

for Friday, January 6, 2017: Settlement of injunctive actions.

**CONTACT PERSON FOR MORE INFORMATION:** For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 551-5400.

Dated: December 30, 2016.

**Brent J. Fields,**

Secretary.

[FR Doc. 2016-32048 Filed 1-3-17; 11:15 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No IC-32406; 812-14622]

### DFA Investment Dimensions Group Inc., et al.; Notice of Application

December 29, 2016.

**AGENCY:** Securities and Exchange Commission (“Commission”).

**ACTION:** Notice of an application under section 6(c) of the Investment Company Act of 1940 (“Act”) for an exemption from section 15(a) of the Act and rule 18f-2 under the Act, as well as from certain disclosure requirements in rule 20a-1 under the Act, Items 22(c)(1)(ii), 22(c)(1)(iii), 22(c)(8) and 22(c)(9) of Schedule 14A under the Securities Exchange Act of 1934, and Sections 6-07(2)(a), (b), and (c) of Regulation S-X (“Disclosure Requirements”). The requested exemption would permit an investment adviser to hire and replace certain wholly-owned sub-advisers without shareholder approval and grant relief from the Disclosure Requirements as they relate to fees paid to the wholly-owned sub-advisers.

**APPLICANTS:** DFA Investment Dimensions Group Inc. (“DFAIDG”), Dimensional Investment Group Inc. (“DIG”) (each of DFAIDG and DIG is organized as a Maryland corporation and registered under the Act as an open-end management investment company), Dimensional Emerging Markets Value Fund (“DEM”), The DFA Investment Trust Company (“DFAITC”) (each of DEM and DFAITC is organized as a Delaware statutory trust and registered under the Act as an open-end management investment company) (DFAITC, DFAIDG, DEM, and DIG, each a “Trust,” and together, the “Trusts”) and Dimensional Fund Advisors LP (the “Initial Adviser” collectively with the Trusts, the “Applicants”).

**FILING DATES:** The application was filed March 4, 2016, and amended on August 11, 2016.

### HEARING OR NOTIFICATION OF HEARING:

An order granting the application 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 January 23, 2017, and should be accompanied by proof of service on the 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 Street NE., Washington, DC 20549-1090.

Applicants: 6300 Bee Cave Road, Building One, Austin, TX 78746.

**FOR FURTHER INFORMATION CONTACT:** Rachel Loko, Senior Counsel, at (202) 551-6883, or Holly Hunter-Ceci, Branch Chief, at (202) 551-6825 (Division of Investment Management, Chief Counsel’s Office).

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

### Summary of the Application

1. The Adviser will serve as the investment adviser to the Subadvised Series pursuant to an investment management agreement with the relevant Trust (each an “Investment Management Agreement” and collectively, the “Investment Management Agreements”).<sup>1</sup> The Adviser will provide the Subadvised Series with continuous investment management of the assets of each

<sup>1</sup> Applicants request relief with respect to any existing and any future series of the Trusts and any other future registered open-end management company or series thereof that: (a) Is advised by the Initial Adviser or its successor or by a person controlling, controlled by, or under common control with the Initial Adviser or its successor (each, also an “Adviser”); (b) uses the multi-managers structure described in the application; and (c) complies with the terms and conditions of the application (each a “Subadvised Series”). For purposes of the requested order, “successor” is limited to an entity that results from a reorganization into another jurisdiction or a change in the type of business organization.

Subadvised Series subject to the supervision of each Trust’s board of trustees (“Board”). The Investment Management Agreements permit the Adviser, subject to the approval of the Board, to delegate to one or more wholly-owned sub-advisers (each, a “Wholly-Owned Sub-Adviser” and collectively, the “Wholly-Owned Sub-Advisers”) the responsibility to provide the day-to-day portfolio investment management of each Subadvised Series, subject to the supervision and direction of the Adviser. The primary responsibility for managing the Subadvised Series will remain vested in the Adviser. The Adviser will hire, evaluate, allocate assets to and oversee the Wholly-Owned Sub-Advisers, including determining whether a Wholly-Owned Sub-Adviser should be terminated, at all times subject to the authority of the Board.

2. Applicants request an exemption to permit the Adviser, subject to Board approval, to hire certain Wholly-Owned Sub-Advisers pursuant to Sub-Advisory Agreements and materially amend existing Sub-Advisory Agreements without obtaining the shareholder approval required under section 15(a) of the Act and rule 18f-2 under the Act.<sup>2</sup> Applicants also seek an exemption from the Disclosure Requirements to permit a Subadvised Series to disclose (as both a dollar amount and a percentage of the Subadvised Series’ net assets) the aggregate fees paid to the Adviser and any Wholly-Owned Sub-Adviser (collectively, “Aggregate Fee Disclosure”).

3. Applicants agree that any order granting the requested relief will be subject to the terms and conditions stated in the Application. Such terms and conditions provide for, among other safeguards, appropriate disclosure to Subadvised Series shareholders and notification about sub-advisory changes and enhanced Board oversight to protect the interests of the Subadvised Series’ shareholders.

4. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction or any class or classes of persons, securities, or transactions from any provisions of the Act, or any rule thereunder, if such relief is necessary or appropriate in the public interest and consistent with the protection of investors and purposes fairly intended by the policy and provisions of the Act. Applicants

<sup>2</sup> The requested relief will not extend to any Sub-Adviser that is an affiliated person, as defined in section 2(a)(3) of the Act, of a Fund or the Adviser, other than by reason of serving as a sub-adviser to one or more of the Funds (“Affiliated Sub-Adviser”).

believe that the requested relief meets this standard because, as further explained in the Application, the Advisory Agreements will remain subject to shareholder approval, while the role of the Wholly-Owned Sub-Advisers is substantially similar to that of individual portfolio managers, so that requiring shareholder approval of Sub-Advisory Agreements would impose unnecessary delays and expenses on the Subadvised Series. Applicants believe that the requested relief from the Disclosure Requirements meets this standard because it will improve the Adviser's ability to negotiate fees paid to the Wholly-Owned Sub-Advisers that are more advantageous for the Subadvised Series.

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

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

[FR Doc. 2016-31938 Filed 1-4-17; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79707; File No. 600-36]

### Self-Regulatory Organizations; LCH SA; Order Granting Application for Registration as a Clearing Agency and Request for Exemptive Relief

December 29, 2016.

#### I. Introduction

On July 5, 2016, Banque Centrale de Compensation, which conducts business under the name LCH SA ("LCH SA"), filed with the Securities and Exchange Commission ("Commission") a Form CA-1 seeking registration as a clearing agency under Section 17A of the Securities Exchange Act of 1934<sup>1</sup> ("Exchange Act" or "Act") and Rule 17Ab2-1 thereunder.<sup>2</sup> LCH SA is seeking to provide central counterparty ("CCP") services for U.S. persons for security-based swaps, in particular single-name credit default swaps ("CDS"), through its CDSClear business unit.

Along with its Form CA-1, LCH SA submitted a request for exemptive relief (i) from Sections 5 and 6 of the Act<sup>3</sup> with respect to its end-of-day pricing process; (ii) from Section 19(b) of the Act<sup>4</sup> and Rule 19b-4 thereunder<sup>5</sup> with respect to filing certain proposed rule

changes relating to its Non-U.S. Business (as defined below); (iii) from the requirements set forth in the introductory paragraph of Rule 17Ad-22(c)(2) and from Rule 17Ad-22(c)(2)(iii)<sup>6</sup> with respect to its annual audited financial statements; and (iv) Rule 17a-22<sup>7</sup> with respect to requirements to provide the Commission with physical copies of certain materials.<sup>8</sup> Notice of the application and request for exemptive relief was published in the **Federal Register** on October 3, 2016 ("Notice").<sup>9</sup> The Commission received no comments on the Notice. This Order approves LCH SA's application for registration as a clearing agency and grants LCH SA's request for exemptive relief.

#### II. Overview of LCH SA's Application

LCH SA maintains its principal office in Paris, France and is a wholly-owned subsidiary of LCH.Clearnet Group Limited ("LCH Group").<sup>10</sup> LCH SA is regulated as a bank and as a CCP under French law by the Autorité des Marchés Financiers, Autorité de Contrôle Prudentiel et de Résolution, and Banque de France.<sup>11</sup> In addition, LCH SA is a CCP authorized to offer clearing services in the European Union pursuant to the European Market Infrastructure Regulation ("EMIR") and is also registered with the U.S. Commodity Futures Trading Commission ("CFTC") as a derivatives clearing organization ("DCO") to provide clearing services for broad-based index CDS to U.S. members and their customers.<sup>12</sup>

In addition to LCH SA's CDSClear service, LCH SA offers clearing services for derivatives, exchange-traded futures and options, cash equities, fixed income, and energy instruments through three lines of CCP services: EquityClear, CommodityClear, and RepoClear.<sup>13</sup> These three services constitute LCH SA's non-U.S. business in that they operate entirely outside the United States and do not have any U.S. clearing members ("Non-U.S. Business"). LCH SA's CDS clearing services are entirely located in the CDSClear business unit. LCH SA's Non-U.S. Business does not

provide CDS services. The following sections describe relevant portions of LCH SA's Form CA-1 application.<sup>14</sup>

#### A. Membership Standards

LCH SA has established requirements concerning membership, which include standards for financial responsibility, operational capacity, business experience, and creditworthiness.<sup>15</sup> Members must comply with these requirements on an ongoing basis.<sup>16</sup>

With respect to financial responsibility, LCH SA's CDSClear Rulebook contains net capital requirements that, among other things, establish minimum net capital requirements for members that are scalable based on the risk the members introduce to LCH SA. To assess a member's creditworthiness, LCH SA uses an internal credit scoring framework to determine the member's credit risk based on financial and qualitative factors.<sup>17</sup>

Regarding operational capacity and business experience requirements, a member must be able to demonstrate that it has sufficient expertise in clearing activities. This demonstration includes, among other things, that a member's systems and operations are sufficiently reliable and capable of supporting the performance of the member in meeting its obligations (including having sufficient facilities, equipment, personnel, hardware and software systems). Similarly, any prospective member of LCH SA must also demonstrate that it has appropriate banking arrangements.<sup>18</sup>

LCH SA ensures ongoing compliance with membership obligations by monitoring its members and imposing several reporting obligations on them. LCH SA monitors certain indicators on an ongoing basis, including but not limited, financial ratios, operational capabilities, external ratings, and market implied ratings. In addition, each member is required to notify LCH SA in writing of material changes to itself or its operations, such as changes in the direct or indirect controlling ownership, reduction in capital of more than 10%, the occurrence of insolvency proceedings, the default of any of the member's customers, and any change to the member's systems or operations that materially impact the member's ability

<sup>14</sup> The titles of the cited rules specify whether the rules are associated with CDSClear, LCH SA, or others.

<sup>15</sup> See LCH SA Form CA-1, Exhibit E-4 (CDSClear CDS Clearing Rule Book), Section 2.2.1 (hereinafter, "CDSClear Rulebook").

<sup>16</sup> See *id.* at Section 2.2.2.

<sup>17</sup> See *id.* at Article 2.2.4.1.

<sup>18</sup> See *id.* at Section 2.2.1.

<sup>6</sup> 17 CFR 240.17Ad-22(c)(2) and 17 CFR

240.17Ad-22(c)(2)(iii).

<sup>7</sup> 17 CFR 240.17a-22.

<sup>8</sup> See Letter from Christophe Hémon, CEO, LCH SA, to Brent J. Fields, Secretary, Securities and Exchange Commission (August 9, 2016) (hereinafter "Request for Exemptive Relief").

<sup>9</sup> Securities Exchange Act Release No. 34-78941 (September 27, 2016), 81 FR 68074 (October 3, 2016) (File No. 600-36).

<sup>10</sup> See LCH SA Form CA-1, Exhibit A, 1.

<sup>11</sup> See LCH SA Form CA-1, Exhibit J-3 (CDSClear Service Description), Section 2.3.

<sup>12</sup> *Id.*

<sup>13</sup> See Request for Exemptive Relief at 4.

<sup>1</sup> 15 U.S.C. 78q-1.

<sup>2</sup> 17 CFR 240.17Ab2-1.

<sup>3</sup> 15 U.S.C. 78e and 78f.

<sup>4</sup> 15 U.S.C. 78s(b).

<sup>5</sup> 17 CFR 240.19b-4.