

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–BOX–2018–30, and should be submitted on or before October 30, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–21783 Filed 10–5–18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Securities Exchange Act of 1934; Release No. 34–84337/October 2, 2018]

In the Matter of Chicago Stock Exchange, Inc., 440 South LaSalle Street, Suite 800, Chicago, IL 60605; File No. SR–CHX–2017–04; Order Setting Aside the Order by Delegated Authority Approving SR–CHX–2017–04

On February 10, 2017, the Chicago Stock Exchange, Inc. (“Exchange” or “CHX”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”) ¹ and Rule 19b–4 thereunder,² a proposed rule change to adopt the CHX Liquidity Enhancing Access Delay on a pilot basis. The proposed rule change was published for comment in the *Federal Register* on February 21, 2017.³ On April 3, 2017, the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved.⁴ On May 22, 2017, the Commission instituted proceedings under Section 19(b)(2)(B) of the Exchange Act⁵ to determine whether to approve or disapprove the proposed rule change.⁶ On August 17, 2017, pursuant to Section 19(b)(2) of the Exchange Act,⁷ the Commission designated a longer period for Commission action on proceedings to

determine whether to approve or disapprove the proposed rule change.⁸ On September 19, 2017, the Exchange filed Amendment No. 1 to the proposed rule change.⁹ On October 18, 2017, the Exchange filed Amendment No. 2 to the proposed rule change.¹⁰ On October 19, 2017, the Division of Trading and Markets, for the Commission pursuant to delegated authority,¹¹ approved the proposed rule change, as modified by Amendments No. 1 and No. 2.¹²

On October 24, 2017, the Secretary of the Commission notified the Exchange that pursuant to Rule 431 of the Commission’s Rules of Practice,¹³ the Commission would review the Delegated Order and that the Delegated Order was stayed until the Commission ordered otherwise.¹⁴ On November 8, 2017, the Commission issued a scheduling order allowing the filing of additional statements.¹⁵

On July 25, 2018, CHX withdrew the proposed rule change (SR–CHX–2017–04).¹⁶

Under Commission Rule of Practice 431(a), the Commission may “affirm, reverse, modify, set aside or remand for further proceedings, in whole or in part, any action made pursuant to” delegated authority.¹⁷ We find that, in light of the CHX’s withdrawal of the proposed rule change, it is appropriate to set aside the Delegated Order.

Accordingly, *it is ordered* that the October 19, 2017 order approving by delegated authority CHX’s proposed rule change number SR–CHX–2017–04, be, and it hereby is, set aside.

By the Commission.

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–21761 Filed 10–5–18; 8:45 am]

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⁸ See Securities Exchange Act Release No. 81415, 82 FR 40051 (August 23, 2017).

⁹ The amendments to the proposed rule change are available at: <https://www.sec.gov/comments/sr-chx-2017-04/chx201704.htm>.

¹⁰ See *supra* note 9.

¹¹ 17 CFR 200.30–3(a)(12).

¹² See Exchange Act Release No. 81913, 82 FR 49433 (October 25, 2017) (“Delegated Order”).

¹³ 17 CFR 201.431.

¹⁴ See Letter from Secretary of the Commission to Albert (A.J.) Kim, VP and Associate General Counsel, Chicago Stock Exchange, Inc., dated October 24, 2017, available at <https://www.sec.gov/rules/sro/chx/2017/34-81913-letter-from-secretary.pdf>.

¹⁵ See Exchange Act Release No. 80234, 82 FR 52762 (November 14, 2017).

¹⁶ See letter from Albert J. Kim, Vice President and Associate General Counsel, CHX, to Eduardo A. Aleman, Assistant Secretary, Commission, dated July 25, 2018.

¹⁷ 17 CFR 201.431(a).

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 10f–3; SEC File No. 270–237, OMB Control No. 3235–0226

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

Section 10(f) of the Investment Company Act of 1940 (15 U.S.C. 80a) (the “Act”) prohibits a registered investment company (“fund”) from purchasing any security during an underwriting or selling syndicate if the fund has certain relationships with a principal underwriter for the security. Congress enacted this provision in 1940 to protect funds and their shareholders by preventing underwriters from “dumping” unmarketable securities on affiliated funds.

Rule 10f–3 (17 CFR 270.10f–3) permits a fund to engage in a securities transaction that otherwise would violate section 10(f) if, among other things: (i) The fund’s directors have approved procedures for purchases made in reliance on the rule, regularly review fund purchases to determine whether they comply with these procedures, and approve necessary changes to the procedures; and (ii) a written record of each transaction effected under the rule is maintained for six years, the first two of which in an easily accessible place. The written record must state: (i) From whom the securities were acquired; (ii) the identity of the underwriting syndicate’s members; (iii) the terms of the transactions; and (iv) the information or materials on which the fund’s board of directors has determined that the purchases were made in compliance with procedures established by the board.

The rule also conditionally allows managed portions of fund portfolios to purchase securities offered in otherwise off-limits primary offerings. To qualify for this exemption, rule 10f–3 requires that the subadviser that is advising the purchaser be contractually prohibited from providing investment advice to any other portion of the fund’s portfolio

¹⁴ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 80041 (February 14, 2017), 82 FR 11252.

⁴ See Securities Exchange Act Release No. 80364, 82 FR 17065 (April 7, 2017).

⁵ 15 U.S.C. 78s(b)(2)(B).

⁶ See Securities Exchange Act Release No. 80740, 82 FR 24412 (May 26, 2017).

⁷ 15 U.S.C. 78s(b)(2).

and consulting with any other of the fund's advisers that is a principal underwriter or affiliated person of a principal underwriter concerning the fund's securities transactions.

These requirements provide a mechanism for fund boards to oversee compliance with the rule. The required recordkeeping facilitates the Commission staff's review of rule 10f-3 transactions during routine fund inspections and, when necessary, in connection with enforcement actions.

The staff estimates that approximately 236 funds engage in a total of approximately 2,928 rule 10f-3 transactions each year.¹ Rule 10f-3 requires that the purchasing fund create a written record of each transaction that includes, among other things, from whom the securities were purchased and the terms of the transaction. The staff estimates² that it takes an average fund approximately 30 minutes per transaction and approximately 1,464 hours³ in the aggregate to comply with this portion of the rule.

The funds also must maintain and preserve these transactional records in accordance with the rule's recordkeeping requirement, and the staff estimates that it takes a fund approximately 20 minutes per transaction and that annually, in the aggregate, funds spend approximately 976 hours⁴ to comply with this portion of the rule.

In addition, fund boards must, no less than quarterly, examine each of these transactions to ensure that they comply with the fund's policies and procedures. The information or materials upon which the board relied to come to this determination also must be maintained and the staff estimates that it takes a fund 1 hour per quarter and, in the aggregate, approximately 944 hours⁵ annually to comply with this rule requirement.

The staff estimates that reviewing and revising as needed written procedures for rule 10f-3 transactions takes, on average for each fund, two hours of a compliance attorney's time per year.⁶

¹ These estimates are based on staff extrapolations from filings with the Commission.

² Unless stated otherwise, the information collection burden estimates are based on conversations between the staff and representatives of funds.

³ This estimate is based on the following calculation: (0.5 hours × 2,928 = 1,464 hours).

⁴ This estimate is based on the following calculations: (20 minutes × 2,928 transactions = 58,560 minutes; 58,560 minutes/60 = 976 hours).

⁵ This estimate is based on the following calculation: (1 hour per quarter × 4 quarters × 236 funds = 944 hours).

⁶ These averages take into account the fact that in most years, fund attorneys and boards spend little

Thus, annually, in the aggregate, the staff estimates that funds spend a total of approximately 472 hours⁷ on monitoring and revising rule 10f-3 procedures.

Based on an analysis of fund filings, the staff estimates that approximately 299 fund portfolios enter into subadvisory agreements each year.⁸ Based on discussions with industry representatives, the staff estimates that it will require approximately 3 attorney hours to draft and execute additional clauses in new subadvisory contracts in order for funds and subadvisers to be able to rely on the exemptions in rule 10f-3. Because these additional clauses are identical to the clauses that a fund would need to insert in their subadvisory contracts to rely on rules 12d3-1, 17a-10, and 17e-1, and because we believe that funds that use one such rule generally use all of these rules, we apportion this 3 hour time burden equally to all four rules. Therefore, we estimate that the burden allocated to rule 10f-3 for this contract change would be 0.75 hours.⁹ Assuming that all 299 funds that enter into new subadvisory contracts each year make the modification to their contract required by the rule, we estimate that the rule's contract modification requirement will result in 224 burden hours annually.¹⁰

The staff estimates, therefore, that rule 10f-3 imposes an information collection burden of 4,080 hours.¹¹

The collection of information required by rule 10f-3 is necessary to obtain the benefits of the rule. Responses will not be kept confidential. 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 OMB control number.

The public may view the background documentation for this information collection at the following website, 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

or no time modifying procedures and in other years, they spend significant time doing so.

⁷ This estimate is based on the following calculation: (236 funds × 2 hours = 472 hours).

⁸ Based on information in Commission filings, we estimate that 38 percent of funds are advised by subadvisers.

⁹ This estimate is based on the following calculation: (3 hours × 4 rules = .75 hours).

¹⁰ These estimates are based on the following calculations: (0.75 hours × 299 portfolios = 224 burden hours).

¹¹ This estimate is based on the following calculation: (1,464 hours + 976 hours + 944 hours + 472 + 244 hours = 4,080 total burden hours).

Office Building, Washington, DC 20503, or by sending an email to: ShaguftaAhmed@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. Comments must be submitted to OMB within 30 days of this notice.

Dated: October 3, 2018.

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2018-21832 Filed 10-5-18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84344; File No. SR-CBOE-2018-056]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Order Approving a Proposed Rule Change To Adopt Rule 6.57, Risk-Weighted Asset ("RWA") Packages

October 2, 2018.

I. Introduction

On August 8, 2018, the Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") filed with the Securities and Exchange Commission (the "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")¹ and Rule 19b-4 thereunder,² a proposal to adopt Rule 6.57, Risk-Weighted Assets ("RWA") Transactions. The proposed rule change was published for comment in the *Federal Register* on August 23, 2018.³ The Commission did not receive any comment letters on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposed Rule Change

As described in more detail in the Notice,⁴ the Exchange proposes to adopt Rule 6.57 to provide a mechanism for Cboe Options market makers to submit an on-floor risk-weighted asset package ("RWA Package")⁵ in the SPX trading crowd for the purpose of reducing risk-weighted asset ("RWA") exposure in

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 83870 (August 17, 2018), 83 FR 42725 (August 23, 2018) ("Notice").

⁴ See *id.*

⁵ An RWA Package is a set of SPX options positions with at least: 50 options series; 10 contracts per options series; and 10,000 total contracts. See *id.* at 42726.