

certain dollar amount (currently, \$2,000,000) (“net worth test”).³

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) ⁴ amended section 205(e) of the Advisers Act to provide that, by July 21, 2011 and every five years thereafter, the Commission shall adjust for inflation the dollar amount thresholds included in rules issued under section 205(e), rounded to the nearest \$100,000.⁵ The Commission last issued an order to revise the dollar amount thresholds of the assets-under-management and net worth tests (to \$1,000,000 and \$2,000,000, respectively, as discussed above) on July 12, 2011.⁶ Rule 205–3 currently codifies the threshold amounts revised by the 2011 Order and states that the Commission will issue an order on or about May 1, 2016, and approximately every five years thereafter, adjusting for inflation the dollar amount thresholds of the rule’s assets-under-management and net worth tests based on the Personal Consumption Expenditures Chain-Type Price Index (“PCE Index,” published by the United States Department of Commerce).⁷

II. Adjustment of Dollar Amount Thresholds

On May 18, 2016, the Commission published a notice of intent to issue an order that would adjust for inflation, as appropriate, the dollar amount thresholds of the asset-under-management test and the net worth test.⁸ The Commission stated that, based on calculations that take into account

³ See rule 205–3(d)(1)(i)–(ii); see also *infra* note 6 and accompanying text.

⁴ Public Law 111–203, 124 Stat. 1376 (2010).

⁵ See section 418 of the Dodd-Frank Act (requiring the Commission to issue an order every five years revising dollar amount thresholds in a rule that exempts a person or transaction from section 205(a)(1) of the Advisers Act if the dollar amount threshold was a factor in the Commission’s determination that the persons do not need the protections of that section).

⁶ See text accompanying *supra* note 3; Order Approving Adjustment for Inflation of the Dollar Amount Tests in Rule 205–3 under the Investment Advisers Act of 1940, Investment Advisers Act Release No. 3236 (July 12, 2011) [76 FR 41838 (July 15, 2011)] (“2011 Order”). The 2011 Order was effective as of September 19, 2011. It applies to contractual relationships entered into on or after the effective date and does not apply retroactively to contractual relationships previously in existence.

⁷ See rule 205–3(e).

⁸ See Investment Adviser Performance Compensation, Investment Advisers Act Release No. 4388 (May 18, 2016) [81 FR 32686 (May 24, 2016)]. While the dollar amount of the assets under-management test would not change, because the amount of the Commission’s inflation adjustment calculation is smaller than the rounding amount specified under rule 205–3, the dollar amount of the net worth test would be adjusted as a result of Commission’s inflation adjustment calculation effected pursuant to the rule.

the effects of inflation by reference to historic and current levels of the PCE Index, the dollar amount of the assets-under-management test would remain \$1,000,000, and the dollar amount of the net worth test would increase from \$2,000,000 to \$2,100,000.⁹ These dollar amounts—which are rounded to the nearest \$100,000 as required by section 205(e) of the Advisers Act—would reflect inflation from 2011 to the end of 2015.

The Commission’s notice established a deadline of June 13, 2016 for submission of requests for a hearing. No requests for a hearing have been received by the Commission.

III. Effective Date of the Order

This Order is effective as of August 15, 2016. To the extent that contractual relationships are entered into prior to the Order’s effective date, the dollar amount test adjustments in the Order would not generally apply retroactively to such contractual relationships, subject to the transition rules incorporated in rule 205–3.¹⁰

IV. Conclusion

Accordingly, pursuant to section 205(e) of the Investment Advisers Act of 1940 and section 418 of the Dodd-Frank Act,

It is hereby ordered that, for purposes of rule 205–3(d)(1)(i) under the Investment Advisers Act of 1940 [17 CFR 275.205–3(d)(1)], a qualified client means a natural person who, or a company that, immediately after entering into the contract has at least \$1,000,000 under the management of the investment adviser; and

It is further ordered that, for purposes of rule 205–3(d)(1)(ii)(A) under the Investment Advisers Act of 1940 [17 CFR 275.205–3(d)(1)(ii)(A)], a qualified client means a natural person who, or a company that, the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, has a net worth (together, in the case of a natural person,

⁹ See *id.* at section II.A.

¹⁰ See rule 205–3(c)(1) (“If a registered investment adviser entered into a contract and satisfied the conditions of this section that were in effect when the contract was entered into, the adviser will be considered to satisfy the conditions of this section; Provided, however, that if a natural person or company who was not a party to the contract becomes a party (including an equity owner of a private investment company advised by the adviser), the conditions of this section in effect at that time will apply with regard to that person or company.”); see also Investment Adviser Performance Compensation, Investment Advisers Act Release No. 3198 (May 10, 2011) [76 FR 27959 (May 13, 2011)], at section II.B.3.

with assets held jointly with a spouse) of more than \$2,100,000.

By the Commission.

Brent J. Fields,
Secretary.

[FR Doc. 2016–14450 Filed 6–17–16; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. SIPA–177; File No. SIPC–2016–01]

Securities Investor Protection Corporation; Notice of Filing of Proposed Bylaw Amendments Relating to Assessment of SIPC Members

June 15, 2016.

Pursuant to section 3(e)(1) of the Securities Investor Protection Act of 1970 (“SIPA”),¹ on May 2, 2016 the Securities Investor Protection Corporation (“SIPC”) filed with the Securities and Exchange Commission (“Commission”) proposed bylaw amendments relating to assessments on SIPC member broker-dealers. On May 27, 2016, SIPC consented to a 60-day extension of time before the proposed bylaw amendments take effect pursuant to section 3(e)(1) of SIPA.² Pursuant to section 3(e)(1)(B) of SIPA, the Commission finds that this proposed bylaw change involves a matter of such significant public interest that public comment should be obtained.³ Therefore, pursuant to section 3(e)(2)(A) of SIPA,⁴ the Commission is publishing this notice to solicit comments on the proposed bylaw change from interested persons.

In its filing with the Commission, SIPC included statements concerning the purpose of and statutory basis for the proposed bylaw amendments as described below, which description has been substantially prepared by SIPC.

I. SIPC’s Statement of the Purpose of, and Statutory Basis for, Proposed SIPC Bylaw Amendments Relating to Assessment of SIPC Members

Overview

Pursuant to Section 3(e)(1) of SIPA, SIPC submits this statement of the purpose of, and statutory basis for, proposed amendments to the SIPC Assessments Bylaw.⁵ Among other things, the Assessments Bylaw, at Article 6 of the SIPC Bylaws (“Article

¹ 15 U.S.C. 78ccc(e)(1).

² 15 U.S.C. 78ccc(e)(1).

³ 15 U.S.C. 78ccc(e)(1)(B).

⁴ 15 U.S.C. 78ccc(e)(2)(A).

⁵ 15 U.S.C. 78ccc(e)(1).

6”), currently provides for an assessment rate of $\frac{1}{4}$ of one percent of each member’s net operating revenues from the securities business until the SIPC Fund reaches \$2.5 billion and SIPC determines that the Fund will remain at or above \$2.5 billion for at least six months. Once that determination is made, the assessment rate falls to a “minimum assessment” of 0.02 percent of the member’s net operating revenues from the securities business.

Notwithstanding the foregoing, Article 6 also provides that the assessment rate is $\frac{1}{4}$ of one percent of annual net operating revenues if it is reasonably likely that the balance of the Fund will fall below \$2.5 billion and remain at less than \$2.5 billion for six months or more. Under the Bylaws, then, it is possible for the rate to change, in relatively short order, from $\frac{1}{4}$ of one percent to a minimum assessment, and back to $\frac{1}{4}$ of one percent.

SIPC continues to examine whether the Fund “target balance” of \$2.5 billion is adequate for SIPC to carry out its mission of customer protection. Whether or not \$2.5 billion is sufficient, in furtherance of its mission, SIPC wishes to ensure that at a minimum and to the extent possible, the Fund does not fall below \$2.5 billion. Accordingly, in setting the assessment rate, SIPC deems it prudent to consider not only the size of the Fund over a six-month period, but SIPC’s actual expenditures and its projected expenditures from the Fund over a longer term. In addition, the size of the Fund is more likely to stay at or above the target balance if there is a more gradual progression in rates, before the minimum assessment rate is imposed. Finally, such measures would make less likely sudden changes in the assessment rate while giving SIPC members some relief in the amount of the assessment that they owe.

With these considerations in mind, SIPC proposes to modify the Assessments Bylaw in two respects: One, to impose an intermediary assessment rate that would apply when the balance of the SIPC Fund is expected to be \$2.5 billion for at least six months but SIPC’s unrestricted net assets, as reflected in its most recent audited Statement of Financial Position, are less than \$2.5 billion; and two, to amend the date on which any change in assessments becomes effective.

Statement of Purpose and Statutory Basis

Background

Section 4(a)(1) of SIPA authorizes SIPC to establish a “SIPC Fund” (“the

SIPC Fund” or “Fund”) from which all expenditures by SIPC are to be made.⁶ Examples of SIPC expenditures include advances to trustees to satisfy customer claims, and to pay administrative expenses in SIPA proceedings where the general estate is insufficient. The SIPC Fund also supports the day-to-day operations of SIPC.

All SIPC members pay an assessment into the SIPC Fund.⁷ After consultation by SIPC with self-regulatory organizations, the assessment is in the amount that SIPC deems “necessary and appropriate,” to establish and maintain the SIPC Fund and to repay any borrowings by SIPC. Currently, the rate stands at $\frac{1}{4}$ of one percent per year of SIPC members’ net operating revenues derived from the securities business.⁸ The rate is to remain at $\frac{1}{4}$ of one percent until the balance of the SIPC Fund, as defined in section 4(a)(2) of SIPA,⁹ excluding SIPC confirmed lines of credit, reaches a target balance of \$2.5 billion, and SIPC determines that the Fund will remain at \$2.5 billion for at least six months.¹⁰ If that determination is made, the rate falls to a “minimum assessment” which is 0.02 percent of each member’s annual net operating revenues from the securities business.¹¹

Article 6, however, also provides that if SIPC determines that the SIPC Fund is, or is reasonably likely to be, less than \$2.5 billion and will likely remain at less than \$2.5 billion for six months or more, exclusive of confirmed lines of credit, then the assessment rate is to be $\frac{1}{4}$ of one percent of the member’s annual net operating revenue.¹²

The Proposed Amendments

A. Imposition of an Intermediary Assessment Rate

Where large SIPA liquidation proceedings are pending that require

⁶ 15 U.S.C. 78ddd(a)(1).

⁷ 15 U.S.C. 78ddd(c)(2).

⁸ Article 6, § 1(a)(1)(A).

⁹ 15 U.S.C. 78ddd(a)(2).

¹⁰ Article 6, § 1(a)(1)(B).

¹¹ *Id.*

¹² Article 6, § 1(a)(1)(C)(i). If the amount is less than \$150 million, the assessment is in an amount to be determined by SIPC, but cannot be less than $\frac{1}{4}$ of one percent of the member’s annual gross revenues from the securities business. Article 6, § 1(a)(1)(C)(ii). If the Fund is less than \$100 million, then the amount of the assessment also is determined by SIPC but, each year, it cannot be less than $\frac{1}{2}$ of one percent of each member’s annual gross revenues from the securities business. Article 6, § 1(a)(1)(C)(iii); 15 U.S.C. 78ddd(d)(1)(A) and (B). In no event may the assessment rate be more than $\frac{1}{2}$ of one percent annually of the member’s gross revenues from the securities business, unless SIPC determines that a higher rate, but not one that is higher than one (1) percent of gross revenues, will not have a material adverse effect on the financial condition of SIPC members or their customers. Article 6, § 1(a)(1)(C)(iv); 15 U.S.C. 78ddd(c)(3)(B).

sizeable advances by SIPC, the SIPC Fund may be at \$2.5 billion for six months, but then fall significantly below that amount as additional advances are made. Under Article 6, Section 1(a)(1)(A), once the Fund reaches \$2.5 billion and is projected to remain at or above that amount for six months or more, SIPC could change the assessment rate from $\frac{1}{4}$ of one percent, to 0.02 percent, of net operating revenues from the securities business. On the other hand, because projected expenditures in pending proceedings could reasonably cause the balance of the SIPC Fund to be less than \$2.5 billion, but more than \$150 million, for six months or more, SIPC alternatively could require that the assessment rate remain at $\frac{1}{4}$ of one percent.¹³ This situation is problematic not only for SIPC, but for its members. SIPC members might reasonably expect to pay a minimum assessment once the Fund reaches \$2.5 billion, but even if they do, they could be subject to a sudden increase in the assessment as the rate returns to $\frac{1}{4}$ of one percent.

To provide clarity in this situation and to maintain the SIPC Fund at or above the target balance, and to offer some relief in the assessment that members must pay while reducing the likelihood of sudden changes in the rates, SIPC proposes to amend Article 6 as follows.

First, when the SIPC Fund reaches \$2.5 billion and is projected to be at \$2.5 billion for six months or more, SIPC will consider the balance of its unrestricted net assets, as reflected in its most recent audited Statement of Financial Position. Among other items, included within the calculation of unrestricted net assets is provision for trustees’ estimated costs to complete ongoing customer protection proceedings.¹⁴ Thus, in setting the assessment rate, SIPC will consider not only the balance of the SIPC Fund, but projected long-term liabilities.

Second, SIPC will impose an annual assessment rate of 0.15 percent of a member’s net operating revenues from the securities business¹⁵ if (A) the amount of the SIPC Fund is at \$2.5 billion or more; (B) SIPC has determined that the Fund will remain at or above \$2.5 billion for at least six months; but

¹³ Article 6, § 1(a)(1)(C)(i).

¹⁴ See, e.g., 2015 SIPC Annual Report at 20 (<http://www.sipc.org/Content/media/annual-reports/2015-annual-report.pdf>).

¹⁵ Net operating revenues from the securities business are gross revenues from the securities business, as defined in Section 16(9) of SIPA, 15 U.S.C. 78lll(9), less total interest and dividend expense, but not exceeding total interest and dividend income. See Article 6, § 1(g). See also <http://www.sipc.org/Content/media/filing-forms/SIPC-6-20130830.PDF>.

(C) SIPC's unrestricted net assets, as reflected in its most recent audited Statement of Financial Condition, are less than \$2.5 billion. This measure establishes an intermediary assessment rate of 0.15 percent between the ¼ of one percent assessment imposed on SIPC members and the minimum assessment, and provides for a more gradual progression toward the imposition of a minimum assessment.

B. Amendment of the Effective Date of a Change in the Assessment

In addition to the foregoing, SIPC proposes to amend Article 6 with respect to when a change in assessments becomes effective. Currently, Article 6, Section 1(a)(1), provides that a change in assessments is to occur on the first day of the month following the date on which SIPC announces a change in the assessment and continue until SIPC provides otherwise ("Notice Provision"). In the ordinary course and to give as much notice to members as possible, the SIPC Board of Directors determines the rate of assessment at its September Meeting. The Board's determination is announced shortly thereafter but is not made effective until the first day of the following year. *See, e.g., <http://www.sipc.org/for-members/assessment-rate>*. SIPC last announced an assessment rate change (from a minimum assessment to the current ¼ of one percent) on March 2, 2009, to take effect on April 1, 2009. The assessment rate has continued unchanged since then.

In order to give its members as much notice as possible of the assessment rate for the following year, SIPC has determined to amend the Notice Provision. An assessment rate will be effective on the first day of the year following the date on which SIPC announces its determination, consistent with SIPC's practice that the determination of the rate normally will occur in September. There may be emergency situations, however, when the need for an assessment rate to become effective is more immediate. In that case, the assessment rate will be effective on the date announced by SIPC provided that the exigency of the circumstances so warrants.

II. Need for Public Comment

Section 3(e)(1) of SIPA provides that the Board of Directors of SIPC must file a copy of any proposed bylaw change with the Commission, accompanied by a concise general statement of the basis and purpose of the proposed bylaw change.¹⁶ The proposed bylaw change

will become effective thirty days after the date of filing with the Commission or upon such later date as SIPC may designate or such earlier date as the Commission may determine unless: (A) The Commission, by notice to SIPC setting forth the reasons for such action, disapproves the proposed bylaw change as being contrary to the public interest or contrary to the purposes of SIPA; or (B) the Commission finds that the proposed bylaw change involves a matter of such significant public interest that public comment should be obtained, in which case it may, after notifying SIPC in writing of such finding, require that the procedures for proposed SIPC rule changes in section 3(e)(2) of SIPA be followed with respect to the proposed bylaw change.¹⁷

The SIPC Fund, which is built from assessments on its members and the interest earned on the Fund, is used for the protection of customers of members liquidated under SIPA to maintain investor confidence in the securities markets. In light of this fact and that the bylaw change provides for a new assessment methodology, the Commission finds, pursuant to section 3(e)(1)(B) of SIPA,¹⁸ that the proposed bylaw change involves a matter of such significant public interest that public comment should be obtained and that the procedures applicable to proposed SIPC proposed rule changes in section 3(e)(2) of SIPA¹⁹ should be followed. As required by section 3(e)(1)(B) of SIPA, the Commission has notified SIPC of this finding in writing.

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

Within 35 days of the date of publication of this notice in the **Federal Register**, or within such longer period (A) as the Commission may designate of not more than ninety days after such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (B) as to which SIPC consents, the Commission shall: (i) By order approve such proposed rule change; or (ii) Institute proceedings to determine whether such proposed rule change should be disapproved.²⁰

IV. Text of Proposed Bylaw Change

The text of the proposed bylaw change is provided below. Proposed new language is in italics; proposed deletions are in brackets.

ARTICLE 6

ASSESSMENTS

Section 1. General

(a) Amount of Assessment.

(1) The amount of each member's assessment for the member's fiscal year shall [either be (a) the minimum amount or (b)] *be* the product of the assessment rate established by SIPC for that fiscal year and either the member's gross or net revenues from the securities business, as follows:

(A) The assessment rate shall be one-fourth (¼) of one (1) percent per annum of net operating revenues from the member's securities business [until] *for each calendar year or part thereof unless* SIPC determines that the balance of the SIPC Fund, as defined in Section 4(a)(2) of the Act, exclusive of confirmed lines of credit, (i) has aggregated a [target] balance of \$2.5 billion, and (ii) will remain at or above \$2.5 billion for six months or more.

(B) *Notwithstanding the provisions of Section 1(a)(1)(A) herein*, if SIPC determines that the balance of the SIPC Fund, as defined in Section 4(a)(2) of the Act, exclusive of confirmed lines of credit, (i) has aggregated \$2.5 billion, and (ii) will remain at or above \$2.5 billion for six months or more, *but SIPC's unrestricted net assets, as reflected in SIPC's most recent audited Statement of Financial Position, are less than \$2.5 billion, the assessment rate shall be 0.15 percent per annum of net operating revenues from the member's securities business for each calendar year or part thereof.*

(C) *If SIPC determines that the balance of the SIPC Fund, as defined in Section 4(a)(2) of the Act, exclusive of confirmed lines of credit, has aggregated \$2.5 billion or more, and will remain at or above \$2.5 billion for six months or more, and SIPC's unrestricted net assets, as reflected in SIPC's most recent audited Statement of Financial Position, are at or above \$2.5 billion*, members shall pay a minimum assessment, which shall be 0.02 percent of the net operating revenues from the securities business for each calendar year or part thereof.

[C](D) *Anything to the contrary herein notwithstanding*, if at any time SIPC determines that the balance of the SIPC Fund, as defined in Section 4(a)(2) of the Act, exclusive of confirmed lines of credit, aggregates or is reasonably likely to aggregate:

(i) less than [the target balance of] \$2.5 billion and will likely remain less than \$2.5 billion for a period of six (6) months or more—the amount of each member's assessment shall be at an

¹⁷ 15 U.S.C. 78ccc(e)(1).

¹⁸ 15 U.S.C. 78ccc(e)(1)(B).

¹⁹ 15 U.S.C. 78ccc(e)(2).

²⁰ 15 U.S.C. 78ccc(e)(2)(B).

¹⁶ 15 U.S.C. 78ccc(e)(1).

assessment rate of one-fourth (1/4) of one (1) percent per annum of net operating revenue.

(ii) less than \$150,000,000—the amount of each member's assessment shall be at an amount to be determined by SIPC, but in no case shall the amount of each member's assessment be less than an assessment rate of one-fourth (1/4) of one (1) percent per annum of such member's gross revenues from the securities business.

(iii) less than \$100,000,000—the amount of each member's assessment shall be at an amount to be determined by SIPC, but in no case shall the amount of each member's assessment be less than an assessment rate of one-half (1/2) of one (1) percent per annum of such member's gross revenues from the securities business.

(iv) The amount of each member's assessment shall not exceed one-half (1/2) of one (1) percent per annum of such member's gross revenues from the securities business, unless SIPC determines that a rate in excess of one-half (1/2) of one (1) percent during any twelve (12) month period will not have a material adverse effect on the financial condition of its members or their customers. No assessment made pursuant to this Section 1(a)(1) shall require payments during any such period that exceed in the aggregate one (1) percent of any member's gross revenues from the securities business for such period.

(2) Any change in assessments made in accordance with [the above] *Section 1(a)(1) herein* shall commence on the first day of the [month] *year* following the date on which SIPC announces its determination, *or on such other date if the exigency of the circumstances so warrants in SIPC's determination*, and continue until such time as SIPC provides otherwise.

(3) Commencing on the first day of the month following the date on which SIPC borrows moneys pursuant to Section 4(f) or Section 4(g) of the Act, and continuing while any such borrowing is outstanding and until such further time as SIPC provides otherwise, the amount of each member's assessment shall be at an assessment rate of not less than one-half (1/2) of one (1) percent per annum of such member's gross revenues from the securities business.

(b) Payments. Assessments shall be payable at such times and in such manner as may be determined by SIPC's Vice President—Finance with the approval of the Chairman.

(c) Collection of General Assessments. Each member of the Corporation who is a member of a self-regulatory

organization shall pay assessments to its collection agent. In the case of members who are not members of any self-regulatory organization, assessments shall be paid directly to the Corporation.

(d) Report by Collection Agents. Within 45 days after each due date, each self-regulatory organization which is the collection agent shall submit a written report to the Corporation as to any entity for whom it acts as collection agent whose filing or assessment payment has not been received.

(e) Interest on Assessments. If all or any part of an assessment payable under Section 4 of the Act has not been received by the collection agent within 15 days after the due date thereof, the member shall pay, in addition to the amount of the assessment, interest at the rate of 20% per annum on the unpaid portion of the assessment for each day it has been overdue. If any broker or dealer has incorrectly filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to assessments due, interest at the rate of 20% per annum on the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

(f) Gross Revenues. The term "gross revenues from the securities business" includes the revenues in the definition of gross revenues from the securities business set forth in the applicable sections of the Act.

(g) Net Operating Revenues. The term "net operating revenues from the securities business" means gross revenues from the securities business less interest and dividend expenses, and includes those clarifications as are set forth in the SIPC assessment forms and instructions.

Section 2. Overpayments

If the final annual reconciliation filed by a terminated member reflects an assessment overpayment carried forward that exceeds \$150.00, SIPC may refund such excess to the member upon receipt of the member's written request therefor and after the member's SIPC collection agent has confirmed to SIPC that all of the member's SIPC assessment form filings and payments and reports required by SEC Rule 17a-5 covering periods through the termination date have been reviewed and accepted.

Section 3. Interpretation of Terms

For purposes of this Article:

(a) The term "securities in trading accounts" shall mean securities held for sale in the ordinary course of business and not identified as having been held for investment.

(b) The term "securities in investment accounts" shall mean securities that are clearly identified as having been acquired for investment in accordance with provisions of the Internal Revenue Code applicable to dealers in securities.

(c) The term "fees and other income from such other categories of the securities business" shall mean all revenue related either directly or indirectly to the securities business except revenue included in Section 16(9)(A)–(K) and revenue specifically excepted in Section 4(c)(3)(C).

V. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/other.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SIPC-2016-01 on the subject line.

Paper Comments

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

All comments should refer to File Number SIPC-2016-01. 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 Web site (<http://www.sec.gov/rules/other.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed bylaw change that are filed with the Commission, and all written communications relating to the proposed bylaw 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 Web site 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. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SIPC-2016-01, and should be submitted on or before July 11, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²¹

Brent J. Fields,
Secretary.

[FR Doc. 2016-14499 Filed 6-17-16; 8:45 am]

BILLING CODE 8011-01-P

SOCIAL SECURITY ADMINISTRATION

[Docket No: SSA-2016-0027]

Agency Information Collection Activities: Proposed Request and Comment Request

The Social Security Administration (SSA) publishes a list of information collection packages requiring clearance by the Office of Management and Budget (OMB) in compliance with Public Law 104-13, the Paperwork Reduction Act of 1995, effective October 1, 1995. This notice includes revisions of OMB-approved information collections.

SSA is soliciting comments on the accuracy of the agency’s burden estimate; the need for the information; its practical utility; ways to enhance its quality, utility, and clarity; and ways to

minimize burden on respondents, including the use of automated collection techniques or other forms of information technology. Mail, email, or fax your comments and recommendations on the information collection(s) to the OMB Desk Officer and SSA Reports Clearance Officer at the following addresses or fax numbers.

(OMB) Office of Management and Budget, Attn: Desk Officer for SSA, Fax: 202-395-6974, Email address: *OIRA_Submission@omb.eop.gov*. (SSA) Social Security Administration, OLCA, Attn: Reports Clearance Director, 3100 West High Rise, 6401 Security Blvd., Baltimore, MD 21235, Fax: 410-966-2830, Email address: *OR.Reports.Clearance@ssa.gov*, or you may submit your comments online through *www.regulations.gov*, referencing Docket ID Number [SSA-2016-0027].

I. The information collections below are pending at SSA. SSA will submit them to OMB within 60 days from the date of this notice. To be sure we consider your comments, we must receive them no later than August 19, 2016. Individuals can obtain copies of

the collection instruments by writing to the above email address.

1. Request for Earnings and Benefit Estimate Statement—20 CFR 404.810—0960-0466. Section 205(c)(2)(A) of the Social Security Act (Act) requires the Commissioner of SSA establish and maintain records of wages paid to, and amounts of self-employment income derived by, each individual as well as the periods in which such wages were paid and such income derived. An individual may complete and mail Form SSA-7004 to SSA’s Data Operations Center in Wilkes-Barre, PA, to obtain a Statement of Earnings or Quarters of Coverage. SSA uses the information Form SSA-7004 collects to identify respondent’s Social Security earnings records; extract posted earnings information; calculate potential benefit estimates; produce the resulting Social Security statements; and mail them to the requesters. The respondents are Social Security number holders requesting information about their Social Security earnings records and estimates of their potential benefits.

Type of Request: Revision of an OMB-approved information collection.

Modality of completion	Number of respondents	Frequency of response	Average burden per response (minutes)	Estimated total annual burden (hours)
SSA-7004	40,090	1	5	3,341

2. National Beneficiary Survey—0960-0800. SSA is continuing the National Beneficiary Survey (NBS), a survey which gathers data from Supplemental Security Income (SSI) recipients and Social Security Disability Insurance (SSDI) beneficiaries about their characteristics, their well-being, and other factors that promote or hinder employment. In particular, the survey seeks to uncover important information about the factors promoting beneficiary self-sufficiency and, conversely, factors impeding beneficiary efforts to maintain employment. We use this data to improve the administration and effectiveness of the SSDI and SSI programs. These results are valuable as SSA and other policymakers continue efforts to improve programs and services that help SSDI beneficiaries and SSI recipients become more self-sufficient.

Background

SSDI and SSI programs provide a crucial and necessary safety net for working-age people with disabilities. By

improving employment outcomes for SSDI beneficiaries and SSI recipients, SSA supports the effort to reduce the reliance of people with disabilities on these programs. SSA conducted the prior NBS in 2004, 2005, 2006, and 2010, which was an important first step in understanding the work interest and experiences of SSI recipients and SSDI beneficiaries, and in gaining information about their impairments, health, living arrangements, family structure, pre-disability occupation, and use of non-SSA programs (e.g., the Supplemental Nutrition Assistance Program). The prior NBS data is available to researchers and the public.

The National Beneficiary Survey (NBS)

The primary purpose of the new NBS-General Waves is to assess beneficiary well-being and interest in work, learn about beneficiary work experiences (successful and unsuccessful), and identify factors that promote or restrict long-term work success. Information collected in the survey includes factors

such as health; living arrangements; family structure; current occupation; use of non-SSA programs; knowledge of SSDI and SSI work incentive programs; obstacles to work; and beneficiary interest and motivation to return to work.

We propose to conduct the first wave of the NBS-General Waves in 2015. We will further conduct subsequent rounds in 2017 (round 2) and 2019 (round 3). The information we will collect is not available from SSA administrative data or other sources. In the NBS-General Waves, the sample design is similar to what we used for the prior NBS. Enhancement of the prior questionnaire includes additional questions on the factors that promote or hinder employment success. In 2015 we conducted semi-structured qualitative interviews to provide SSA an in-depth understanding of factors that aid or inhibit individuals in their efforts to obtain and retain employment and advance in the workplace. We use the qualitative data to add context and

²¹ 17 CFR 200.30-3(f)(2)(i) & 200.30-3(f)(3).