

QLCC, the QLCC must adopt written procedures for the confidential receipt, retention, and consideration of any report of evidence of a material violation. We estimate for purposes of the PRA that there are approximately 10,712 issuers that are subject to the rules.<sup>1</sup> Of these, we estimate that approximately 319, which is approximately 3 percent, have established or will establish a QLCC.<sup>2</sup> Establishing the written procedures required by the rule should not impose a significant burden. We assume that an issuer would incur a greater burden in the year that it first establishes the procedures than in subsequent years, in which the burden would be incurred in updating, reviewing, or modifying the procedures. For purposes of the PRA, we assume that an issuer would spend 6 hours every three-year period on the procedures. This would result in an average burden of 2 hours per year. Thus, we estimate for purposes of the PRA that the total annual burden imposed by the collection of information would be 638 hours. Assuming half of the burden hours will be incurred by outside counsel at a rate of \$500 per hour would result in a cost of \$159,500.

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act, and is not derived from a comprehensive or even a representative survey or study. 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.

*Written comments are requested on:*

(a) Whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burden[s] 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.

The public may view the background documentation for this information

<sup>1</sup> This figure is based on the estimated 7,625 operating companies that filed annual reports on Form 10-K, Form 20-F, or Form 40-F during the 2017 calendar year, and the estimated 3,087 investment companies that filed periodic reports on Form N-SAR during that same time period.

<sup>2</sup> This estimate is based on issuer-filings made with the Commission between January 1, 2015 and March 18, 2018 that include a reference to the issuer's QLCC.

collection at the following website, [www.reginfo.gov](http://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](mailto:Shagufta.Ahmed@omb.eop.gov); and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Candace Kenner, 100 F Street NE, Washington, DC 20549 or send an email to [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: June 13, 2018.

**Eduardo A. Aleman,**

*Assistant Secretary.*

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83418; File No. SR-NYSEArca-2018-41]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the NYSE Arca Equities Fees and Charges

June 12, 2018.

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 June 1, 2018, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") 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 the Substance of the Proposed Rule Change

The Exchange proposes to amend the NYSE Arca Equities Fees and Charges ("Fee Schedule") to (i) introduce a new pricing tier, Step Up Tier 2, and (ii) adopt an incremental credit for the Tape B Tier 2 pricing tier. The Exchange proposes to implement the fee changes effective June 1, 2018. 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 Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange proposes to amend the Fee Schedule to: (i) Introduce a new pricing tier, Step Up Tier 2, and (ii) adopt an incremental credit for Tape B Tier 2. The Exchange proposes to implement the fee changes effective June 1, 2018.

###### Step Up Tier 2

The Exchange proposes a new pricing tier—Step Up Tier 2—for securities with a per share price of \$1.00 or above.

The Exchange currently has a Step Up Tier pursuant to which qualifying ETP Holders and Market Makers receive a credit of \$0.0030 per share for orders that provide displayed liquidity to the Book in Tape A Securities, \$0.0023 per share for orders that provide displayed liquidity to the Book in Tape B Securities, and \$0.0031 per share for orders that provide displayed liquidity to the Book in Tape C Securities if such ETP Holders and Market Makers directly execute providing average daily volume ("ADV") per month of 0.50% or more but less than 0.70% of the US CADV, and directly execute providing ADV that is an increase of no less than 0.10% of US CADV for that month over the ETP Holder's or Market Maker's providing ADV in Q1 2018.<sup>4</sup>

As proposed, ETP Holders and Market Makers would qualify for the new Step Up Tier 2 if they directly execute providing ADV per month of 0.22% or more but less than 0.30% of the US CADV, and directly execute providing ADV that is an increase of no less than

<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.

<sup>4</sup> See Securities Exchange Act Release No. 83032 (April 11, 2018), 83 FR 16909 (April 17, 2018) (SR-NYSEArca-2018-20).

0.06% of US CADV for that month over the ETP Holder's or Market Maker's providing ADV in May 2018. ETP Holders and Market Makers that qualify for Step Up Tier 2 would receive a credit of \$0.0028 per share for orders that provide displayed liquidity to the Book in Tape A and Tape C Securities and \$0.0022 per share for orders that provide displayed liquidity to the Book in Tape B Securities.

The goal of the proposed Step Up Tier 2 pricing tier remains the same as that of the Step Up Tier, *i.e.*, to incentivize ETP Holders and Market Makers to increase the orders sent directly to the Exchange and therefore provide liquidity that supports the quality of price discovery and promotes market transparency. The Exchange believes that the proposed new pricing tier will provide a further incentive for ETP Holders and Market Makers to direct order flow to the Exchange.

#### Tape B Tier 2

The Exchange proposes to adopt an incremental credit for a current pricing tier—Tape B Tier 2—for securities with a per share price \$1.00 or above.

Currently, a Tape B Tier 2 credit of \$0.0028 per share applies to ETP Holders and Market Makers, that, on daily basis, measured monthly, directly execute providing volume in Tape B Securities during the billing month ("Tape B Adding ADV") that is either (1) equal to at least 1.0% of the US Tape B CADV or (2) equal to at least 0.20% of the US Tape B CADV for the billing month over the ETP Holder's or Market Maker's Q2 2015 Tape B Adding ADV taken as a percentage of Tape B CADV ("Tape B Baseline % CADV").

The Exchange proposes to adopt an incremental credit of \$0.0001 per share for orders that provide liquidity to the order book in Tape B Securities that would be payable to ETP Holders and Market Makers who meet the requirements of Tape B Tier 2 and execute adding ADV in Tape B Securities during the billing month equal to at least 0.40% of Tape B CADV over the ETP Holder's or Market Maker's Q1 2018 Tape B adding ADV taken as a percentage of Tape B CADV. The proposed incremental credit would be in addition to the ETP Holder's or Market Maker's Tiered or Basic Rate credit(s) except that such combined credit(s) shall not exceed \$0.0030 per share.

The proposed changes are not otherwise intended to address any other issues, and the Exchange is not aware of any significant problems that market participants would have in complying with the proposed changes.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>5</sup> in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,<sup>6</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the Step Up Tier 2 is intended to incentivize market participants to increase the orders sent directly to NYSE Arca and therefore provide liquidity that supports the quality of price discovery and promotes market transparency. Moreover, the addition of the Step Up Tier 2 would benefit market participants whose increased order flow provides meaningful added levels of liquidity thereby contributing to the depth and market quality on the Exchange. The Exchange believes that the proposed new Step Up Tier 2 is equitable because it is open to all ETP Holders and Market Makers on an equal basis and provides credits that are reasonably related to the value to an exchange's market quality associated with higher volumes.

The Exchange believes that the proposed modification to adopt an incremental Tape B Tier 2 credit is reasonable, fair, and equitable because the proposed credit is designed to encourage increased trading by ETP Holders and Market Makers in Tape B Securities. The Exchange notes that ETP Holders and Market Makers that do not meet the requirements to qualify for the incremental credit may still qualify for Tape B Tier 2 credits if they meet the Tape B Tier 2 requirements.

The Exchange further believes the proposed incremental credit is reasonable and appropriate in that it is based on the amount of business transacted on the Exchange. The Exchange believes the proposed incremental credit for adding liquidity is also reasonable because it will encourage liquidity and competition in Tape B securities quoted and traded on the Exchange.

The Exchange also believes the proposed incremental credit is equitable and not unfairly discriminatory because it is open to all ETP Holders and Market Makers on an equal basis and provides discounts that are reasonably related to the value to the Exchange's market quality associated with higher volumes.

<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(4) and (5).

The Exchange further believes that the proposed incremental credit is not unfairly discriminatory because the magnitude of the additional credit is not unreasonably high in comparison to the credit paid with respect to other displayed liquidity-providing orders. The Exchange does not believe that it is unfairly discriminatory to offer increased credits to ETP Holders and Market Makers as these participants would be subject to additional volume requirements in Tape B Securities.

The Exchange believes that the proposed fee changes are equitable and not unfairly discriminatory because providing incentives for orders in exchange-listed securities that are executed on a registered national securities exchange (rather than relying on certain available off-exchange execution methods) would contribute to investors' confidence in the fairness of their transactions and would benefit all investors by deepening the Exchange's liquidity pool, supporting the quality of price discovery, promoting market transparency and improving investor protection.

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange's statement regarding the burden on competition.

For the foregoing reasons, the Exchange believes that the proposal is consistent with the Act.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

In accordance with Section 6(b)(8) of the Act,<sup>7</sup> the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, the Exchange believes that the proposal to add a new pricing tier and adopting incremental credits for an existing pricing tier would encourage the submission of additional liquidity to a public exchange, thereby promoting price discovery and transparency and enhancing order execution opportunities for ETP Holders and Market Makers. The Exchange believes that this could promote competition between the Exchange and other execution venues, including those that currently offer similar order types and comparable transaction pricing, by encouraging additional orders to be sent to the Exchange for execution.

Finally, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they

<sup>7</sup> 15 U.S.C. 78f(b)(8).

deem fee levels at a particular venue to be excessive or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees and rebates to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. As a result of all of these considerations, the Exchange does not believe that the proposed changes will impair the ability of ETP Holders or competing order execution venues to maintain their competitive standing in the financial markets.

*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**

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>8</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>9</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>10</sup> of the Act to determine whether the proposed rule change should be approved or disapproved.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule

change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2018-41 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEArca-2018-41. 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 (<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 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 10:00 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEArca-2018-41, and should be submitted on or before July 9, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

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**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**Submission for OMB Review; Comment Request**

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

*Extension:*

Rule 15Ga-2 and Form ABS-15G, SEC File No. 270-620, OMB Control No. 3235-0675

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget this request for extension of the previously approved collection of information discussed below.

Rule 15Ga-2 and Form ABS-15G (17 CFR 249.1400) is used for reports of information required under Rule 15Ga-1 and Rule 15Ga-2 (17 CFR 240.15Ga-1) (17 CFR 240.15Ga-2) of the Exchange Act of 1934 ("Exchange Act"). Exchange Act Rule 15Ga-1 requires asset-backed securitizers to provide disclosure regarding fulfilled an unfulfilled repurchase requests with respect to asset-backed securities. The purpose of the information collected on Form ABS-15G is to implement the disclosure requirements of Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to provide information regarding the use of representations and warranties in the asset-backed securities markets. Rule 15Ga-1 had a one-time reporting requirement that expired on February 14, 2012. We estimate that approximately 1,343 securitizers will file Form ABS-15G annually at estimated (19,307 hours) burden hours per response. In addition, we estimate that 75% of the 19,307 hours per response (14.48 hours) is carried internally by the securitizers for a total annual reporting burden of 19,447 hours (14.48 hours per response × 1,343 responses).

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.

The public may view the background documentation for this information collection at the following website, [www.reginfo.gov](http://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

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

<sup>10</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>11</sup> 17 CFR 200.30-3(a)(12).