shareholders under rule 30e–1 under the Investment Company Act, and (2) file with the Commission a copy of every periodic or interim report or similar communication containing financial statements that is transmitted by or on behalf of such fund to any class of such fund's security holders and that is not required to be filed with the Commission under (1), not later than 10 days after the transmission to security holders. The purpose of the collection of information required by rule 30b2–1 is to meet the disclosure requirements of the Investment Company Act and certification requirements of the Sarbanes-Oxley Act of 2002 (Pub. L. 107–204, 116 Stat. 745 (2002)) and to provide investors with information necessary to evaluate an interest in the fund.

The Commission estimates that there are 2,401 funds, with a total of approximately 11,555 portfolios, that are governed by the rule. For purposes of this analysis, the burden associated with the requirements of rule 30b2–1 has been included in the collection of information requirements of rule 30e–1 and Form N–CSR, rather than the rule. The Commission has, however, requested a one hour burden for administrative purposes.

The collection of information under rule 30b2–1 is mandatory. The information provided under rule 30b2–1 is not 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 OMB control number.

The public may view the background documentation for this information collection at the following Web site, *www.reginfo.gov.* Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: *Shagufta_Ahmed@omb.eop.gov;* and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549 or send an email to: *PRA_Mailbox@sec.gov.* Comments must be submitted to OMB within 30 days of this notice.

Dated: November 22, 2017.

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2017–25642 Filed 11–27–17; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82144; File No. S7–04–09]

Order Extending Conditional Temporary Exemption for Nationally Recognized Statistical Rating Organizations From Requirements of Rule 17g–5(A)(3) Under the Securities Exchange Act of 1934

November 22, 2017.

I. Introduction

On May 19, 2010, the Securities and Exchange Commission (''Commission'') conditionally exempted, with respect to certain credit ratings and until December 2, 2010, nationally recognized statistical rating organizations (''NRSROs'') from certain requirements in Rule 17g–5(a)(3) [1] under the Securities Exchange Act of 1934 (''Exchange Act''), which had a compliance date of June 2, 2010.[2] Pursuant to the Order, an NRSRO is not required to comply with Rule 17g–5(a)(3) until December 2, 2010 with respect to credit ratings where: (1) The issuer of the structured finance product is a non-U.S. person; and (2) the NRSRO has a reasonable basis to conclude that the structured finance product will be offered and sold upon issuance, and that any arranger linked to the structured finance product will effect transactions of the structured finance product after issuance, only in transactions that occur outside the U.S. (''covered transactions'').[3] The conditional temporary exemption was extended until December 2, 2011, and subsequently further extended until December 2, 2017.[4] The Commission is extending the conditional temporary exemption exempting NRSROs from complying with Rule 17g–5(a)(3) with respect to rating covered transactions until the earlier of (i) December 2, 2019, or (ii) the compliance date set forth in any final rule that may be adopted by the Commission that provides for a similar exemption.

[1] *See* 17 CFR 240.17g–5(a)(3).

[2] *See* Exchange Act Release No. 62120 (May 19, 2010), 75 FR 28825 (May 24, 2010) (''Order'').

[3] *See id.* at 28827–28 (setting forth conditions of relief).

[4] *See* Exchange Act Release No. 34–76183 (Oct. 16, 2015), 80 FR 64031 (Oct. 22, 2015); *see also* Exchange Act Release No. 34–73649 (Nov. 19, 2014), 79 FR 70261 (Nov. 25, 2014), Exchange Act Release No. 34–70919 (Nov. 22, 2013), 78 FR 70984 (Nov. 27, 2013), Exchange Act Release No. 34–68286 (Nov. 26, 2012), 77 FR 71201(Nov. 29, 2012), Exchange Act Release No. 65765 (Nov. 16, 2011), 76 FR 72227 (Nov. 22, 2011), and Exchange Act Release No. 63363 (Nov. 23, 2010), 75 FR 73137 (Nov. 29, 2010) (collectively, the ''Extension Orders'').

II. Background

Rule 17g–5 identifies, in paragraphs (b) and (c) of the rule, a series of conflicts of interest arising from the business of determining credit ratings.[5] Paragraph (a) of Rule 17g–5 [6] prohibits an NRSRO from issuing or maintaining a credit rating if it is subject to the conflicts of interest identified in paragraph (b) of Rule 17g–5 unless the NRSRO has taken the steps prescribed in paragraph (a)(1) (*i.e.,* disclosed the type of conflict of interest in Exhibit 6 to Form NRSRO in accordance with Section 15E(a)(1)(B)(vi) of the Exchange Act [7] and Rule 17g–1 [8]) and paragraph (a)(2) (*i.e.,* established and is maintaining and enforcing written policies and procedures to address and manage conflicts of interest in accordance with Section 15E(h) of the Exchange Act [9]). Paragraph (c) of Rule 17g–5 specifically prohibits eight types of conflicts of interest. Consequently, an NRSRO is prohibited from issuing or maintaining a credit rating when it is subject to these conflicts regardless of whether it had disclosed them and established procedures reasonably designed to address them.

In November 2009, the Commission adopted paragraph (a)(3) of Rule 17g–5. This provision requires an NRSRO that is hired by an arranger to determine an initial credit rating for a structured finance product to take certain steps designed to allow an NRSRO that is not hired by the arranger to nonetheless determine an initial credit rating—and subsequently monitor that credit rating—for the structured finance product.[10] In particular, under Rule 17g–5(a)(3), an NRSRO is prohibited from issuing or maintaining a credit rating when it is subject to the conflict of interest identified in paragraph (b)(9) of Rule 17g–5 (*i.e.,* being hired by an arranger to determine a credit rating for a structured finance product) [11] unless it has taken the steps prescribed in paragraphs (a)(1) and (2) of Rule 17g–5 (discussed above) and the steps prescribed in paragraph (a)(3) of Rule

[5] 17 CFR 240.17g–5(b) and (c).

[6] 17 CFR 240.17g–5(a).

[7] 15 U.S.C. 78o–7(a)(1)(B)(vi).

[8] 17 CFR 240.17g–1.

[9] 15 U.S.C. 78o–7(h).

[10] *See* 17 CFR 240.17g–5(a)(3); *see also* Exchange Act Release No. 61050 (Nov. 23, 2009), 74 FR 63832 (Dec. 4, 2009) (''Adopting Release'') at 63844–45.

[11] Paragraph (b)(9) of Rule 17g–5 identifies the following conflict of interest: Issuing or maintaining a credit rating for a security or money market instrument issued by an asset pool or as part of any asset-backed securities transaction that was paid for by the issuer, sponsor, or underwriter of the security or money market instrument. 17 CFR 240.17g–5(b)(9).

17g–5.[12] Rule 17g–5(a)(3), among other things, requires that the NRSRO must:

- Maintain on a password-protected Internet Web site a list of each structured finance product for which it currently is in the process of determining an initial credit rating in chronological order and identifying the type of structured finance product, the name of the issuer, the date the rating process was initiated, and the Internet Web site address where the arranger represents the information provided to the hired NRSRO can be accessed by other NRSROs;
- Provide free and unlimited access to such password-protected Internet Web site during the applicable calendar year to any NRSRO that provides it with a copy of the certification described in paragraph (e) of Rule 17g–5 that covers that calendar year; [13] and
- Obtain from the arranger a written representation that can reasonably be relied upon that the arranger will, among other things, disclose on a password-protected Internet Web site the information it provides to the hired NRSRO to determine the initial credit rating (and monitor that credit rating) and provide access to the Web site to an NRSRO that provides it with a copy of the certification described in paragraph (e) of Rule 17g–5.[14]

The Commission stated in the Adopting Release that Rule 17g–5(a)(3) is designed to address conflicts of interest and improve the quality of credit ratings for structured finance products by making it possible for more NRSROs to rate structured finance products.[15] For example, the Commission noted that when an NRSRO is hired to rate a structured finance product, some of the information it relies on to determine the rating is generally not made public.[16] As a result, structured finance products frequently are issued with ratings from only the one or two NRSROs that have been hired by the arranger, with the attendant conflict of interest that creates.[17] The Commission stated that Rule 17g–5(a)(3) was designed to increase the number of credit ratings extant for a given structured finance product and, in particular, to promote the issuance of credit ratings by NRSROs that are not hired by arrangers.[18] The Commission's goal in adopting the rule was to provide users of credit ratings with more views on the creditworthiness of structured finance products.[19] In addition, the Commission stated that Rule 17g–5(a)(3) was designed to reduce the ability of arrangers to obtain better than warranted ratings by exerting influence over NRSROs hired to determine credit ratings for structured finance products.[20] Specifically, by opening up the rating process to more NRSROs, the Commission intended to make it easier for the hired NRSRO to resist such pressure by increasing the likelihood that any steps taken to inappropriately favor the arranger could be exposed to the market through the credit ratings issued by other NRSROs.[21]

Rule 17g–5(a)(3) became effective on February 2, 2010, and the compliance date for Rule 17g–5(a)(3) was June 2, 2010.

III. Extension of Conditional Temporary Exemption

In the Order, the Commission requested comment generally, but also on a number of specific issues.[22] The Commission received seven comment letters in response to this solicitation of comment.[23] The commenters expressed concern that the application of Rule 17g–5(a)(3) to transactions outside the United States could, in the commenters' view, among other things, disrupt local securitization markets,[24] inhibit the ability of local firms to raise capital,[25] and conflict with local laws.[26] Several commenters also requested that the

[12] 17 CFR 240.17g–5(a)(3).

[13] Paragraph (e) of Rule 17g–5 requires that an NRSRO seeking to access the hired NRSRO's Internet Web site during the applicable calendar year must furnish the Commission with the following certification:

The undersigned hereby certifies that it will access the Internet Web sites described in 17 CFR 240.17g–5(a)(3) solely for the purpose of determining or monitoring credit ratings. Further, the undersigned certifies that it will keep the information it accesses pursuant to 17 CFR 240.17g–5(a)(3) confidential and treat it as material nonpublic information subject to its written policies and procedures established, maintained, and enforced pursuant to Section 15E(g)(1) of the Act (15 U.S.C. 78o–7(g)(1)) and 17 CFR 240.17g–4. Further, the undersigned certifies that it will determine and maintain credit ratings for at least 10% of the issued securities and money market instruments for which it accesses information pursuant to 17 CFR 240.17g–5(a)(3)(iii), if it accesses such information for 10 or more issued securities or money market instruments in the calendar year covered by the certification. Further, the undersigned certifies one of the following as applicable: (1) In the most recent calendar year during which it accessed information pursuant to § 17 CFR 240.17g–5(a)(3), the undersigned accessed information for [Insert Number] issued securities and money market instruments through Internet Web sites described in 17 CFR 240.17g–5(a)(3) and determined and maintained credit ratings for [Insert Number] of such securities and money market instruments; or (2) The undersigned previously has not accessed information pursuant to 17 CFR 240.17g–5(a)(3) 10 or more times during the most recently ended calendar year.

[14] In particular, under paragraph (a)(3)(iii) of Rule 17g–5, the arranger must represent to the hired NRSRO that it will:

(1) Maintain the information described in paragraphs (a)(3)(iii)(C), (a)(3)(iii)(D), and (a)(3)(iii)(E) of Rule 17g–5 available at an identified password-protected Internet Web site that presents the information in a manner indicating which information currently should be relied on to determine or monitor the credit rating; (2) provide access to such password-protected Internet Web site during the applicable calendar year to any NRSRO that provides it with a copy of the certification described in paragraph (e) of Rule 17g–5 that covers that calendar year, provided that such certification indicates that the nationally recognized statistical rating organization providing the certification either: (i) Determined and maintained credit ratings for at least 10% of the issued securities and money market instruments for which it accessed information pursuant to paragraph (a)(3)(iii) of Rule 17g–5 in the calendar year prior to the year covered by the certification, if it accessed such information for 10 or more issued securities or money market instruments; or (ii) has not accessed information pursuant to paragraph (a)(3) of Rule 17g–5 10 or more times during the most recently ended calendar year; (3) post on such password-protected Internet Web site all information the arranger provides to the NRSRO, or contracts with a third party to provide to the NRSRO, for the purpose of determining the initial credit rating for the security or money market instrument, including information about the characteristics of the assets underlying or referenced by the security or money market instrument, and the legal structure of the security or money market instrument, at the same time such information is provided to the NRSRO; (4) post on such password-protected Internet Web site all information the arranger provides to the NRSRO, or contracts with a third party to provide to the NRSRO, for the purpose of undertaking credit rating surveillance on the security or money market instrument, including information about the characteristics and performance of the assets underlying or referenced by the security or money market instrument at the same time such information is provided to the NRSRO; and (5) post on such password-protected Internet Web site, promptly after receipt, any executed Form ABS Due Diligence—15E containing information about the security or money market instrument delivered by a person employed to provide third-party due diligence services with respect to the security or money market instrument.

[15] Adopting Release at 63844.

[16] *Id.*

[17] *Id.*

[18] *Id.*

[19] *Id.*

[20] *Id.*

[21] *Id.*

[22] *See* Order at 28828.

[23] Letter from Masamichi Kono, Vice Commissioner for International Affairs, Financial Services Agency, Japan, dated Nov. 12, 2010 (''*Japan FSA Letter*''); Letter from Masaru Ono, Executive Director, Securitization Forum of Japan, dated Nov. 12, 2010 (''*SFJ Letter*''); Letter from Rick Watson, Managing Director, Association for Financial Markets in Europe/European Securitisation Forum, dated Nov. 11, 2010 (''*AFME Letter*''); Letter from Tom Deutsch, Executive Director, American Securitization Forum, and Chris Dalton, Chief Executive Officer, Australian Securitisation Forum, dated Oct. 27, 2010 (''*ASF/AuSF Letter*''); Letter from Jack Rando, Director, Capital Markets, Investment Industry Association of Canada, dated Sep. 22, 2010 (''*IIAC Letter*''); Letter from Chris Dalton, Chief Executive Officer, Australian Securitisation Forum, dated Jun. 27, 2010 (''*AuSF Letter*''); Letter from Takefumi Emori, Managing Director, Japan Credit Rating Agency, Ltd. (''JCR''), dated Jun. 25, 2010 (''*JCR Letter*'').

[24] *See Japan FSA Letter; SFJ Letter; AFME Letter; JCR Letter; AuSF Letter.*

[25] *See AFME Letter; JCR Letter; AuSF Letter.*

[26] *See Japan FSA Letter; AFME Letter; JCR Letter; AuSF Letter; IIAC Letter.*

conditional temporary exemption be extended or made permanent.[27] The Commission's Extension Orders again solicited public comment on issues raised in connection with the application of Rule 17g–5(a)(3) outside the United States. Commenters generally supported the exemption regarding such application of the rule, with some commenters requesting that the exemption be made permanent.[28]

Given the continued concerns about potential disruptions of local securitization markets, the staff of the Commission is considering recommending that the Commission propose an amendment to Rule 17g–5(a)(3) that would provide for a permanent exemption with respect to credit ratings satisfying the conditions of the exemption. In order to provide time for the Commission to consider any such a recommendation and to avoid any disruption if the exemption were allowed to expire, the Commission believes that it is necessary and appropriate in the public interest, and consistent with the protection of investors, to extend the conditional temporary exemption until the earlier of (i) December 2, 2019, or (ii) the compliance date set forth in any final rule that may be adopted by the Commission that provides for a similar exemption.

IV. Conclusion

Accordingly,

It is hereby ordered, pursuant to Section 36 of the Exchange Act, that a nationally recognized statistical rating organization is exempt from the requirements in Rule 17g–5(a)(3) (17 CFR 240.17g–5(a)(3)) for credit ratings where:

(1) The issuer of the security or money market instrument is not a U.S. person (as defined under Securities Act Rule 902(k)); and

(2) The nationally recognized statistical rating organization has a reasonable basis to conclude that the structured finance product will be offered and sold upon issuance, and that any arranger linked to the structured finance product will effect transactions of the structured finance product after issuance, only in transactions that occur outside the U.S.,

Until the earlier of (i) December 2, 2019, or (ii) the compliance date set forth in any final rule that may be adopted by the Commission that provides for a similar exemption.

By the Commission.

Brent J. Fields,

Secretary.

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[27] *See Japan FSA Letter; SFJ Letter; AFME Letter; JCR Letter; ASF/AuSF Letter.*

[28] Comment letters received in response to the requests for comment regarding the application of Rule 17g–5(a)(3) to transactions outside the United States are available at *https://www.sec.gov/comments/s7-04-09/s70409.shtml. See, e.g.,* Letter from Richard Hopkin, Managing Director & Head of Fixed Income, Association for Financial Markets in Europe, dated Nov. 1, 2017; Letter from Richard Johns, Executive Director, Structured Finance Industry Group, and Chris Dalton, Chief Executive Officer, Australian Securitisation Forum, dated Jul. 19, 2017.

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82138; File No. SR–NYSEArca–2017–88]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Approving a Proposed Rule Change, as Modified by Amendments No. 1 and 2, To List and Trade Shares of the U.S. Equity Cumulative Dividends Fund—Series 2027 and the U.S. Equity Ex-Dividend Fund—Series 2027 Under NYSE Arca Rule 8.200–E, Commentary .02

November 21, 2017.

I. Introduction

On August 8, 2017, NYSE Arca, Inc. (''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to list and trade shares (''Shares'') of the U.S. Equity Cumulative Dividends Fund—Series 2027 (''Dividend Fund'') and the U.S. Equity Ex-Dividend Fund—Series 2027 (''Ex-Dividend Fund,'' each a ''Fund,'' and collectively the ''Funds'') under NYSE Arca Equities Rule 8.200, Commentary .02.[3] The proposed rule change was published for comment in the **Federal Register** on August 28, 2017.[4] On November 14, 2017, the Exchange filed Amendment No. 1 to the proposed rule change.[5] On November 16, 2017, the Exchange filed Amendment No. 2 to the proposed rule change.[6] The Commission has not received any comments on the proposed rule change. This order approves the proposed rule change, as modified by Amendments No.1 and 2 thereto.

II. The Exchange's Description of the Proposal[7]

The Exchange proposes to list and trade the Shares under NYSE Arca Rule 8.200–E, Commentary .02, which governs the listing and trading of Trust Issued Receipts.[8] Each Fund will be a

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

[2] 17 CFR 240.19b–4.

[3] The Commission notes that, on August 17, 2017, the Commission approved a proposed rule change that, among other things, created a single rulebook of the Exchange. *See* Securities Exchange Act Release No. 81419, 82 FR 40044 (Aug. 23, 2017) (SR–NYSEArca–2017–40). As a result, NYSE Arca Equities Rule 8.200 became NYSE Arca Rule 8.200–E.

[4] *See* Securities Exchange Act Release No. 81453 (Aug. 22, 2017), 82 FR 40816.

[5] In Amendment No. 1 (''Amendment No. 1''), which amended and replaced the proposed rule change in its entirety, the Exchange: (1) Changed the custodian of the Funds; (2) stated that the Dividend Fund will seek investment results that, before fees and expenses, correspond to the performance of the Solactive U.S. Cumulative Dividends Index Series 2027 over each calendar year; (3) clarified that the value of the Dividend Fund's Shares will be affected by the ordinary cash dividends that have been paid to date and general expectations in the market regarding the future levels of such dividends; (4) clarified that the Dividend Fund's exposure to dividend payments made by S&P 500 constituent companies will be based exclusively on its investments in annual S&P 500 dividend futures contracts; (5) clarified that pricing may be an example of a market factor pursuant to which the Dividend Fund may invest in quarterly S&P 500 dividend futures contracts; (6) clarified that the Ex-Dividend Fund will seek investment results that, before fees and expenses, correspond to the performance of the Solactive U.S. Equity Ex-Dividends Index—Series 2027 so as to provide shareholders with returns that are equivalent to the performance of 0.5 shares of SPDR® S&P 500® ETF less the value of current and future expected ordinary cash dividends to be paid on the S&P 500 constituent companies over the term of the Ex-Dividend Fund; (7) stated that the quarterly S&P 500 Index futures contracts are traded on the Chicago Mercantile Exchange (''CME''); (8) clarified that the Ex-Dividend Fund intends to track the performance of the Solactive Ex-Dividend Index by selling annual S&P dividend futures contracts; (9) represented that the Trust (defined herein) will issue and sell Shares of a Fund in one or more block size aggregations of 50,000 shares; (10) represented that an updated indicative fund value'' (''IFV'') will be calculated and disseminated by a third party service provider in accordance with the rules of the Exchange, and the IFV will be calculated by using the prior day's closing net asset value (''NAV'') per Share of a Fund as a base and updating that value throughout the trading day to reflect changes in the most recently reported trade prices for instruments traded by a Fund; and (11) made other technical changes. Because Amendment No. 1 made the clarifying changes and representations summarized above and does not raise unique or novel regulatory issues. Amendment No. 1 is not subject to notice and comment.

[6] In Amendment No. 2, which is a partial amendment, the Exchange updated the proposed rule change to reflect that the Registration Statement has been filed with the Commission. Because Amendment No. 2 simply deletes information regarding the draft registration statement and provides information related to the filed Registration Statement and does not raise unique or novel regulatory issues, Amendment No. 2 is not subject to notice and comment.

[7] Additional information regarding the Funds, the Trust, and the Shares can be found in Amendments No. 1 and 2 and the Registration Statement. *See supra* notes 5 and 6 and *infra* note 9.

[8] Commentary .02 to NYSE Arca Rule 8.200–E applies to Trust Issued Receipts that invest in ''Financial Instruments.'' The term ''Financial

Continued