under the Act. Rule 6c–10 permits open-end investment companies to impose CDSLs, subject to certain conditions. Applicants note that rule 6c–10 is grounded in policy considerations supporting the employment of CDSLs where there are adequate safeguards for the investor and state that the same policy considerations support imposition of EWCs in the interval fund context. In addition, applicants state that EWCs may be necessary for the distributor to recover distribution costs. Applicants represent that any EWC imposed by the Funds will comply with rule 6c–10 under the Act as if the rule were applicable to closed-end investment companies. The Funds will disclose EWCs in accordance with the requirements of Form N–1A concerning CDSLs.

Asset-Based Distribution Fees

1. Section 17(d) of the Act and rule 17d–1 under the Act prohibit an affiliated person of a registered investment company, or an affiliated person of such person, acting as principal, from participating in or effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates unless the Commission issues an order permitting the transaction. In reviewing applications submitted under section 17(d) and rule 17d–1, the Commission considers whether the participation of the investment company in a joint enterprise or joint arrangement is consistent with the provisions, policies and purposes of the Act, and the extent to which the participation is on a basis different from or less advantageous than that of other participants.

2. Rule 17d–3 under the Act provides an exemption from section 17(d) and rule 17d–1 to permit open-end investment companies to enter into distribution arrangements pursuant to rule 12b–1 under the Act. Applicants request an order under section 17(d) and rule 17d–1 under the Act to the extent necessary to permit the Funds to impose asset-based distribution fees. Applicants have agreed to comply with rules 12b–1 and 17d–3 as if those rules applied to closed-end investment companies, which they believe will resolve any concerns that might arise in connection with a Fund financing the distribution of its shares through asset-based distribution fees.

3. For the reasons stated above, applicants submit that the exemptions requested under section 6(c) are necessary and appropriate in the public interest and are consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants further submit that the relief requested pursuant to section 23(c)(3) will be consistent with the protection of investors and will insure that applicants do not unfairly discriminate against any holders of the class of securities to be purchased. Finally, applicants state that the Funds' imposition of asset-based distribution fees is consistent with the provisions, policies and purposes of the Act and does not involve participation on a basis different from or less advantageous than that of other participants.

Applicants' Condition

Applicants agree that any order granting the requested relief will be subject to the following condition:

Each Fund relying on the order will comply with the provisions of rules 6c–10, 12b–1, 17d–3, 18f–3, 22d–1, and, where applicable, 11a–3 under the Act, as amended from time to time, as if those rules applied to closed-end management investment companies, and will comply with the NASD Sales Charge Rule, as amended from time to time, as if that rule applied to all closed-end management investment companies.

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

Brent J. Fields,

Secretary.

[FR Doc. 2016–09715 Filed 4–26–16; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–77674; File No. SR–NYSE–2016–22)

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change Adopting Initial and Continued Listing Standards for the Listing of Equity Investment Tracking Stocks and Adopting Listing Fees Specific to Equity Investment Tracking Stocks

April 21, 2016.

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 April 7, 2016, 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, II, and III 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 adopt initial and continued listing standards for the listing of Equity Investment Tracking Stocks. The Exchange also proposes to adopt listing fees specific to Equity Investment Tracking Stocks. 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 adopt initial and continued listing standards for the listing of Equity Investment Tracking Stocks. The Exchange also proposes to adopt listing fees specific to Equity Investment Tracking Stocks.

For purposes of proposed new Section 102.07 of the Manual, an Equity Investment Tracking Stock refers to a class of common stock that is the listed company's sole class of common equity securities listed on the Exchange and that is designed solely to track the performance of an investment by the issuer in the common stock of another company listed on the Exchange.

In order to qualify for initial listing under proposed Section 102.07, an Equity Investment Tracking Stock will be required to meet the distribution and public float requirements currently applicable for initial public offerings set forth in Sections 102.01A and 102.01B

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[1] 15 U.S.C.78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

of the Manual, respectively, and the quantitative requirements set forth in Section 102.01C. As such, as required under Section 102.01A, an Equity Investment Tracking Stock, at the time of initial listing, will be required to have at least 400 holders of 100 shares or more and 1,100,000 public held shares available for trading. Further, as required under Section 102.01B, an Equity Investment Tracking Stock must have an aggregated market value of publicly-held shares of $40,000,000 and a per share price of $4 at the time of initial listing. Under Section 102.01C, the issuer of an Equity Investment Tracking Stock will be required to meet either the Earnings Test or the Global Market Capitalization Test. Under the Earnings test, an issuer must have pre-tax earnings totaling (x) at least $10,000,000 in the aggregate for the last three fiscal years together with a minimum of $2,000,000 in each of the two most recent fiscal years, and positive amounts in all three years or (y) at least $12,000,000 in the aggregate for the last three fiscal years together with a minimum of $5,000,000 in the most recent fiscal year and $2,000,000 in the next most recent fiscal year.[4] Under the Global Market Capitalization Test, the issuer must have $200 million in global market capitalization at the time of initial listing.

The Exchange will not list an Equity Investment Tracking Stock if, at the time of the proposed listing, the issuer of the equity tracked by the Equity Investment Tracking Stock has been deemed below compliance with listing standards by the Exchange.

The Exchange proposes to subject the issuer of an Equity Investment Tracking Stock to the same continued listing standards under Sections 802.01A and 802.01B as are applicable to other companies listing common stocks on the Exchange. As such, these companies will be considered to be below compliance with Section 802.01A if (i) their number of total stockholders is less than 400 OR (ii) their number of total stockholders is less than 1,200 and their average monthly trading volume is less than 100,000 shares (for the most recent 12 months) OR (iii) their number of publicly-held shares is less than 600,000. Such companies will be deemed to be below compliance with Section 802.01B if their average global market capitalization over a consecutive 30 trading-day period is less than $50,000,000 and, at the same time stockholders' equity is less than $50,000,000 and (will be subject to immediate delisting if they are determined to have average global market capitalization over a consecutive 30 trading-day period of less than $15,000,000. In addition, the Exchange will promptly initiate suspension and delisting proceedings with respect to an Equity Investment Tracking Stock if the underlying equity security whose value is tracked by the Equity Investment Tracking Stock ceases to be listed on one of (i) the Exchange, (ii) the Nasdaq Stock Market, (iii) NYSE MKT or (iv) one of the markets listed in SEC Rule 146(b)[5] or is converted into or exchanged for another security that is not listed on one of the aforementioned markets.

The Exchange proposes to amend Sections 902.02 and 902.03 of the Manual to provide that, where an Equity Investment Tracking Stock is listed on the Exchange, listing and annual fees for such security will be subject to a single fee cap at the time of original listing and on an annual basis. The Exchange further proposes to amend Section 907.00 of the Manual to limit the products and services provided to the issuer of an Equity Investment Tracking Stock. The proposed fees would apply to the initial and continued listing on the Exchange of an Equity Investment Tracking Stock and to the products and services provided to issuers of such security for as long as the Equity Investment Tracking Stock is the only class of security that is listed on the Exchange.

Pursuant to Section 902.02 and 902.03 of the Manual, listed companies are charged an annual security fee for each class or series of security listed on the Exchange. The annual fee is calculated based on the number of shares issued and outstanding and is currently set at a rate of $0.001025 for the primary listed class of equity, subject to an annual minimum of $52,500. In its first year of listing, a company's annual fee is prorated from the date of initial listing through the year end. Listed companies also pay other fees to the Exchange, including fees associated with initial and supplemental listing applications. In any given calendar year, however, Section 902.02 of the Manual specifies that the total fees that the Exchange may bill a listed company are capped at $500,000 (the ''Total Maximum Fee''). For an Equity Investment Tracking Stock, the Exchange proposes to adopt a Total Maximum Fee of $200,000.

Section 902.03 of the Manual currently provides, in part, for listing fees the first time an issuer lists a class of common shares, charged on a per share basis based on tiers set forth in the rule. The first time that an issuer lists a class of common shares, the issuer is also subject to a one-time special charge of $50,000. Once listed, if an issuer lists additional shares of a class of previously listed securities, the issuer is subject to listing fees for such additional shares. The minimum and maximum listing fees applicable the first time an issuer lists a class of common shares are $125,000 and $250,000, respectively, which amounts include the special charge of $50,000. In lieu of the foregoing, the Exchange proposes to establish for Equity Investment Tracking Stocks a fixed initial listing fee (inclusive of the one-time charge) of $100,000. Subject to the Total Maximum Fee of $200,000 per year described above, the Exchange proposes to charge the same per share annual fee for Equity Investment Tracking Stocks as for the primary class of equity of a listed operating company (*i.e.,* currently $0.001025 per share).

Finally, Section 907.00 of the Manual sets forth certain complimentary products and services that are offered to certain currently and newly listed issuers. These products and services are developed or delivered by NYSE or by a third party for use by NYSE-listed companies. Some of these products are commercially available from such third-party vendors. All listed issuers receive some complimentary products and services through the NYSE Market Access Center. The Exchange proposes to exclude issuers of an Equity Investment Tracking Stock from receiving the products and services provided for under Section 907.00, with the exception that such issuers will receive the complimentary products and services and access to discounted third-party products and services through the NYSE Market Access Center available to all listed issuers.

The Exchange proposes to limit the fees that would be payable for the listing on an Equity Investment Tracking Stock as an incentive for the issuer to list such security on the Exchange. As described below, the Exchange proposes to make the aforementioned fee changes to better reflect the Exchange's costs related to listing Equity Investment Tracking Stocks and the corresponding value of such listing to issuers.

[4] A company that (i) qualifies as an emerging growth company as defined in Section 2(a)(19) of the Securities Act and Section 3(a)(80) of the Exchange Act and (ii) avails itself of the provisions of the Securities Act and the Exchange Act permitting emerging growth companies to report only two years of audited financial statements, can qualify under the Earnings Test by meeting the following requirements: Pre-tax earnings totaling at least $10,000,000 in the aggregate for the last two fiscal years together with a minimum of $2,000,000 in both years.

[5] 17 CFR 230.146(b).

The Exchange proposes to make three other minor changes in this filing: (i) To remove from Section 902.03 references to the annual fee schedule applicable to years prior to 2016; (ii) to update the web link included in Section 907.00 and (iii) to delete the word ''four'' from Section 802.01B, as there are no longer four continued listing standards referred to in that rule.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[6] in general, and furthers the objectives of Sections 6(b)(4)[7] and 6(b)(5)[8] of the Act, in particular.

The Exchange believes that the proposed initial and continued listing standards for Equity Investment Tracking Stocks further the objectives of Section 6(b)(5) of the Act,[9] in particular in that they are designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. In particular, the proposed listing standards are designed to protect investors and the public interest by ensuring that Equity Investment Tracking Stocks listed on the Exchange meet stringent quantitative and qualitative listing standards to qualify for initial and continued listing.

The proposed fee provisions further the objectives of Sections 6(b)(4) in that they are designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. The Exchange believes that the proposed fee provisions are consistent with Section 6(b)(5) of the Act in that they do not unfairly discriminate among listed companies because there is a reasonable justification for charging the issuer of an Equity Investment Tracking Stock different fees from those charged to other issuers as there are cost and regulatory efficiencies for the Exchange when the issuer of an Equity Investment Tracking Stock and the issuer of the underlying equity security are both listed on the Exchange. Under the Exchange's proposal, the issuer of an Equity Investment Tracking Stock would pay a fixed initial listing fee of $100,000, which is less than the minimum fee charged in connection with the listing of the primary class of equity of an operating company. In addition, Equity Investment Tracking Stocks would be billed annual fees at the same rate per share as the primary class of equity of an operating company, but subject to a lower annual fee cap that may cause an issuer of an Equity Investment Tracking Stock to be subject to a lower effective fee rate per share than if it were a regular operating company. Given the unique nature of an Equity Investment Tracking Stock, including especially the fact that its trading price will likely be primarily derivative of the trading price of the security of another company, most of the services provided by the Exchange under Section 907.00 would be of limited value and appeal to issuers of Equity Investment Tracking Stocks and the Exchange believes it is appropriate to exclude the issuers of Equity Investment Tracking Stocks from its services program. The Exchange believes that the fact that it will not provide these costly services makes it appropriate to charge lower fees. In addition, the Exchange believes there will be regulatory efficiencies when the same regulatory staff is responsible for oversight of an Equity Investment Tracking Stock and the underlying equity security. This would include, for example, the fact that news that is material to the issuer of the underlying security would also be material to an investment in the Equity Investment Tracking Stock.

The Exchange does not expect many issuers will seek to list an Equity Investment Tracking Stock. Accordingly, the Exchange does not anticipate that it will experience any meaningful diminution in revenue as a result of the proposed lower fees and therefore does not believe that the proposed fees would in any way negatively affect its ability to continue to adequately fund its regulatory program or the services the Exchange provides to issuers

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. The proposed rule change is designed to provide listing standards for Equity Investment Tracking Stocks that are appropriately protective of investors and is not designed to limit the ability of the issuers of those securities to list them on any other national securities exchange. The proposed rule change is designed to ensure that the fees charged by the Exchange accurately reflect the services provided and benefits realized by listed companies. The market for listing services is extremely competitive. Each listing exchange has a different fee schedule that applies to issuers seeking to list securities on its exchange. Issuers have the option to list their securities on these alternative venues based on the fees charged and the value provided by each listing. Because issuers have a choice to list their securities on a different national securities exchange, the Exchange does not believe that the proposed listing standards and fee changes impose a burden on competition.

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 *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 (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–NYSE–2016–22 on the subject line.

[6] 15 U.S.C. 78f(b).

[7] 15 U.S.C. 78f(b)(4).

[8] 15 U.S.C. 78f(b)(5).

[9] 15 U.S.C. 78f(b)(5).

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 Number SR–NYSE–2016–22. 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 such 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 Number SR–NYSE–2016–22, and should be submitted on or before May 18, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[10]

Brent J. Fields,

Secretary.

[FR Doc. 2016–09717 Filed 4–26–16; 8:45 am]

BILLING CODE 8011–01–P

[10] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–77675; File No. SR–FICC–2016–001]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change Relating to the GCF Repo® Service

April 21, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on April 19, 2016, the Fixed Income Clearing Corporation (''FICC'' or the ''Corporation'') 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 primarily by FICC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of amendments to the Government Securities Division (''GSD'') Rulebook[3] (''GSD Rules'') in order to: (1) Permanently adopt the pilot program (the ''2015 Pilot Program'')[4] that is currently in effect for the GCF Repo®[5] service and that is scheduled to expire on June 22, 2016; (2) add clarifying rule changes regarding a process that is currently in effect with respect to the GCF Repo service and that FICC refers to as the ''net-of-net'' settlement process; and (3) make technical changes to the GSD Rules. The proposed rule changes consist of changes to GSD Rule 1, GSD Rule 20 and the *Schedule of GCF Timeframes.*

Capitalized terms used herein and not otherwise defined shall have the meaning assigned to those terms in the GSD Rules.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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 clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] The GSD Rulebook is available at DTCC's Web site, *www.dtcc.com/legal/rules-and-procedures.aspx.*

[4] Securities Exchange Act Release No. 34–75258 (June 22, 2015), 80 FR 36879 (June 26, 2015) (SR–FICC–2015–002).

[5] GCF Repo is a registered trademark of FICC/DTCC.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

i. Background: Description of the GCF Repo Service and History

(1) Development of the GCF Repo Service

The GCF Repo service was developed as part of a collaborative effort among the Government Securities Clearing Corporation (''GSCC'') (FICC's predecessor), its two clearing banks (The Bank of New York Mellon (''BNY'') and JPMorgan Chase Bank, National Association (''Chase'')) and industry representatives. GSCC introduced the GCF Repo service on an *intra*-clearing bank basis in 1998.[6] Under the intrabank service, Dealers[7] could only engage in GCF Repo Transactions[8] with other Dealers that cleared at the *same* clearing bank.

Currently, the GCF Repo service allows Netting Members[9] that participate in the service to trade general collateral repos[10] throughout the day without requiring intra-day, trade-for-trade settlement on a delivery-versus-payment (''DVP'') basis. The service allows Dealers to trade such general collateral repos, based on rate and term, throughout the day with Inter-Dealer Broker Netting Members[11] on a blind basis. Standardized Generic CUSIP Numbers[12] have been established exclusively for GCF Repo

[6] Securities Exchange Act Release No. 34–40623 (October 30, 1998) 63 FR 59831 (November 5, 1998) (SR–GSCC–98–02).

[7] Pursuant to the GSD Rules, the term ''Dealer'' means a member that is a registered Government Securities Dealer. GSD Rule 1, Definitions.

[8] Pursuant to the GSD Rules, the term ''GCF Repo Transaction'' means a Repo Transaction involving Generic CUSIP Numbers the data on which are submitted to the Corporation on a Locked-In-Trade basis pursuant to the provisions of Rule 6C, for netting and settlement by the Corporation pursuant to the provisions of Rule 20. GSD Rule 1, Definitions.

[9] Pursuant to the GSD Rules, the term ''Netting Member'' means a Member that is a Member of the Comparison System and the Netting System. GSD Rule 1, Definitions.

[10] A general collateral repo is a repo in which the underlying securities collateral is nonspecific, general collateral whose identification is at the option of the seller. This is in contrast to a specific collateral repo.

[11] Pursuant to the GSD Rules, the term ''Inter-Dealer Broker Netting Member'' shall have the meaning set forth in Section 2 of Rule 2A. GSD Rule 1, Definitions.

[12] Pursuant to the GSD Rules, the term ''Generic CUSIP Number'' means a Committee on Uniform Securities Identification Procedures identifying number established for a category of securities, as opposed to a specific security. The Corporation shall use separate Generic CUSIP Numbers for General Collateral Repo Transactions and GCF Repo Transactions. GSD Rule 1, Definitions.