

[illegible]

BILLING CODE 8011-01-C

⁴ The term “Commodity-Based Trust Shares” means a security (a) that is issued by a trust (“Trust”) that holds (1) a specified commodity deposited with the Trust, or (2) a specified commodity and, in addition to such specified commodity, cash; (b) that is issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such Trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash. See NYSE Arca Rule 8.201-E(c)(1).

on physical commodities and/or non-U.S. currency (“Commodity Pool Units”), or (iv) represent interests in the SPDR Gold Trust, or (v) represent interests in the iShares COMEX Gold Trust, or (vi) represent interests in the iShares Silver Trust, or, (vii) represents an interest in a registered investment company (“Investment Company”) organized as an open-end management investment company or similar entity, that invests in a portfolio of securities selected by the Investment Company’s investment adviser consistent with the Investment Company’s investment objectives and policies, which is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value (“NAV”), and when aggregated in the same specified minimum number, may be redeemed at a holder’s request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined NAV (“Managed Fund Share”) or, (viii) represents interest in the ETFS Silver Trust or the ETFS Gold Trust, or (ix) represents interests in the ETFS Palladium Trust or ETFS Platinum Trust.⁵ This rule change proposes to expand the type of ETFs that may be approved for options trading on the Exchange to include Commodity-Based Trust Shares⁶ without requiring a rule filing under Section 19(b) of the Act.⁷

Apart from allowing Commodity-Based Trust Shares to be an underlying for options traded on the Exchange as described above, the listing standards for ETFs will remain unchanged from those that apply under current Exchange rules. ETFs on which options may be listed and traded must still be listed and traded on a national securities exchange and must satisfy the current listing standards set forth in NYSE Arca Rule 5.3–O.

Commodity-Based Trust Shares are securities issued by a trust that represents investors’ discrete identifiable and undivided beneficial ownership interest in the commodities deposited into the Trust. Commodity-Based Trust Shares, although based upon a publicly disclosed portfolio of securities, each trade as a single exchange-listed equity security. Accordingly, rules pertaining to the listing and trading of standard equity options will apply to options on Commodity-Based Trust Shares.

Listing Criteria

The Exchange will consider listing and trading options on Commodity-Based Trust Shares provided the Commodity-Based Trust Shares meet (1) the criteria for underlying securities set forth in NYSE Arca Rule 5.3–O(a)⁸ –(b),⁹ or (2) the Commodity-Based Trust Shares are available for creation and redemption each business day as set forth in NYSE Arca Rule 5.3–O(g)(1)(B).

The Exchange proposes that Commodity-Based Trust Shares deemed appropriate for options trading represent an interest in a trust, as described below:

- *Commodity-Based Trust Shares* are securities (a) that are issued by a trust (“Trust”) that holds (1) a specified commodity deposited with the Trust, or (2) a specified commodity and, in addition to such specified commodity, cash; (b) that is issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such Trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash.¹⁰

Additionally, the Exchange proposes that options on Commodity-Based Trust Shares may only be listed and traded on the Exchange if the underlying security has been reviewed and approved by the Securities and Exchange Commission under Section 19(b)(2) of the Act or noticed for immediate effectiveness under Section 19(b)(3)(A) of the Act, as applicable. Pursuant to Commission approval, the Exchange currently lists and trades 18 Commodity-Based Trust Shares.¹¹ While the Exchange’s rules

⁸ See NYSE Arca Rule 5.3–O(a) which sets forth minimum requirements for the underlying security which include, but are not limited to, 7,000,000 underlying shares, 2,000 shareholders, and trading volume of 2,400,000 shares over the preceding twelve months. Additionally, the rule requires that the market price per share of the underlying security must be at least \$7.50 for the majority of business days during the three calendar months preceding the date of selection of an option class. For underlying securities that are deemed Covered Securities, as defined under Section 18(b)(1)(A) of the Securities Act of 1933, the closing market price of the underlying security must be at least \$3.00 per share for the previous three consecutive business days prior to the date of selection of an option class.

⁹ See NYSE Arca Rule 5.3–O(b) which states that the underlying securities shall be registered and be an “NMS Stock” as defined in Rule 600 of Regulation NMS under the Act.

¹⁰ See NYSE Arca Rule 8.201–E(c)(1).

¹¹ See e.g. Securities Exchange Act Release Nos. 94518 (March 25, 2022), 87 FR 18837 (March 31, 2022) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Sprott ESG Gold ETF

currently provide for the listing of options on a limited number of such Commodity-Based Trust Shares,¹² this proposed rule change would permit listing options on any Commodity-Based Trust Share, including the 11 Commodity-Based Trust Shares that have been approved for listing and trading by the Commission but are not currently eligible for options trading.

Continued Listing Requirements

The Exchange represents that the current continued listing standards for options on Exchange-Traded Fund Shares will apply to options on Commodity-Based Trust Shares. Specifically, under NYSE Arca Rule 5.4–O(k), options on Exchange-Traded Fund Shares may be subject to the suspension of opening transactions as follows: (1) the Commodity-Based Trust Share no longer meets the terms of paragraphs 1 through 4 of Rule 5.4–O(b); (2) following the initial twelve-month period beginning upon the commencement of trading of the Exchange-Traded Fund Shares, there are fewer than 50 record and/or beneficial holders of the Exchange-Traded Fund Shares for 30 or more consecutive trading days; (3) the value of the underlying commodity is no longer calculated or available; or (4) such other event occurs or condition exists that in the opinion of the Exchange makes further dealing on the Exchange inadvisable. Additionally, Commodity-Based Trust Shares shall not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts covering Commodity-

Under NYSE Arca Rule 8.201–E (Commodity-Based Trust Shares) (SR–NYSEArca–2021–65); 82249 (December 8, 2017), 82 FR 58884 (December 14, 2017) (Notice of Filing of Amendment No. 2 and Order Approving on an Accelerated Basis a Proposed Rule Change, as Modified by Amendment No. 2, To List and Trade Shares of the GraniteShares Platinum Trust Under NYSE Arca Rule 8.201–E) (SR–NYSEArca–2017–110); 68430 (December 13, 2012), 77 FR 75239 (December 19, 2012) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Units of the Sprott Physical Platinum and Palladium Trust Pursuant to NYSE Arca Equities Rule 8.201) (SR–NYSEArca–2012–111); and 63043 (October 5, 2010), 75 FR 62615 (Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change To List and Trade Shares of the Sprott Physical Silver Trust) (SR–NYSEArca–2010–84).

¹² See NYSE Arca Rule 5.3–O(g)(iv) which permits the listing and trading of options on the SPDR Gold Trust; NYSE Arca Rule 5.3–O(g)(v) which permits the listing and trading of options on the iShares COMEX Gold Trust; NYSE Arca Rule 5.3–O(g)(vi) which permits the listing and trading of options on the iShares Silver Trust; NYSE Arca Rule 5.3–O(g)(viii) which permits the listing and trading of options on the ETFS Silver Trust or ETFS Gold Trust; and NYSE Arca Rule 5.3–O(g)(ix) which permits the listing and trading of options on the ETFS Palladium Trust or ETFS Platinum Trust.

⁵ See NYSE Arca Rule 5.3–O(g).

⁶ See NYSE Arca Rule 8.201–E(c)(1).

⁷ 15 U.S.C. 78s(b).

Based Trust Shares if such security ceases to be an “NMS stock” as provided for in NYSE Arca Rule 5.4–O(b)(5) or the Commodity-Based Trust Share is halted from trading on its primary market.¹³

Finally, all options on Commodity-Based Trust Shares listed pursuant to proposed Rule 5.3–O(g)(x) would be included within the definition of securities as such terms are used in the Exchange’s rules and, as such, would be subject to Exchange rules and procedures that currently govern the trading of securities on the Exchange, including Exchange rules governing the trading of equity options. Furthermore, the Exchange’s rules pertaining to position and exercise limits¹⁴ or margin¹⁵ shall apply to options on Commodity-Based Trust Shares.

The Exchange notes that options on Commodity-Based Trust Shares would not be available for trading until The Options Clearing Corporation (“OCC”) represents to the Exchange that it is fully able to clear and settle such options. The Exchange has also analyzed its capacity and represents that it and The Options Price Reporting Authority (“OPRA”) have the necessary systems capacity to handle the additional traffic associated with the listing of options on Commodity-Based Trust Shares.¹⁶ The Exchange believes any additional traffic that would be generated from the trading of options on Commodity-Based Trust Shares would be manageable. The Exchange represents that Exchange members will not have a capacity issue as a result of this proposed rule change.

The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of options on Commodity-Based Trust Shares in all trading sessions and to deter and detect violations of Exchange rules. The Exchange will utilize its existing surveillance procedures applicable to options on exchange traded funds (which will include Commodity-Based

Trust Shares) to monitor such trading. In addition, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on Commodity-Based Trust Shares, including adequate comprehensive surveillance sharing agreements (“CSSA”) with markets trading in non-U.S. components,¹⁷ as applicable. Also, the Exchange may obtain trading information via the Intermarket Surveillance Group (“ISG”) ¹⁸ from other exchanges who are members or affiliates of the ISG. The Exchange represents that these procedures will be adequate to properly monitor Exchange trading of options on Commodity-Based Trust Shares and to deter and detect violations of Exchange rules.

Finally, quotation and last sale information for Commodity-Based Trust Shares is available via the Consolidated Tape Association (“CTA”) high speed line. Quotation and last sale information for such securities is also available from the exchange on which such securities are listed. Quotation and last sale information for options on Commodity-Based Trust Shares will be available via OPRA¹⁹ and major market data vendors.

The Exchange notes that the Commission has previously approved generic listing standards pursuant to Rule 19b–4(e) of the Act²⁰ for ETFs based on indexes that consist of stocks listed on U.S. exchanges.²¹ In addition, the Commission has previously approved proposals for the listing and trading of options on ETFs based on international indexes as well as global indexes (e.g., based on non-U.S. and U.S. component stocks).²² In approving

Commodity-Based Trust Shares for equities exchange trading, the Commission thoroughly considered the structure of the Commodity-Based Trust Shares, their usefulness to investors and to the markets, and SRO rules that govern their trading. The Exchange believes that allowing the listing of options overlying Commodity-Based Trust Shares that are listed pursuant to Commission approval on equities exchanges and applying Rule 19b–4(e)²³ should fulfill the intended objective of that rule by allowing options on those Commodity-Based Trust Shares that have satisfied the generic listing standards to commence trading, without the need for the public comment period and Commission approval. The proposed rule change has the potential to significantly reduce the time frame and costs associated with bringing options on Commodity-Based Trust Shares to market, thereby reducing the burden on issuers and other market participants, while also promoting competition among options exchanges, to the benefit of the investing public. The failure of a particular Commodity-Based Trust Share to comply with the generic listing standards under Rule 19b–4(e)²⁴ would not, however, preclude the Exchange from submitting a separate filing pursuant to Section 19(b)(2),²⁵ requesting Commission approval to list and trade options on a particular Commodity-Based Trust Share.

The Exchange believes that the proposed rule change would promote transparency surrounding the listing process for options on Commodity-Based Trust Shares. Exchange listing standards play a critical role in ensuring transparency in the market. Adopting objective criteria, such as those that would be applicable for the listing and trading of options on Commodity-Based Trust Shares would help investors to make informed decisions about which options to invest in and would provide a level of transparency that is essential for a well-functioning market.

The Exchange also believes that the standards for listing and trading options

¹⁷ See NYSE Arca Rule 5.3–O(g)(2), the Exchange’s rule governing the applicable CSSA requirements for options on exchange-traded funds. The Exchange notes that any non-U.S. component securities (including fixed-income) in an index or portfolio of securities on which Exchange-Traded Fund Shares are based that are not subject to comprehensive surveillance agreements may in the aggregate represent an amount equal to 50% of the weight of the index or portfolio.

¹⁸ A complete list of the current members of the ISG, is available at <http://www.isgportal.org>.

¹⁹ Last sale reports and quotations are the core of the information that OPRA disseminates. OPRA also disseminates certain other types of information with respect to the trading of options on the markets of the OPRA participants, such as the number of options contracts traded, open interest and end of day summaries. OPRA also disseminates certain kinds of administrative messages.

²⁰ 17 CFR 240.19b–4(e).

²¹ See Securities Exchange Act Release No. 54739 (November 9, 2006), 71 FR 66993 (November 17, 2006) (SR–AMEX–2006–78) (approval order relating to generic listing standards for ETFs based on international or global indexes).

²² See, e.g., Securities Exchange Act Release Nos. 56778 (November 9, 2007), 72 FR 65113 (November 19, 2007) (SR–AMEX–2007–100) (approval order to

list and trade options on iShares MSCI Mexico Index Fund; and 55648 (April 19, 2007), 72 FR 20902 (April 26, 2007) (SR–AMEX–2007–09) (approval order to list and trade options on Vanguard Emerging Markets ETF). See also Securities Exchange Act Release Nos. 50189 (August 12, 2004), 69 FR 51723 (August 20, 2004) (SR–AMEX–2001–05) (approving the listing and trading of certain Vanguard International Equity Index Funds); and 44700 (August 14, 2001), 66 FR 43927 (August 21, 2001) (SR–2001–34) (approving the listing and trading of series of the iShares Trust based on foreign stock indexes).

²³ 17 CFR 240.19b–4(e).

²⁴ *Id.*

²⁵ 15 U.S.C. 78s(b)(2).

¹³ See NYSE Arca Rule 5.4–O(k).

¹⁴ Pursuant to NYSE Arca Rule 6.8–O, Commentary .05 and .06, Commodity-Based Trust Shares are subject to the same position limits applicable to options on stocks and Exchange-Traded Fund Shares. NYSE Arca Rule 6.9–O stipulates that exercise limits for options on stocks and other securities, including Commodity-Based Trust Shares, shall be the same as the position limits applicable under NYSE Arca Rule 6.8–O.

¹⁵ See NYSE Arca Rules 4.15–O(a)—4.16–O(d), the Exchange’s rules governing margin.

¹⁶ OPRA is a securities information processor registered in accordance with Section 11A(b) of the Exchange Act. OPRA’s members consist of the national securities exchanges that have been approved by the Commission to provide markets for the listing and trading of exchange-traded securities options.

on Commodity-Based Trust Shares are reasonably designed to promote a fair and orderly market for such securities. As ETFs have grown in popularity, so has the ability to trade options on them. The Exchange believes the proposed rule change will benefit investors and market participants generally by shortening the time to list and trade options on Commodity-Based Trust Shares that have been approved by the Commission by not requiring the Exchange to submit a separate proposed rule change. The Exchange believes that the proposed rule change will facilitate the listing and trading of options on additional ETFs that will enhance competition among market participants, to the benefit of investors and the marketplace.

2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act²⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act²⁷ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanisms of a free and open market and a national market system. In particular, the proposed rule change has the potential to reduce the time frame for bringing options on Commodity-Based Trust Shares to market, thereby reducing the burdens on issuers and other market participants, while also promoting competition among options exchanges, to the benefit of the investing public. The Exchange believes that enabling the listing and trading of options on Commodity-Based Trust Shares without requiring a rule filing under Section 19(b) of the Act²⁸ would remove impediments to and perfect the mechanism of a free and open market and a national market system.

The Exchange believes the proposed rule change will also result in increased competition as other exchanges will likely adopt an identical rule to the one proposed by the Exchange that would allow the listing and trading of options on Commodity-Based Trust Shares that are approved for trading on those other markets. Multiple listing of ETFs, options and other securities and competition are some of the central features of the national market system. The Exchange believes that the proposal would encourage a more open market and national market system based on competition and multiple listing.

The proposed rule change adds an additional listing mechanism for certain qualifying options on ETFs to be listed on the Exchange in a manner that is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the general public.

The Exchange further believes that the proposed rules applicable to trading pursuant to generic listing and trading criteria, together with the Exchange's surveillance procedures applicable to trading in the securities covered by the proposed rules, serve to remove impediments to and perfect the mechanism of a free and open market and a national market system.

The Exchange has an adequate surveillance program in place to detect manipulative trading in options on Commodity-Based Trust Shares. The Exchange represents that it and OPRA have the necessary systems capacity to support new options series that would be listed and traded pursuant to this proposed rule change.

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 that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the Exchange believes that the proposal is, as discussed, pro-competitive and is a competitive response to the Exchange's inability to list options on Commodity-Based Trust Shares without submitting a separate proposed rule change. The Exchange believes the proposed rule change will result in additional investment options and opportunities to achieve the investment objectives of market participants seeking efficient trading and hedging vehicles, to the benefit of investors, market participants, and the marketplace in general. Competition is one of the principal features of the national market system. The Exchange believes that this proposal will expand competitive opportunities to list and trade products on the Exchange as noted.

The Exchange does not believe the proposal will impose any burden on intra-market competition, as all market participants will be treated in the same manner under this proposal. Additionally, the Exchange does not believe the proposal will impose any burden on inter-market competition, as nothing prevents the other options

exchanges from proposing similar rules to list and trade options on Commodity-Based Trust Shares. In fact, the Exchange believes other options exchanges will adopt an identical rule so that they may also list and trade options on Commodity-Based Trust Shares without submitting a separate proposed rule change.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEARCA-2024-06 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-NYSEARCA-2024-06. 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

²⁶ 15 U.S.C. 78f(b).

²⁷ 15 U.S.C. 78f(b)(5).

²⁸ 15 U.S.C. 78s(b).

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-NYSEARCA-2024-06 and should be submitted on or before February 15, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁹

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2024-01391 Filed 1-24-24; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-385, OMB Control No. 3235-0441]

Submission for OMB Review; Comment Request; Extension: Rule 18f-3

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.*) ("Paperwork Reduction Act"), the Securities and Exchange Commission ("the Commission") has submitted to the Office of Management and Budget ("OMB") a request for extension of the previously approved collection of information discussed below.

Rule 18f-3 (17 CFR 270.18f-3) under the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) exempts from section 18(f)(1) and 18(f)(i) a fund that issues multiple classes of shares representing interests in the same portfolio of securities (a "multiple class fund") if the fund satisfies the conditions of the rule. In general, each class must differ in its arrangement for shareholder services or distribution or both, must pay the related expenses of that different arrangement, and must satisfy certain voting rights provisions. The rule includes one requirement for the collection of information. A multiple class fund must prepare, and fund directors must approve, a written plan setting forth the separate

arrangement and expense allocation of each class, and any related conversion features or exchange privileges ("rule 18f-3 plan"). Approval of the plan must occur before the fund issues any shares of multiple classes and whenever the fund materially amends the plan. In approving the plan, the fund board, including a majority of the independent directors, must determine that the plan is in the best interests of each class and the fund as a whole.

The requirement that the fund prepare and directors approve a written rule 18f-3 plan is intended to ensure that the fund compiles information relevant to the fairness of the separate arrangement and expense allocation for each class, and that directors review and approve the information. Without a blueprint that highlights material differences among classes, directors might not perceive potential conflicts of interests when they determine whether the plan is in the best interests of each class and the fund. In addition, the plan may be useful to Commission staff in reviewing the fund's compliance with the rule.

The following estimates of average burden hours are made solely for purposes of the Paperwork Reduction Act of 1995¹ and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms. Compliance with the information collection requirements of rule 18f-3 is necessary to obtain the benefit of the rule's exemption. The collection of information under rule 18f-3 is mandatory. Responses to the collection of information requirements will not be kept confidential.

TABLE 1—RULE 18f-3 PRA ESTIMATES

	Internal annual burden	Wage rate ¹	Internal time costs
ESTIMATES FOR RULE 18f-3			
Prepare and approve a written 18f-3 plan ² ...	6 hours ³ .		
Average number of responses annually per registrant.	0.5 responses ³ .		
Total number of hours per registrant per year ⁴ .	3 hours ³	\$484 (in-house attorney). \$4,770 (fund board of directors) ⁶	\$936,056 (in-house attorney). \$4,612,590 (board of directors) ⁷ .
Total number of registrants	967 ⁴ .		
Total annual hour burden	2,901 hours ⁵		\$5,548,646 ⁸ .

Notes:

1. 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 to account for the effects of inflation; see Securities Industry and Financial Markets Association, Report on Management & Professional Earnings in the Securities Industry 2013.

2. The Commission estimates that each registrant prepares and approves a rule 18f-3 plan every two years when issuing a new fund or class or amending a plan (or that 484 of all 967 registrants prepare and approve a plan each year).

3. This estimate assumes that each response will take 6 hours, requiring 3 hours per registrant per year (0.5 responses per registrant × 6 hours per response = 3 hours per registrant).

4. The Commission estimates that there are approximately 6,733 multiple class funds offered by 967 registrants.

5. 967 registrants × 3 hours = 2,901 hours.

6. The estimate for the cost of board time is derived from estimates made by the staff regarding typical board size and compensation that is based on information received from fund representatives and publicly available sources; the \$4,770 per hour estimate for a fund board of directors was last adjusted for inflation through 2019, and assumes an average of 9 board members per board.

²⁹ 17 CFR 200.30-3(a)(12).

¹⁴⁴ U.S.C. 3501 *et seq.*