

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

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2019-23554 Filed 10-28-19; 8:45 am]

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## 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 237 30-Day Notice (2019), SEC File No. 270-465, OMB Control No. 3235-0528

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the Securities and Exchange Commission (the "Commission") has submitted to the Office of Management and Budget a request for extension and approval of the collection of information discussed below.

In Canada, as in the United States, individuals can invest a portion of their earnings in tax-deferred retirement savings accounts ("Canadian retirement accounts"). These accounts, which operate in a manner similar to individual retirement accounts in the United States, encourage retirement savings by permitting savings on a tax-deferred basis. Individuals who establish Canadian retirement accounts while living and working in Canada and who later move to the United States ("Canadian-U.S. Participants" or "participants") often continue to hold their retirement assets in their Canadian retirement accounts rather than prematurely withdrawing (or "cashing out") those assets, which would result in immediate taxation in Canada.

Once in the United States, however, these participants historically have been unable to manage their Canadian retirement account investments. Most securities that are "qualified investments" for Canadian retirement accounts are not registered under the U.S. securities laws. Those securities, therefore, generally cannot be publicly offered and sold in the United States without violating the registration requirement of the Securities Act of 1933 ("Securities Act").<sup>1</sup> As a result of

this registration requirement, Canadian-U.S. Participants previously were not able to purchase or exchange securities for their Canadian retirement accounts as needed to meet their changing investment goals or income needs.

The Commission issued a rulemaking in 2000 that enabled Canadian-U.S. Participants to manage the assets in their Canadian retirement accounts by providing relief from the U.S. registration requirements for offers of securities of foreign issuers to Canadian-U.S. Participants and sales to Canadian retirement accounts.<sup>2</sup> Rule 237 under the Securities Act<sup>3</sup> permits securities of foreign issuers, including securities of foreign funds, to be offered to Canadian-U.S. Participants and sold to their Canadian retirement accounts without being registered under the Securities Act.

Rule 237 requires written offering documents for securities offered and sold in reliance on the rule to disclose prominently that the securities are not registered with the Commission and are exempt from registration under the U.S. securities laws. The burden under the rule associated with adding this disclosure to written offering documents is minimal and is non-recurring. The foreign issuer, underwriter, or broker-dealer can redraft an existing prospectus or other written offering material to add this disclosure statement, or may draft a sticker or supplement containing this disclosure to be added to existing offering materials. In either case, based on discussions with representatives of the Canadian fund industry, the staff estimates that it would take an average of 10 minutes per document to draft the requisite disclosure statement.

The Commission understands that there are approximately 2,412 Canadian issuers other than funds that may rely on rule 237 to make an initial public offering of their securities to Canadian-U.S. Participants.<sup>4</sup> The staff estimates that in any given year approximately 24

("funds") that are not registered pursuant to the Investment Company Act of 1940 ("Investment Company Act") is generally prohibited by U.S. securities laws. 15 U.S.C. 80a.

<sup>2</sup> See Offer and Sale of Securities to Canadian Tax-Deferred Retirement Savings Accounts, Release Nos. 33-7860, 34-42905, IC-24491 (June 7, 2000) [65 FR 37672 (June 15, 2000)]. This rulemaking also included new rule 7d-2 under the Investment Company Act, permitting foreign funds to offer securities to Canadian-U.S. Participants and sell securities to Canadian retirement accounts without registering as investment companies under the Investment Company Act. 17 CFR 270.7d-2.

<sup>3</sup> 17 CFR 230.237.

<sup>4</sup> This estimate is based on the following calculation: 2,322 equity issuers + 90 bond issuers = 2,412 total issuers (as of Dec. 2018). See The MiG Report, Toronto Stock Exchange and TSX Venture Exchange (Dec. 2018) (providing number of equity and bond issuers on the Toronto Exchange).

(or 1 percent) of those issuers are likely to rely on rule 237 to make a public offering of their securities to participants, and that each of those 24 issuers, on average, distributes 3 different written offering documents concerning those securities, for a total of 72 offering documents.

The staff therefore estimates that during each year that rule 237 is in effect, approximately 36 respondents<sup>5</sup> would be required to make 72 responses by adding the new disclosure statements to approximately 72 written offering documents. Thus, the staff estimates that the total annual burden associated with the rule 237 disclosure requirement would be approximately 12 hours (72 offering documents × 10 minutes per document). The total annual cost of burden hours is estimated to be \$4,980 (12 hours × \$415 per hour of attorney time).<sup>6</sup>

In addition, issuers from foreign countries other than Canada could rely on rule 237 to offer securities to Canadian-U.S. Participants and sell securities to their accounts without becoming subject to the registration requirements of the Securities Act. However, the staff believes that the number of issuers from other countries that rely on rule 237, and that therefore are required to comply with the offering document disclosure requirements, is negligible.

These burden hour estimates are based upon the Commission staff's experience and discussions with the fund industry. The estimates of average burden hours are made solely for the purposes of the Paperwork Reduction Act. These estimates are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules.

Compliance with the collection of information requirements of the rule is mandatory and is necessary to comply with the requirements of the rule in general. 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.

<sup>5</sup> This estimate of respondents only includes foreign issuers. The number of respondents would be greater if foreign underwriters or broker-dealers draft stickers or supplements to add the required disclosure to existing offering documents.

<sup>6</sup> The Commission's estimate concerning the wage rate for attorney time is based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association ("SIFMA"). The \$415 per hour figure for an attorney is from SIFMA's *Management & Professional Earnings in the Securities Industry 2013*, modified by Commission staff to account for an 1,800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, overhead, and inflation.

<sup>1</sup> 15 U.S.C. 77. In addition, the offering and selling of securities of investment companies

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 Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Lindsay.M.Abate@omb.eop.gov](mailto:Lindsay.M.Abate@omb.eop.gov); and (ii) Charles Riddle, Acting 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: October 24, 2019.

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2019–23602 Filed 10–28–19; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; 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:

Rules 17Ad–22—Standards for Clearing Agencies, SEC File No. 270–646, OMB Control No. 3235–0695

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 17Ad–22 (17 CFR 240.17Ad–22) under the Securities Exchange Act of 1934 (“Exchange Act”) (15 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 17Ad–22 was adopted to strengthen the substantive regulation of clearing agencies, promote the safe and reliable operation of covered clearing agencies, and improve efficiency, transparency, and access to covered clearing agencies.<sup>1</sup> The total estimated annual burden of Rule 17Ad–22 is 8,091

hours, and the total estimated annual cost is \$13,397,120.

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 will have practical utility; (b) the accuracy of the Commission staff’s estimates of the burden of the proposed collection of information; (c) the 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 in writing within 60 days of this publication.

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

Dated: October 24, 2019.

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2019–23597 Filed 10–28–19; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–87391; File No. SR–NASDAQ–2019–057]

### Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To Amend Rule 4121

October 23, 2019.

#### I. Introduction

On July 16, 2019, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) and Rule 19b–4 thereunder,<sup>2</sup> a proposed rule change to amend Nasdaq Rule 4121 (Trading Halts Due to Extraordinary Market Volatility) to enhance the re-

opening auction process for Nasdaq-listed securities following trading halts due to extraordinary market volatility. The proposed rule change was published for comment in the **Federal Register** on July 25, 2019.<sup>3</sup> On September 5, 2019, the Commission extended the time period within which to either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change, to October 23, 2019.<sup>4</sup> The Commission received no comment letters on the proposed rule change. This order institutes proceedings under Section 19(b)(2)(B) of the Act to determine whether to approve or disapprove the proposed rule change.

#### II. Background and Description of the Proposal

The Exchange has proposed to amend the re-opening auction process for Nasdaq-listed securities following trading halts due to extraordinary market volatility (“market-wide circuit breakers”).<sup>5</sup> Currently, after a Level 1 or Level 2 market-wide circuit breaker trading halt initiated under Nasdaq Rule 4121 (“MWCB Halt”), trading in Nasdaq-listed securities would resume on the Exchange through a Halt Cross.<sup>6</sup> Additionally, the Exchange would extend the Display Only Period for an additional 1-minute period if there is volatility during the Display Only Period (*i.e.*, an order imbalance in the security). The volatility checks are governed under Nasdaq Rule 4120(c)(7)(C)(1) and (2), and provide that the Display Only Period will be extended if: (i) The expected cross price moves the greater of 5% or 50 cents, or (ii) all market orders will not be executed in the cross.

The Exchange proposes modifications to its rules that would allow it to instead follow a process it believes is similar to that described in Nasdaq Rule 4120(c)(10) for releasing a security

<sup>3</sup> See Securities Exchange Act Release No. 86412 (July 19, 2019), 84 FR 35900 (“Notice”).

<sup>4</sup> See Securities Exchange Act Release No. 86875 (September 11, 2019), 84 FR 47998.

<sup>5</sup> The Exchange also proposes a number of formatting clean-ups in Nasdaq Rule 4121. See Notice, *supra* note 3, at 35903.

<sup>6</sup> In particular, Nasdaq Rule 4121(c)(i) provides that the re-opening of trading following a Level 1 or Level 2 trading halt shall follow the procedures set forth in Nasdaq Rule 4120. The Exchange states that these procedures are set forth in Nasdaq Rule 4120(c)(7) (see Notice, *supra* note 3, at 35901), which provides, in relevant part, for a 5-minute Display Only Period during which market participants may enter quotes and orders in Nasdaq systems, at the conclusion of which trading will immediately resume through the Halt Cross under Nasdaq Rule 4753.

<sup>1</sup> See 17 CFR 240.17Ad–22; see also Exchange Act Release No. 34–68080 (Oct. 22, 2012), 77 FR 66219, 66225–26 (Nov. 2, 2012).

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

<sup>2</sup> 17 CFR 240.19b–4.