

exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants request an exemption under section 6(c) from sections 18(a)(2), 18(c) and 18(i) to permit the Fund to issue multiple classes of Shares.

5. Applicants submit that the proposed allocation of expenses relating to distribution and voting rights among multiple classes is equitable and will not discriminate against any group or class of shareholders. Applicants submit that the proposed arrangements would permit the Fund to facilitate the distribution of its Shares and provide investors with a broader choice of shareholder options. Applicants assert that the proposed closed-end investment company multiple class structure does not raise the concerns underlying section 18 of the Act to any greater degree than open-end investment companies' multiple class structures that are permitted by rule 18f-3 under the Act. Applicants state that the Fund will comply with the provisions of rule 18f-3 as if it were an open-end investment company.

#### *Early Withdrawal Charge*

1. Applicants state that the early withdrawal charges they intend to impose are functionally similar to contingent deferred sales loads imposed by open-end investment companies under rule 6c-10 under the Act. Rule 6c-10 permits open-end investment companies to impose contingent deferred sales loads, subject to certain conditions. Applicants note that rule 6c-10 is grounded in policy considerations supporting the employment of contingent deferred sales loads where there are adequate safeguards for the investor and state that the same policy considerations support imposition of early withdrawal charges in the interval fund context. In addition, Applicants state that early withdrawal charges may be necessary for the Fund's Distributor to recover distribution costs. Applicants represent that any early withdrawal charge imposed by a Fund will comply with rule 6c-10 under the Act as if the rule were applicable to closed-end investment companies. Each Fund will disclose early withdrawal charges in accordance with the requirements of Form N-1A concerning contingent deferred sales loads.

#### *Asset-Based Service and/or 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 permit the Fund to impose asset-based service and/or 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 service and/or distribution fees.

3. For the reasons stated above, Applicants submit that the exemptions requested are necessary and appropriate in the public interest and are consistent with the protection of investors and purposes fairly intended by the policy and provisions of the 1940 Act. Applicants also believe that the requested relief meets the standards for relief in section 17(d) of the 1940 Act and rule 17d-1 thereunder.

#### **Applicants' Condition**

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

Applicants 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 or replaced, as if those rules applied to closed-end management investment companies, and will comply with FINRA Rule 2341, 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.

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

[FR Doc. 2018-21374 Filed 10-1-18; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-84293; File No. SR-CboeBYX-2018-021]**

### **Self-Regulatory Organizations; Cboe BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use on Cboe BYX Exchange, Inc.**

September 26, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 20, 2018, Cboe BYX Exchange, Inc. (the "Exchange" or "BYX") 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 Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> which renders the proposed rule change effective upon filing with the Commission. 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 filed a proposal to amend the Exchange's fee schedule applicable to its equities trading platform.

The text of the proposed rule change is available at the Exchange's website at [www.markets.cboe.com](http://www.markets.cboe.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 Exchange included statements

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

<sup>2</sup> 17 CFR 240.19b-4.

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

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

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 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 purpose of the proposed rule change is to amend the Exchange's fee schedule applicable to its equities trading platform ("BYX Equities") to add a new ADAV<sup>5</sup> requirement to qualify for Remove Volume Tier 8 associated with fee codes W,<sup>6</sup> BB,<sup>7</sup> and N.<sup>8,9</sup>

By way of background, the Exchange provides a standard rebate of \$0.0005 per share for orders that remove liquidity from BYX in securities priced at or above \$1.00. Members may also qualify for a higher rebate based on the Exchange's Remove Volume Tiers, which are designed to encourage Members to bring order flow to BYX by providing higher rebates for removing liquidity to firms based on their activity on the Exchange.<sup>10</sup> Currently, Members can qualify for a higher rebate of \$0.0017 per share pursuant to Remove Volume Tier 8 if the Member has a Step-

Up Remove TCV<sup>11</sup> from December 2017 equal or greater than 0.10%. The Exchange proposes to add a second prong to Remove Volume Tier 8 which will also require a Member to meet an "adding liquidity" threshold, in addition to the current "removing liquidity" threshold. Particularly, the Exchange proposes to add the requirement that a Member have an ADAV that is greater than or equal to 0.30% of the TCV. The proposed change applies to fee codes W, BB, and N, which relate to orders that remove liquidity from BYX in Tapes A, B, and C, respectively. The Exchange believes the proposed change makes the threshold requirements commensurate with the level of the incentive provided in Remove Volume Tier 8. The Exchange also notes that another exchange has adopted a similar rebate that requires Members to meet thresholds relating to both removing and adding liquidity.<sup>12</sup>

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of Section 6 of the Act<sup>13</sup> and, in particular, the requirements of Section 6(b)(4) and 6(b)(5),<sup>14</sup> as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities and is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in 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.

The Exchange believes that the amount of the rebate under Remove Volume Tier 8 is reasonable because it remains unchanged. The Exchange also believes that it is reasonable to require an additional threshold in order to receive the rebate because the Exchange believes the updated requirements are commensurate with the level of the

rebate offered and ensures Members are providing adequate market participation in return for this rebate.

The Exchange believes the proposal to add a requirement to Remove Volume Tier 8 is an equitable allocation and is not unfairly discriminatory because the proposed rule change applies to all similarly situated Members. Particularly, volume-based rebates such as those currently maintained on the Exchange have been widely adopted by exchanges and are equitable and non-discriminatory because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to (i) the value of an exchange's market quality; (ii) associated with higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns; and (iii) introduction of higher volumes of orders into the price and volume discovery processes. The Exchange believe it's reasonable, equitable and not unfairly discriminatory to require that Members meet an adding liquidity threshold in addition to the existing liquidity removing threshold because the proposed ADAV requirement is intended to ensure Members achieving this rebate will meaningfully support trading on the exchange by also providing liquidity that supports the displayed market and, therefore, market quality. The Exchange believes the enhanced rebated under Remove Volume Tier 8, together with the other existing rebates and reduced fees under Add/Remove Volume Tiers 1–9 provide members with choice and flexibility. Particularly, the Exchange notes that Members have other opportunities to receive enhanced rebates or reduced fees should a member be unable to satisfy the qualification criteria required to receive the rebate under Remove Volume Tier 8. As noted above, the Exchange also notes that another exchange has adopted a similar rebate that requires Members to meet thresholds relating to both adding and removing liquidity.<sup>15</sup> In sum, the Exchange believes that the proposed change is an equitable allocation and is not unfairly discriminatory.

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

The Exchange believes the proposed amendment to its fee schedule would not impose any burden on competition that is not necessary or appropriate in

<sup>5</sup> "ADAV" means average daily added volume calculated as the number of shares added per day. See BYX Fee Schedule, Definitions. ADAV is calculated on a monthly basis. The Exchange excludes from its calculation of ADAV shares added or removed on any day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during regular trading hours ("Exchange System Disruption"), on any day with a scheduled early market close and on the last Friday in June (the "Russell Reconstitution Day"). Routed shares are not included in ADAV calculation. With prior notice to the Exchange, a Member may aggregate ADAV with other Members that control, are controlled by, or are under common control with such Member (as evidenced on such Member's Form BD).

<sup>6</sup> W is associated with orders that remove liquidity from BYX in Tape A securities.

<sup>7</sup> BB is associated with orders that remove liquidity from BYX in Tape B securities.

<sup>8</sup> N is associated with orders that remove liquidity from BYX in Tape C securities.

<sup>9</sup> The Exchange initially filed the proposed fee change on September 4, 2018 (SR-CboeBYX-2018-018) for September 4, 2018 effectiveness. On business date September 13, 2018, the Exchange withdrew SR-CboeBYX-2018-018 and submitted SR-CboeBYX-2018-020. On September 20, 2018, the Exchange withdrew SR-CboeBYX-2018-020 and submitted this filing.

<sup>10</sup> See BYX Fee Schedule, footnote 1, Add/Remove Volume Tiers.

<sup>11</sup> "TCV" means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply. The Exchange excludes from its calculation of TCV volume on any day that the Exchange experiences an Exchange System Disruption, on any day with a scheduled early market close and the Russell Reconstitution Day.

<sup>12</sup> See Nasdaq BX, Inc. ("BX") Rule 7018, Nasdaq BX Equities System Order Execution and Routing, which provides a \$0.0016 per share executed credit for orders that meet thresholds relating to accessing liquidity and adding liquidity.

<sup>13</sup> 15 U.S.C. 78f.

<sup>14</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>15</sup> See Nasdaq BX, Inc., Rule 7018, Nasdaq BX Equities System Order Execution and Routing, which provides a \$0.0016 per share executed credit for orders that meet thresholds relating to accessing liquidity and adding liquidity.

furtherance of the purposes of the Act. The Exchange does not believe that the proposed change represents a significant departure from previous pricing programs offered by the Exchange or pricing offered by the Exchange's competitors. Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed change will impair the ability of Members or competing 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 either solicited or received.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>16</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>17</sup> At any time within 60 days of the filing of the 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.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal 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 No. SR-CboeBYX-2018-021 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 No. SR-CboeBYX-2018-021. 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 will also 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 No. SR-CboeBYX-2018-021 and should be submitted on or before October 23, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

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

[FR Doc. 2018-21364 Filed 10-1-18; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Investment Company Act Release No. 33256; File No. 812-14860]

**BC Partners Lending Corporation, et al.; Notice of Application**

September 26, 2018.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice.

Notice of an application for an order under sections 17(d) and 57(i) of the Investment Company Act of 1940 (the "Act") and rule 17d-1 under the Act permitting certain joint transactions otherwise prohibited by sections 17(d) and 57(a)(4) of the Act and rule 17d-1 under the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to permit a business development company ("BDC") and certain closed-end investment companies to co-invest in portfolio companies with each other and with affiliated investment funds.

**APPLICANTS:** BC Partners Lending Corporation (the "Company"), BCP Special Opportunities Fund I LP (the "Private Fund"), and BC Partners Advisors L.P. (the "Company Adviser").

**FILING DATES:** The application was filed on December 27, 2017, and amended on May 31, 2018 and September 12, 2018.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on October 22, 2018 and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

**ADDRESSES:** Secretary, U.S. Securities and Exchange Commission, 100 F St. NE, Washington, DC 20549-1090. Applicants: 650 Madison Avenue, New York, New York 10022.

**FOR FURTHER INFORMATION CONTACT:**

Kieran G. Brown, Senior Counsel, at (202) 551-6773, or Kaitlin C. Bottock, Branch Chief, at (202) 551-6821 (Chief Counsel's Office, Division of Investment Management).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained via the Commission's website by searching for the file number, or for an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

**Applicants' Representations**

1. The Company is a Maryland corporation organized on December 22, 2017. On April 23, 2018, the Company filed an election to be treated as a BDC<sup>1</sup>

<sup>1</sup> Section 2(a)(48) of the Act defines a BDC to be any closed-end investment company that operates for the purpose of making investments in securities described in section 55(a)(1) through 55(a)(3) of the

<sup>16</sup> 15 U.S.C. 78s(b)(3)(A).

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

<sup>18</sup> 17 CFR 200.30-3(a)(12).