

proposed changes implicate competition at all.

*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**

Because the proposed rule change does not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>14</sup> and Rule 19b-4(f)(6) thereunder.<sup>15</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>16</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>17</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative upon filing. The Commission does not believe that any new or novel issues are raised by the proposal; the proposal aligns IEX's rule with the rule of Nasdaq and FINRA. The Commission believes the waiver of the operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and designates the proposal operative upon filing.<sup>18</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 shall 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-IEX-2018-12 on the subject line.

*Paper Comments*

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

All submissions should refer to File Number SR-IEX-2018-12. This file number should be included in 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. Copies of the filing will also be available for inspection and copying at the IEX's principal office and on its internet website at [www.iextrading.com](http://www.iextrading.com). 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 Number SR-IEX-2018-12 and should be submitted on or before July 30, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

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

[FR Doc. 2018-14551 Filed 7-6-18; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

**[Investment Company Act Release No. 33146; 812-14921]**

**Altaba Inc.**

July 3, 2018.

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

**ACTION:** Notice.

Notice of application for an order under section 17(b) of the Investment Company Act of 1940 (the "Act") for an exemption from section 17(a) of the Act.

**SUMMARY OF APPLICATION:** Applicant seeks an order that would permit in-kind repurchases of shares of the Fund held by certain affiliated stockholders of the Fund.

**APPLICANT:** Altaba Inc. (the "Fund").

**FILING DATES:** The application was filed on June 14, 2018, and amended on June 28, 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 applicant with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on July 30, 2018, and should be accompanied by proof of service on applicant, 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. Applicant, 140 East 45th Street, 15th Floor, New York, New York 10017.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth G. Miller, Senior Counsel, at (202) 551-8707 or Aaron T. Gilbride, Branch Chief, at (202) 551-6825 (Chief

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> *Id.*

<sup>17</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>18</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>19</sup> 17 CFR 200.30-3(a)(12).

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 an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

### Applicant's Representations

1. The Fund is a Delaware corporation registered as a closed-end, non-diversified management investment company under the Act. The Fund's investment objective is to seek to increase the price per share at which its common stock trades relative to the then-current values of its principal underlying assets, the Alibaba shares (defined below) and Yahoo Japan Corporation ("Yahoo Japan") shares. It seeks to do this by reducing the discount at which it trades relative to the underlying value of its net assets (before giving effect to deferred taxes on unrealized appreciation). As of March 31, 2018, the Fund's assets consist of the following: Alibaba Group Holding Limited ("Alibaba") ordinary shares and American Depositary Shares ("Alibaba ADSs" and together with the Alibaba ordinary shares, "Alibaba shares"); Yahoo Japan shares of common stock; miscellaneous investments in equity securities and warrants issued by public and private operating companies; cash, cash equivalents, and short-term marketable debt securities (the "Marketable Debt Securities Portfolio"); and a portfolio of intellectual property assets held in a wholly-owned subsidiary, Excalibur IP, LLC. Shares of the Fund are listed and trade on the Nasdaq Global Select Market. The Fund is internally managed by its executive officers under the supervision of the Board of Directors and does not currently intend to depend on a third-party investment adviser, except that the Fund has hired BlackRock Advisors, LLC ("BlackRock") and Morgan Stanley Smith Barney LLC (together with BlackRock, the "External Advisers") as external investment advisers to manage its Marketable Debt Securities Portfolio. Each External Adviser is an investment adviser registered under the Investment Advisers Act of 1940 and manages approximately half of the Marketable Debt Securities Portfolio.

2. The Fund proposes to conduct a tender offer for up to 195,000,000 shares of the Fund's outstanding common stock, representing approximately 24% of the Fund's outstanding shares (the

"In-Kind Repurchase Offer"). Payment for any shares repurchased during the In-Kind Repurchase Offer would be made in-kind through a pro rata distribution of the Fund's Alibaba ADSs and cash. Applicant states that if a greater number of shares is tendered for repurchase than the total amount offered to be repurchased in the In-Kind Repurchase Offer, each participating stockholder will receive a pro rata share of the distribution in proportion to the total shares accepted for repurchase by Applicant. The In-Kind Repurchase Offer will be made pursuant to section 23(c)(2) of the Act and conducted in accordance with rule 13e-4 under the Securities Exchange Act of 1934.

3. Applicant states that the In-Kind Repurchase Offer is designed to minimize disruption to the market price of Alibaba ADSs relative to a sale of Alibaba ADSs to raise cash to finance a cash tender offer and therefore minimizing the impact on the investments of stockholders who remain invested in the Fund after the In-Kind Repurchase Offer or who own Alibaba ADSs outside the Fund. Applicant further states that, under the In-Kind Repurchase Offer, the Fund will minimize transaction costs associated with selling shares to conduct a cash tender offer.

4. Applicant requests relief to permit (a) any common stockholders of the Fund who are "affiliated persons" of the Fund within the meaning of section 2(a)(3)(A) of the Act or (b) second-tier affiliates of the Fund because the External Advisers are affiliates of the Fund within the meaning of Section 2(a)(3)(E) of the Act (each, an "Affiliated Stockholder") to participate in the proposed In-Kind Repurchase Offer.

### Applicant's Legal Analysis

1. Section 17(a) of the Act prohibits an affiliated person of a registered investment company, or any affiliated person of the person, acting as principal, from knowingly purchasing or selling any security or other property from or to the company. Section 2(a)(3)(A) and (E) of the Act define an "affiliated person" of another person to include any person who directly or indirectly owns, controls, or holds with power to vote 5% or more of the outstanding voting securities of the other person and any investment adviser of an investment company, respectively. Applicant states that to the extent that the In-Kind Repurchase Offer could be deemed the purchase or sale of securities by an Affiliated Stockholder, the transactions would be prohibited by section 17(a). Accordingly, Applicant requests an exemption from section

17(a) of the Act to the extent necessary to permit the participation of Affiliated Stockholders in the In-Kind Repurchase Offer.

2. Section 17(b) of the Act authorizes the Commission to exempt any transaction from the provisions of section 17(a) if the terms of the transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and the transaction is consistent with the policy of each registered investment company and with the general purposes of the Act.

3. Applicant asserts that the terms of the In-Kind Repurchase Offer meet the requirements of sections 17(b) of the Act. Applicant asserts that neither the Fund nor an Affiliated Stockholder has any choice as to the amount or form of consideration to be received as proceeds from the In-Kind Repurchase Offer. Instead, each tendering stockholder will receive, for each Fund share tendered, the same amount of Alibaba ADSs and the same amount of cash. If a greater number of shares is tendered for repurchase than the total amount offered to be repurchased in the In-Kind Repurchase Offer, each participating stockholder will receive a pro rata share of the distribution in proportion to the total shares accepted for repurchase by Applicant. Moreover, Applicant states that the portfolio securities to be offered and exchanged in the In-Kind Repurchase Offer will be valued in accordance with section 2(a)(41) of the Act, which will be an objective, verifiable standard that removes any discretion of an Affiliated Stockholder to conduct the In-Kind Repurchase Offer at a price that would be beneficial or detrimental to the interests of any particular stockholder. Applicant further states that the In-Kind Repurchase Offer is consistent with the Fund's investment policies. Applicant represents that the In-Kind Repurchase Offer is consistent with the general purposes of the Act because the interests of all stockholders are equally protected and no Affiliated Stockholder would receive an advantage or special benefit not available to any other stockholder participating in the In-Kind Repurchase Offer.

### Applicant's Conditions

Applicant agrees that any order granting the requested relief will be subject to the following conditions:

1. Applicant will distribute to stockholders participating in the In-Kind Repurchase Offer cash and an in-kind pro rata distribution of Alibaba ADSs which represent approximately

80% of the Fund's total assets and are publicly traded on a United States stock exchange like shares of the Fund's common stock. The number of Alibaba shares to be exchanged per tendered Fund share will be based on a fixed exchange ratio. The amount of cash to be paid per tendered Fund share will be equal to a fixed multiple applied to the volume weighted average price for Alibaba ADSs on the second to last full trading day of the In-Kind Repurchase Offer. Stockholders will not be given a choice as to the amount or form of consideration. Each tendering stockholder will receive, for each Fund share tendered, the same number of Alibaba ADSs and the same amount of cash.

2. The Alibaba ADSs offered and exchanged to stockholders pursuant to the In-Kind Repurchase Offer are securities that are listed on a public securities market for which quoted bid and asked prices are available.

3. The Alibaba ADSs offered and exchanged to stockholders pursuant to the In-Kind Repurchase Offer will be valued in the same manner as they would be valued for purposes of computing Applicant's net asset value, consistent with the requirements of section 2(a)(41) of the Act.

4. Applicant will maintain and preserve for a period of not less than six years from the end of the fiscal year in which the In-Kind Repurchase Offer occurs, the first two years in an easily accessible place, a written record of the In-Kind Repurchase Offer, that includes the identity of each stockholder of record that participated in the In-Kind Repurchase Offer, whether that stockholder was an Affiliated Stockholder, a description of each security distributed, the terms of the distribution, and the information or materials upon which the valuation was made.

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

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

[FR Doc. 2018-14658 Filed 7-6-18; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83587; File No. SR-CBOE-2018-051]

### Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fees Schedule With Respect to Expiring Fee Waivers and Remove the FLEX Trader Incentive Program

July 3, 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 July 2, 2018, Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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 proposes to amend its Fees Schedule relating to various fee waivers and the Flex Trader Incentive Program that are set to expire June 30, 2018.

The text of the proposed rule change is available on the Exchange's website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), 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

The Exchange proposes to amend its Fees Schedule relating to various fee waivers and the Flex Trader Incentive Program that are set to expire June 30, 2018.

##### VIX and Select Sector License Index Surcharge

The Exchange first proposes to extend the current waiver of the VIX and Select Sector Index License Surcharge of \$0.10 per contract for Clearing Trading Permit Holder Proprietary ("Firm") (origin codes "F" or "L") VIX and Select Sector orders that have a premium of \$0.10 or lower and have series with an expiration of seven (7) calendar days or less. The Exchange adopted the current waiver to reduce transaction costs on expiring, low-priced VIX and Select Sector options, which the Exchange believed would encourage Firms to seek to close and/or roll over such positions close to expiration at low premium levels, including facilitating customers to do so, in order to free up capital and encourage additional trading. The Exchange had proposed to waive the surcharge through June 30, 2018, at which time the Exchange had stated that it would evaluate whether the waiver has in fact prompted Firms to close and roll over these positions close to expiration as intended. The Exchange believes the waiver encourages Firms to do so and as such, proposes to extend the waiver of the surcharge through December 31, 2018, at which time the Exchange will again reevaluate whether the waiver has continued to prompt Firms to close and roll over positions close to expiration at low premium levels. Accordingly, the Exchange proposes to delete the reference to the current waiver period of June 30, 2018 from the Fees Schedule and replace it with December 31, 2018.

##### Extended Trading Hour Fees

In order to promote and encourage trading during the Extended Trading Hours ("ETH") session, the Exchange currently waives ETH Trading Permit and Bandwidth Packet fees for one (1) of each initial Trading Permits and one (1) of each initial Bandwidth Packet, per affiliated TPH. The Exchange notes that waiver is set to expire June 30, 2018. The Exchange also waives fees through June 30, 2018 for a CMI and FIX login

<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)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).