exchange, Inc. (the “Exchange” or “BATS”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b–4(f)(6)(iii) thereunder,⁴ which renders it effective upon filing with the Commission. 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 4.3, Record of Written Complaints. The text of the proposed rule change is below. Proposed new language is in

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b–4(f)(6)(iii).

² Every existing entity that currently intends to rely on the requested order is named as an applicant. Any entity that relies on the order in the future will do so only in accordance with the terms and condition in the application.

italics; proposed deletions are in brackets.

* * * * *

Rule 4.3. Record of Written Complaints

(a) Each Member shall keep and preserve for a period of not less than [five]four years a file of all written complaints of customers and action taken by the Member in respect thereof, if any. Further, for the first two years of the [five]four-year period, the Member shall keep such file in a place readily accessible to examination or spot checks.

(b) (No change).

* * * * *

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 II.A., II.B., and II.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

The Exchange filed a proposal to amend Rule 4.3, Record of Written Complaints, to conform with the rules of the Financial Industry Regulatory Authority, Inc. ("FINRA") for purposes of an agreement between the Exchange and FINRA, as well as to conform Exchange Rule 4.3 with the rules of the EDGX Exchange, Inc. ("EDGX") and the EDGA Exchange, Inc. ("EDGA").⁵

Pursuant to Rule 17d-2 under the Act,⁶ the Exchange and FINRA entered into an agreement to allocate regulatory responsibility for common rules (the "17d-2 Agreement"). The 17d-2

Agreement covers common members of the Exchange and FINRA and allocates to FINRA regulatory responsibility, with respect to common members, for the following: (i) Examination of common members of the Exchange and FINRA for compliance with federal securities laws, rules and regulations and rules of the Exchange that the Exchange has certified as identical or substantially similar to FINRA rules; (ii) investigation of common members of the Exchange and FINRA for violations of federal securities laws, rules or regulations, or Exchange rules that the Exchange has certified as identical or substantially identical to a FINRA rule; and (iii) enforcement of compliance by common members of the Exchange and FINRA with the federal securities laws, rules and regulations, and the rules of the Exchange that the Exchange has certified as identical or substantially similar to FINRA rules.⁷

The 17d-2 Agreement included a certification by the Exchange that states that the requirements contained in certain Exchange rules are identical to, or substantially similar to, certain FINRA rules that have been identified as comparable. To conform to comparable FINRA rules for purposes of the 17d-2 Agreement, the Exchange proposes to amend Rule 4.3, Record of Written Complaints, to align with FINRA Rule 4513.⁸

Exchange Rule 4.3 currently requires that members of the Exchange ("Members") keep and preserve written customer complaints⁹ for a period of not less than five years, the first two of which must be in a readily accessible place. To take into account FINRA's four-year routine examination cycle for certain members, FINRA Rule 4513 requires that members preserve the customer complaint records for a period of at least four years. Under the 17d-2 Agreement, FINRA examines common members of the Exchange and FINRA for compliance with Exchange Rule 4.3. However, because of the differing retention periods between Exchange Rule 4.3 and FINRA Rule 4513, the 17d-

2 Agreement specifically states that FINRA has the regulatory responsibilities for the first four years of Exchange Rule 4.3's five year record retention requirement.

The Exchange, therefore, proposes to decrease the record retention requirements under Rule 4.3 from five to four years. The Exchange believes that amending the record retention requirements for customer complaints to align with FINRA Rule 4513 would help to avoid confusion among Members that are also members of FINRA, EDGA, or EDGX. The Exchange further believes that aligning the Exchange's rules with FINRA Rule 4513 would account for FINRA's four-year routine examination cycle for certain members, which FINRA conducts on the Exchange's behalf under the 17d-2 Agreement ensuring consistent regulation of Members that are also members of FINRA.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act¹¹ in particular, in that it is designed to promote just and equitable principles of trade, 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, by eliminating unnecessary confusion with respect to the Exchange's rules. The proposed rule change should provide greater harmonization between similar Exchange, EDGA, EDGX and FINRA rules, resulting in greater uniformity and less burdensome and more efficient regulatory compliance. The proposed rule change should foster cooperation and coordination with persons engaged in facilitating transactions in securities and should remove impediments to and perfect the mechanism of a free and open market and a national market system consistent with the requirements of Section 6(b)(5) of the Act.¹²

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because the proposed change would apply to all Members equally.

⁵ See EDGA and EDGX Rules 4.3. See also Securities Exchange Act Release Nos. 70715 (October 15, 2013), 78 FR 64041 (October 18, 2013) (SR-EDGA-2013-31) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend EDGA Rule 4.3, Record of Written Complaints, to Conform with Financial Industry Regulatory Authority, Inc. Rule 4513); and 70714 (October 15, 2013), 78 FR 64038 (October 18, 2013) (SR-EDGX-2013-39) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend EDGX Rule 4.3, Record of Written Complaints, to Conform with Financial Industry Regulatory Authority, Inc. Rule 4513).

⁶ 17 CFR 240.17d-2.

⁷ See Securities and Exchange Release No. 58375 (August 13, 2008), 75 FR 51295 (August 19, 2008) (approving File No. 10-198).

⁸ See also Securities Exchange Act Release No. 63784 (January 27, 2011), 76 FR 5850 (February 2, 2011) (Order Approving Proposed Rule Change); (File No. SR-FINRA-2010-052).

⁹ Exchange Rule 4.3(b) defines a "complaint" as "any written statement of a customer or any person acting on behalf of a customer alleging a grievance involving the activities of a Member or persons under the control of the Member in connection with (1) the solicitation or execution of any transaction conducted or contemplated to be conducted through the facilities of the Exchange or (2) the disposition of securities or funds of that customer which activities are related to such a transaction."

¹⁰ See 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

¹² 15 U.S.C. 78f(b)(5).

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

No written comments were either solicited or received.

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)(ii) of the Act¹³ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁴

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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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 No. SR-BATS-2015-25 on the subject line.

Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File No. SR-BATS-2015-25. 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 Web site (<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 Web site 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File No. SR-BATS-2015-25 and should be submitted on or before May 1, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74649; File No. SR-NYSE-2015-14]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Rule 1000 To Reflect That Exchange Systems Will Reject Incoming Orders of Over 1,000,000 Shares That Are Marketable Upon Arrival

April 6, 2015.

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 March 23, 2015, New York Stock Exchange LLC ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("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 1000 to reflect that Exchange systems will reject incoming orders of over 1,000,000 shares that are marketable upon arrival. The text of the proposed rule change is available on the Exchange's Web site 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 1000 (Automatic Executions) to reflect that Exchange systems will reject incoming orders of over 1,000,000 shares that are marketable upon arrival against interest in Exchange systems.

Currently, Exchange systems accept orders up to a maximum order size of 25,000,000 shares.⁴ Rule 1000 provides that market and limit orders of up to 1,000,000 shares are eligible to initiate or participate in automatic executions on the Exchange. However, because an order of over 1,000,000 shares in size is ineligible for automatic execution, if such an order is marketable on arrival, the Exchange suspends automatic executions in that security and it is auto-quoted with a "slow" quote

¹³ See 15 U.S.C. 78s(b)(3)(a)(ii).

¹⁴ See 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.

¹⁵ See 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.

⁴ See Rule 1000.