

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.*) (“PRA”) the Securities and Exchange Commission (the “Commission”) is soliciting comments on the collections of information summarized below. The Commission plans to submit these existing collections of information to the Office of Management and Budget (“OMB”) for extension and approval.

Section 17(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) (the “Act”), generally prohibits affiliated persons of a registered investment company (“fund”) from borrowing money or other property from, or selling or buying securities or other property to or from, the fund or any company that the fund controls.<sup>1</sup> Section 2(a)(3) of the Act defines “affiliated person” of a fund to include its investment advisers.<sup>2</sup> Rule 17a-10 (17 CFR 270.17a-10) permits (i) a subadviser<sup>3</sup> of a fund to enter into transactions with funds the subadviser does not advise but that are affiliated persons of a fund that it does advise (e.g., other funds in the fund complex), and (ii) a subadviser (and its affiliated persons) to enter into transactions and arrangements with funds the subadviser does advise, but only with respect to discrete portions of the subadvised fund for which the subadviser does not provide investment advice.

To qualify for the exemptions in rule 17a-10, the subadvisory relationship must be the sole reason why section 17(a) prohibits the transaction. In addition, the advisory contracts of the subadviser entering into the transaction, and any subadviser that is advising the purchasing portion of the fund, must prohibit the subadvisers from consulting with each other concerning securities transactions of the fund, and limit their responsibility to providing advice with respect to discrete portions of the fund’s portfolio.<sup>4</sup> This requirement regarding the prohibitions and limitations in advisory contracts of subadvisers relying on the rule constitutes a collection of information under the PRA.<sup>5</sup>

The staff assumes that all existing funds with subadvisory contracts amended those contracts to comply with the adoption of rule 17a-10 in 2003, which conditioned certain exemptions

upon these contractual alterations, and therefore there is no continuing burden for those funds.<sup>6</sup> However, the staff assumes that all newly formed subadvised funds, and funds that enter into new contracts with subadvisers, will incur the one-time burden by amending their contracts to add the terms required by the rule.

Based on an analysis of fund filings, the staff estimates that approximately 314 funds enter into new subadvisory agreements each year.<sup>7</sup> Based on discussions with industry representatives, the staff estimates that it will require approximately 3 attorney hours to draft and execute additional clauses in new subadvisory contracts in order for funds and subadvisers to be able to rely on the exemptions in rule 17a-10. Because these additional clauses are identical to the clauses that a fund would need to insert in their subadvisory contracts to rely on rules 10f-3 (17 CFR 270.10f-3), 12d3-1 (17 CFR 270.12d3-1), and 17e-1 (17 CFR 270.17e-1), and because we believe that funds that use one such rule generally use all of these rules, we apportion this 3 hour time burden equally among all four rules. Therefore, we estimate that the burden allocated to rule 17a-10 for this contract change would be 0.75 hours.<sup>8</sup> Assuming that all 314 funds that enter into new subadvisory contracts each year make the modification to their contract required by the rule, we estimate that the rule’s contract modification requirement will result in 236 burden hours annually, with an associated cost of approximately \$107,380.<sup>9</sup>

<sup>6</sup> Transactions of Investment Companies With Portfolio and Subadviser Affiliates, Investment Company Act Release No. 25888 (Jan. 14, 2003) [68 FR 3153, (Jan. 22, 2003)]. We assume that funds formed after 2003 that intended to rely on rule 17a-10 would have included the required provision as a standard element in their initial subadvisory contracts.

<sup>7</sup> Based on data from form N-CEN filings, as of March 2022, there are 12,468 registered funds (open-end funds, closed-end funds, and exchange-traded funds), 4,870 funds of which have subadvisory relationships (approximately 39%). Based on Form N-1A and Form N-2 filings, there were 806 new registered funds in 2020. 806 new funds  $\times$  39% = 314 funds.

<sup>8</sup> This estimate is based on the following calculation: 3 hours  $\div$  4 rules = 0.75 hours.

<sup>9</sup> These estimates are based on the following calculations: (0.75 hours  $\times$  314 portfolios = 236 burden hours); (\$455 per hour  $\times$  236 hours = \$107,380 total cost). The Commission’s estimates concerning the wage rates for attorney time are based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association. The estimated wage figure is based on published rates for in-house attorneys, modified to account for a 1,800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead, yielding an effective hourly rate of

The estimate of average burden hours is made solely for the purposes of the PRA. The estimate is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules. Complying with this collection of information requirement is necessary to obtain the benefit of relying on rule 17a-10. Responses 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 9, 2022.

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, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street NE, Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: June 6, 2022.

**J. Matthew DeLesDernier,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-482, OMB Control No. 3235-0540]

### Proposed Collection; Comment Request; Extension: Rule 17a-25

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

\$455. See Securities Industry and Financial Markets Association, Report on Management & Professional Earnings in the Securities Industry 2013.

<sup>1</sup> 15 U.S.C. 80a-17(a).

<sup>2</sup> 15 U.S.C. 80a-2(a)(3)(E).

<sup>3</sup> As defined in rule 17a-10(b)(2). 17 CFR 270.17a-10(b)(2).

<sup>4</sup> 17 CFR 270.17a-10(a)(2).

<sup>5</sup> 44 U.S.C. 3501.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et. seq.*) ("PRA"), the Securities and Exchange Commission ("Commission") is soliciting comments on the existing collection of information provided for in Rule 17a-25 (17 CFR 204.17a-25) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et. seq.*).

Paragraph (a)(1) of Rule 17a-25 requires registered broker-dealers to electronically submit securities transaction information, including identifiers for prime brokerage arrangements, average price accounts, and depository institutions, in a standardized format when requested by the Commission staff. In addition, Paragraph (c) of Rule 17a-25 requires broker-dealers to submit, and keep current, contact person information for electronic blue sheets ("EBS") requests. The Commission uses the information for enforcement inquiries or investigations and trading reconstructions, as well as for inspections and examinations.

The Commission estimates that it sends approximately 13,558 electronic blue sheet requests per year to clearing broker-dealers that in turn submit an average 223,057 responses.<sup>1</sup> It is estimated that each broker-dealer that responds electronically will take 8 minutes, and each broker-dealer that responds manually will take 1½ hours to prepare and submit the securities trading data requested by the Commission. The annual aggregate hour burden for electronic and manual response firms is estimated to be 29,924 (223,057 × 8 ÷ 60 = 29,741 hours) + (122 × 1.5 = 183 hours), respectively.<sup>2</sup>

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate

of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be 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 in writing by August 9, 2022.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: David Bottom, Director/Chief Information Office, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street NE, Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: June 6, 2022.

**J. Matthew DeLesDernier,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-95041; File No. SR-NYSEAMER-2022-22]

### Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the NYSE American Options Fee Schedule

June 3, 2022.

Pursuant to Section 19(b)(1) <sup>1</sup> of the Securities Exchange Act of 1934 (the "Act") <sup>2</sup> and Rule 19b-4 thereunder, <sup>3</sup> notice is hereby given that, on May 31, 2022, NYSE American LLC ("NYSE American" or the "Exchange") filed with the Securities and Exchange Commission (the "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 amend the NYSE American Options Fee Schedule ("Fee Schedule") regarding credits

relating to the BOLD Mechanism. The Exchange proposes to implement the fee change effective June 1, 2022. The proposed rule change is available on the Exchange's website at [www.nyse.com](http://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 purpose of this filing is to modify credits associated with the BOLD Mechanism, a trading mechanism for automated order handling for eligible orders in designated classes pursuant to NYSE American Rule 994NY.

Currently, BOLD Initiating Orders receive the better of a \$0.12 per contract credit or a higher credit earned by qualifying for the American Customer Engagement ("ACE") Program.<sup>4</sup> As set forth in Section I.E. of the Fee Schedule, the ACE Program provides qualifying participants with per contract credits applicable to Electronic options transactions, including those executed via the BOLD Mechanism.

The Exchange now proposes to modify Section I.M. of the Fee Schedule to provide that the credit available to BOLD Initiating Orders would be the better of \$0.12 or, to the extent an ATP Holder would qualify for a higher credit via the ACE Program, \$0.13.<sup>5</sup>

The Exchange notes that the fees and credits relating to the BOLD Mechanism, as originally established,<sup>6</sup>

<sup>4</sup> See Fee Schedule, Section I.M. BOLD Mechanism Fees & Credits.

<sup>5</sup> The Exchange notes that this proposed change would only impact the credit relating to BOLD Initiating Orders, and the ACE Program credits outlined in Section I.E. remain unchanged.

<sup>6</sup> See Securities Exchange Act Release No. 80964 (June 19, 2017), 82 FR 28726 (June 23, 2017) (SR-NYSEAMKT-2017-37) (Notice of Filing and Immediate Effectiveness of Proposed Change to Modify the NYSE Amex Options Fee Schedule).

<sup>1</sup> A single EBS request has a unique number assigned to each request (e.g., "0900001"). However, the number of broker-dealer responses generated from one EBS request can range from one to several thousand. EBS requests are sent directly to clearing firms, as the clearing firm is the repository for trading data for securities transactions information provided by the clearing firm and the correspondent firms. Clearing brokers respond for themselves and other firms they clear for. There were 446,113 responses during the 24-month period, for an average of 223,057 annual responses.

<sup>2</sup> Few respondents submit manual EBS responses. The small percentage of respondents that submit manual responses do so by hand, via email, spreadsheet, disk, or other electronic media. Thus, the number of manual submissions (approximately 122 per year) has minimal effect on the total annual burden hours.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.