

the provisions of rule 18f-3 as if it were an open-end investment company.

#### *Early Withdrawal Charges*

1. Section 23(c) of the 1940 Act provides, in relevant part, that no registered closed-end investment company shall purchase securities of which it is the issuer, except: (a) On a securities exchange or other open market; (b) pursuant to tenders, after reasonable opportunity to submit tenders given to all holders of securities of the class to be purchased; or (c) under other circumstances as the Commission may permit by rules and regulations or orders for the protection of investors.

2. Rule 23c-3 under the 1940 Act permits an "interval fund" to make repurchase offers of between five and twenty-five percent of its outstanding shares at net asset value at periodic intervals pursuant to a fundamental policy of the interval fund. Rule 23c-3(b)(1) under the 1940 Act permits an interval fund to deduct from repurchase proceeds only a repurchase fee, not to exceed two percent of the proceeds, that is paid to the interval fund and is reasonably intended to compensate the fund for expenses directly related to the repurchase.

3. Section 23(c)(3) provides that the Commission may issue an order that would permit a closed-end investment company to repurchase its shares in circumstances in which the repurchase is made in a manner or on a basis that does not unfairly discriminate against any holders of the class or classes of securities to be purchased.

4. Applicants request relief under section 6(c), discussed above, and section 23(c)(3) from rule 23c-3 to the extent necessary for the Future Funds to impose early withdrawal charges, which are distribution-related fees payable to the distributor, on Shares of the Funds submitted for repurchase that have been held for less than a specified period.

5. Applicants state that the early withdrawal charges they intend to impose are functionally similar to CDSCs imposed by open-end investment companies under rule 6c-10 under the 1940 Act. Rule 6c-10 permits open-end investment companies to impose CDSCs, subject to certain conditions. Applicants note that rule 6c-10 is grounded in policy considerations supporting the employment of CDSCs 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 distributor to recover

distribution costs. Applicants represent that any early withdrawal charge imposed by the Funds will comply with rule 6c-10 under the 1940 Act as if the rule were applicable to closed-end investment companies. Each Future Fund will disclose early withdrawal charges in accordance with the requirements of Form N-1A concerning CDSCs.

#### *Asset-Based Distribution and/or Service Fees*

1. Section 17(d) of the 1940 Act and rule 17d-1 under the 1940 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 1940 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 1940 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 1940 Act. Applicants request an order under section 17(d) and rule 17d-1 under the 1940 Act to the extent necessary to permit the Fund to impose asset-based distribution and service 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 distribution fees.

3. For the reasons stated above, applicants submit that the exemptions requested under section 6(c) are necessary and appropriate in the public interest and are consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act. Applicants further submit that the relief requested pursuant to section 23(c)(3) will be consistent with the protection of investors and will insure that applicants do not unfairly discriminate against any holders of the class of securities to be

purchased. Finally, applicants state that the Funds' imposition of asset-based distribution and/or service fees is consistent with the provisions, policies and purposes of the 1940 Act and does not involve participation on a basis different from or less advantageous than that of other participants.

#### **Applicants' Condition**

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

Each Fund relying on the order will comply with the provisions of rules 6c-10, 12b-1, 17d-3, 18f-3, 22d-1, and, where applicable, 11a-3 under the 1940 Act, as amended from time to time, as if those rules applied to closed-end management investment companies, and will comply with the 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.*

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**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-81864; File No. SR-BatsBZX-2017-61]**

### **Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Provide Interpretation With Respect to the Meaning, Administration, or Enforcement of Rule 14.11, Other Securities, and Rule 14.12, Failure To Meet Listing Standards**

October 12, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 29, 2017, Bats BZX Exchange, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

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

## I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange filed a proposal to provide interpretation with respect to the meaning, administration, or enforcement of Rule 14.11 and 14.12.

The text of the proposed rule change is also available on the Exchange's Web site (*www.bats.com*), at the Exchange's Office of the Secretary, 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 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 aspects of such statements.

### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

##### Background

On November 18, 2016 the Exchange filed a proposed rule change, as subsequently amended by Amendments No. 1 and 2 thereto (as amended, the "Continued Listing Standards"), to adopt certain changes to Exchange Rules 14.11 and 14.12 to add additional continued listing standards for exchange-traded products ("ETP") as well as clarify the procedures that the Exchange will undertake when an ETP is noncompliant with applicable rules, which was approved by the Commission on March 7, 2017. The Exchange submits this proposal in order to provide interpretive guidance as it relates to ETP issuers complying with the changes upon implementation.

##### Testing and Exchange Notification

The Continued Listing Standards include language in numerous places that would require certain criteria related to index composition, portfolio holdings, or reference assets to be met "upon initial listing and on a continual basis" and that delisting proceedings will be initiated where "any of the requirements set forth in this rule are not continuously met." As such, any instance of noncompliance reported to or discovered by the Exchange will be

subject to delisting proceedings pursuant to Rule 14.12. If at any point during delisting proceedings the ETP regains compliance, such delisting proceedings will be terminated.

The Exchange notes that, unless otherwise specified within the rule text, issuers of index-based ETPs listed on the Exchange should test for compliance with such criteria upon any index rebalance, reconstitution, or other material change to the index components (collectively, a "Material Index Change"), as applicable, and no less frequently than on a quarterly basis. Similarly, unless otherwise specified within the rule text, issuers of Managed Fund Shares, as defined in Rule 14.11(i), listed on the Exchange should test for compliance with such criteria upon any material change to the portfolio's holdings (collectively with Material Index Change, a "Material Change"), as applicable, and no less frequently than on a quarterly basis. Any test conducted as part of a Material Change would satisfy the testing requirement for the applicable quarter. For purposes of this interpretation, the issuer may set the quarterly schedule, whether based on the fiscal year end of a fund, the calendar quarters, or otherwise. At no point should there be a period of greater than four months during which such a test for compliance has not been conducted. Nothing in this proposal should be construed as restricting the frequency with which an issuer may test for compliance. The Continued Listing Standards also include language in numerous places that would require the Exchange to initiate delisting proceedings for an ETP listed pursuant to a proposal submitted by the Exchange pursuant to Section 19(b) that has become effective or has been approved by the Commission where "any of the applicable Continued Listing Representations"<sup>3</sup> are not continuously met." Similarly, to the extent that any Continued Listing Representations for index-based ETPs or Managed Fund Shares relate to index composition, portfolio holdings, or reference assets, issuers of ETPs listed on the Exchange should test for compliance with such criteria upon any Material Change, as applicable, and no less frequently than on a quarterly basis.

<sup>3</sup> Pursuant to Rule 14.11(a) of the Continued Listing Standards, the term "Continued Listing Representations" shall mean any of the statements or representations regarding the index composition, the description of the portfolio or reference assets, limitations on portfolio holdings or reference assets, dissemination and availability of index, reference asset, and intraday indicative values (as applicable), or the applicability of Exchange rules specified in any filing to list a series of Other Securities.

The Exchange notes that it will also be independently reviewing ETPs listed on the Exchange for compliance with the Continued Listing Standards.

Issuers shall provide annual attestations affirming that such tests are being conducted and that the issuer is not aware of any undisclosed instances of noncompliance. To the extent that an issuer believes that it will not be able to comply with the Continued Listing Standards, the Exchange encourages issuers to proactively reach out to the Listing Qualifications Department to work on a proposal to submit pursuant to 19(b) of the Act. If managed proactively, the Exchange believes that such issues can be managed without interruption to the listing of the ETP on the Exchange.

#### 2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>4</sup> In particular, the Exchange believes the proposed change furthers the objectives of Section 6(b)(5) of the Act,<sup>5</sup> in that it is designed to prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system by providing interpretations for issuers of ETPs to comply with the Continued Listing Standards. The Exchange believes that such interpretive guidance will provide issuers with the clarity needed to dedicate the resources necessary to build adequate compliance systems in furtherance of the protection of investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that the proposed rule change will facilitate ETP issuers' ability to monitor and evidence compliance with the Continued Listing Standards by providing interpretation that will provide additional clarity and certainty around the Continued Listing Standards on which issuers will be able to rely.

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

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

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

Written comments were neither solicited nor received.

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

The foregoing proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>6</sup> and Rule 19b-4(f)(1) thereunder.<sup>7</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. If the Commission takes such action, the Commission will institute proceedings 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-BatsBZX-2017-61 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 Number SR-BatsBZX-2017-61. 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 Web site (<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 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. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. 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 SR-BatsBZX-2017-61 and should be submitted on or before November 8, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

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

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**SMALL BUSINESS ADMINISTRATION**

**[Disaster Declaration #15350 and #15351; Wisconsin Disaster Number WI-00063]**

**Presidential Declaration of a Major Disaster for Public Assistance Only for the State of Wisconsin**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice.

**SUMMARY:** This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the State of Wisconsin (FEMA-4343-DR), dated 10/07/2017.

*Incident:* Severe Storms, Straight-line Winds, Flooding, Landslides, and Mudslides.

*Incident Period:* 07/19/2017 through 07/23/2017.

**DATES:** Issued on 10/07/2017.

*Physical Loan Application Deadline Date:* 12/06/2017.

*Economic Injury (EIDL) Loan Application Deadline Date:* 07/09/2018.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416, (202) 205-6734.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given that as a result of the President's major disaster declaration on 10/07/2017, Private Non-Profit organizations that provide essential services of a governmental nature may file disaster loan applications at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

*Primary Counties:* Buffalo, Crawford, Grant, Iowa, Jackson, La Crosse, Lafayette, Monroe, Richland, Trempealeau, Vernon

The Interest Rates are:

	Percent
<i>For Physical Damage:</i>	
Non-Profit Organizations With Credit Available Elsewhere ...	2.500
Non-Profit Organizations Without Credit Available Elsewhere .....	2.500
<i>For Economic Injury:</i>	
Non-Profit Organizations Without Credit Available Elsewhere .....	2.500

The number assigned to this disaster for physical damage is 15350B and for economic injury is 153510.

(Catalog of Federal Domestic Assistance Number 59008)

**James E. Rivera,**  
*Associate Administrator for Disaster Assistance.*

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**SMALL BUSINESS ADMINISTRATION**

**[Disaster Declaration #15348 and #15349; Idaho Disaster Number ID-00071]**

**Presidential Declaration of a Major Disaster for Public Assistance Only for the State of Idaho**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice.

**SUMMARY:** This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the State of Idaho (FEMA-4342-DR), dated 10/07/2017.

*Incident:* Flooding.

*Incident Period:* 03/29/2017 through 06/15/2017.

**DATES:** Issued on 10/07/2017.

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4(f)(1).

<sup>8</sup> 17 CFR 200.30-3(a)(12).