

personnel transporting enhanced weapons to or from a licensee's or certificate holder's facility following the completion of, or in preparation for, escorting designated radioactive material or other property being transported to or from the licensee's or certificate holder's facility are responsible for assuring that the weapons are unloaded and locked in a secure container during transport. Only authorized personnel shall have access to the contents of the container. Unloaded covered weapons and ammunition for such weapons may be transported in the same secure container during transport.

Security personnel required to carry covered weapons while escorting designated radioactive material or other property being transported to or from the licensee's or certificate holder's facility (whether intrastate or interstate) are responsible for assuring that such weapons are maintained in a state of loaded readiness and available for immediate use while they are accompanying the transport.

To facilitate compliance with these guidelines, the NRC's regulations or orders will require licensees and certificate holders to keep records (capable of being inspected or audited by the NRC) relating to the receipt, transfer, and transportation of enhanced weapons. The records will be required to include the following minimum information relating to receipt and transfer of enhanced weapons: The date of receipt of the enhanced weapon; the name and address of the person from whom the enhanced weapon was received; the name of the manufacturer and importer (if any) of the enhanced weapon; the model, serial number, type, and caliber or gauge of the enhanced weapon; and for any transfer of an enhanced weapon (including sending off for repairs) by the licensee or certificate holder to another person, the name and address of the person to whom the enhanced weapon was transferred and the date of the transfer. The records will be required to include the following minimum information relating to transportation of enhanced weapons: The date of departure of the enhanced weapon from, and the date of return of the enhanced weapon to, the licensee's or certificate holder's facility; the purpose of the enhanced weapon's transportation; the name of the person/facility to whom the enhanced weapon is being transported; and the model, serial number, type, and caliber or gauge of the enhanced weapon.

7. Termination, Modification, Suspension, and Revocation

The Commission will promulgate regulations or issue orders setting forth standards for the termination, modification, suspension, or revocation of the NRC's approval of a licensee's or certificate holder's preemption authority or enhanced weapons authority and preemption authority. Within three (3) business days of notifying the licensee or certificate holder, the NRC will notify ATF of the termination, modification, suspension, or revocation of a licensee's or certificate holder's preemption authority or enhanced weapons authority and preemption authority. Such a notification will be made

to the position or point of contact designated by ATF. The regulations or orders will require licensees and certificate holders to transfer any enhanced weapons that they are no longer authorized to lawfully possess under section 161A, or that they wish to dispose of, to (1) a Federal, State, or local government entity; (2) a Federal firearms licensee authorized to receive the enhanced weapons under applicable law and regulations; or (3) other NRC licensees and certificate holders subject to section 161A that are authorized to receive and possess these weapons. Licensees and certificate holders may also abandon such weapons to ATF. Transfers of such enhanced weapons must be made in accordance with section 6 of these guidelines.

The regulations or orders will require licensees and certificate holders to transfer any enhanced weapons (1) prior to NRC approval of the termination or modification of a licensee's or certificate holder's authority to possess the enhanced weapons under section 161A, and (2) as soon as practicable following NRC suspension or revocation of the licensee's or certificate holder's authority to lawfully possess enhanced weapons under section 161A.

Licensees and certificate holders who have had their preemption authority or enhanced weapons and preemption authority suspended or revoked may reapply for such authority by filing a new application for such authority under these guidelines.

Licensees and certificate holders who intend to obtain enhanced weapons different from the weapons previously approved by the NRC must submit to the NRC for prior review and approval revised physical security plans, training and qualification plans, safeguards contingency plans, and safety assessments addressing the use of these different enhanced weapons.

8. Definitions

(a) As used in these guidelines—

Adverse firearms background check means a firearms background check that has resulted in a "denied" or "delayed" NICS response.

Covered weapon means any handgun, rifle, shotgun, short-barreled shotgun, short-barreled rifle, semiautomatic assault weapon, machinegun, ammunition for any such weapon, or large capacity ammunition feeding device otherwise prohibited by State, local, or certain Federal laws, including regulations, as specified under section 161A.b.

Enhanced weapon means any short-barreled shotgun, short-barreled rifle, or machinegun. Enhanced weapons do not include destructive devices as defined in 18 U.S.C. 921(a).

Firearms background check means a background check by the Attorney General pursuant to section 161A that includes a check against the Federal Bureau of Investigation's (FBI's) fingerprint system and the NICS.

NICS means the National Instant Criminal Background Check System established by section 103(b) of the Brady Handgun Violence Prevention Act, Public Law 103–159, 107 Stat. 1536 (1993), that is operated

by the FBI's Criminal Justice Information Services Division.

NICS response means a response provided by the FBI as the result of a firearms background check against the NICS. Such a response may be "proceed," "delayed," or "denied."

Satisfactory firearms background check means a firearms background check that has resulted in a "proceed" NICS response.

(b) The terms "handgun, rifle, shotgun, short-barreled shotgun, short-barreled rifle, machinegun, and ammunition," have the same meaning provided for these terms in 18 U.S.C. 921(a).

(c) The terms "semiautomatic assault weapon" and "large capacity ammunition feeding device" have the same meaning provided for these terms in sections 110101(b) and 110103(b) of the Violent Crime Control and Law Enforcement Act of 1994, Public Law 103 322, 108 Stat 1796, before the expiration of those sections on September 13, 2004.

(d) The terms "proceed," "delayed," and "denied," as used in NICS responses, have the same meaning provided for these terms in the FBI's regulations in 28 CFR part 25.

Disclaimer

These guidelines may not be relied upon to create any rights, substantive or procedural, enforceable by law by any party in any manner, civil or criminal, and they do not place any limitations on otherwise lawful activities of the agencies.

[FR Doc. 2019–04163 Filed 3–7–19; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 33388; 812–14956]

BlackRock Credit Strategies Fund, et al.

March 5, 2019.

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

ACTION: Notice.

Notice of an application under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from sections 18(a)(2), 18(c) and 18(i) of the Act, under sections 6(c) and 23(c) of the Act for an exemption from rule 23c–3 under the Act, and for an order pursuant to section 17(d) of the Act and rule 17d–1 under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain registered closed-end management investment companies to issue multiple classes of shares and to impose asset-based distribution and/or service fees and early withdrawal charges ("EWCs").

APPLICANTS: BlackRock Credit Strategies Fund (the "Fund"), BlackRock Advisors, LLC (the "Advisor") and

BlackRock Investments, LLC (the “Distributor”).

FILING DATES: The application was filed on September 24, 2018 and amended on January 15, 2019.

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 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 April 1, 2019, 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: Janey Ahn, Esq., BlackRock Advisors, LLC, 55 East 52nd Street, New York, NY 10055, and Thomas A. DeCapo, Esq., Skadden, Arps, Slate, Meagher & Flom LLP, 500 Boylston Street, Boston, MA 02116.

FOR FURTHER INFORMATION CONTACT: Laura L. Solomon, Senior Counsel or Kaitlin C. Bottock, 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 website by searching for the file number, or for an applicant using the Company name box, at or by calling (202) 551–8090.

Applicants’ Representations

1. The Fund is a Delaware statutory trust that is registered under the Act as a non-diversified, closed-end management investment company. The Fund seeks to provide high income and attractive risk adjusted return. The Fund seeks to achieve its investment objectives by investing, under normal circumstances, at least 80% of its managed assets in fixed income securities, with an emphasis on public and private corporate credit.

2. The Advisor is registered as an investment adviser under the Investment Advisers Act of 1940, as amended. The Advisor will serve as investment adviser to the Fund.

3. The applicants seek an order to permit the Fund to issue multiple classes of shares and to impose asset-based distribution and/or service fees and EWCs.

4. Applicants request that the order also apply to any continuously offered registered closed-end management investment company that has been previously organized or that may be organized in the future for which the Advisor or Distributor, or any entity controlling, controlled by, or under common control with the Advisor or Distributor, or any successor in interest to any such entity,¹ acts as investment manager, adviser or principal underwriter and which operates as an interval fund pursuant to rule 23c–3 under the Act or provides periodic liquidity with respect to its shares pursuant to rule 13e–4 under the Securities Exchange Act of 1934 (“Exchange Act”) (each, a “Periodic Repurchase Fund” and together with the Fund, the “Periodic Repurchase Funds”).²

5. The Fund will continuously offer common shares to the public. Applicants state that additional offerings by any Periodic Repurchase Fund relying on the order may be on a private placement or public offering basis. Shares of the Fund will not be listed on any securities exchange nor quoted on any quotation medium. The Fund does not expect there to be a secondary trading market for its shares.

6. The Fund will initially offer only one share class at net asset value (the “Initial Class”). If the requested relief is granted, the Fund intends to commence offering a second class of shares (the “Second Class”). The Initial Class will not be subject to a front-end sales load, a distribution fee or a service fee. The Second Class will be subject to a front-end sales load, a distribution fee and/or a service fee. The Fund and other Periodic Repurchase Funds may in the future offer additional classes of shares and/or another sales charges structure. Because of the different distribution fees, services and any other class expenses that may be attributable to the each class of shares, the net income attributable to, and the dividends payable on, each class of shares may differ from each other.

¹ A successor in interest is limited to an entity that results from a reorganization into another jurisdiction or a change in the type of business organization.

² Any Periodic Repurchase Fund relying on this relief in the future will do so in a manner consistent with the terms and conditions of the application. Applicants represent that each entity presently intending to rely on the requested relief is listed as an applicant.

7. Applicants state that, from time to time, the Periodic Repurchase Funds may create additional classes of shares, the terms of which may differ from the initial class in the following respects: (i) The amount of fees permitted by different distribution plans or different service fee arrangements; (ii) voting rights with respect to a distribution plan of a class; (iii) different class designations; (iv) any differences in dividends and net asset value resulting from differences in fees under a distribution or service fee arrangement or in class expenses; (v) any EWC or other sales load structure; and (vi) exchange or conversion privileges of the classes as permitted under the Act.

8. Applicants state that the Fund has adopted a fundamental policy to repurchase a specified percentage of its shares (no less than 5%) at net asset value on a quarterly basis. Such repurchase offers will be conducted pursuant to rule 23c–3 under the Act. Each of the Periodic Repurchase Funds will likewise adopt fundamental investment policies and make periodic repurchase offers to its shareholders in compliance with rule 23c–3 or will provide periodic liquidity with respect to its shares pursuant to rule 13e–4 under the Exchange Act.³ Any repurchase offers made by a Periodic Repurchase Fund will be made to all holders of shares of each such Fund.

9. Applicants represent that any asset-based service and/or distribution fees for each class of shares of the Periodic Repurchase Funds will comply with the provisions of FINRA Rule 2341(d) (“FINRA Sales Charge Rule”).⁴ Applicants also represent that each Periodic Repurchase Fund will disclose in its prospectus the fees, expenses and other characteristics of each class of shares offered for sale by the prospectus, as is required for open-end multiple class funds under Form N–1A. As is required for open-end funds, each Periodic Repurchase Fund will disclose its expenses in shareholder reports, and describe any arrangements that result in breakpoints in or elimination of sales loads in its prospectus.⁵ In addition,

³ Applicants submit that rule 23c–3 and Regulation M under the Exchange Act permit an interval fund to make repurchase offers to repurchase its shares while engaging in a continuous offering of its shares pursuant to Rule 415 under the Securities Act of 1933, as amended.

⁴ Any reference to the FINRA Sales Charge Rule includes any successor or replacement to the FINRA Sales Charge Rule.

⁵ See Shareholder Reports and Quarterly Portfolio Disclosure of Registered Management Investment Companies, Investment Company Act Release No. 26372 (Feb. 27, 2004) (adopting release) (requiring open-end investment companies to disclose fund

applicants will comply with applicable enhanced fee disclosure requirements for fund of funds, including registered funds of hedge funds.⁶

10. Each Periodic Repurchase Fund will comply with any requirements that the Commission or FINRA may adopt regarding disclosure at the point of sale and in transaction confirmations about the costs and conflicts of interest arising out of the distribution of open-end investment company shares, and regarding prospectus disclosure of sales loads and revenue sharing arrangements, as if those requirements applied to each Periodic Repurchase Fund. In addition, each Periodic Repurchase Fund will contractually require that any distributor of the Periodic Repurchase Fund's shares comply with such requirements in connection with the distribution of such Periodic Repurchase Fund's shares.

11. Each Periodic Repurchase Fund will allocate all expenses incurred by it among the various classes of shares based on the net assets of that Periodic Repurchase Fund attributable to each class, except that the net asset value and expenses of each class will reflect the expenses associated with the distribution plan of that class, service fees attributable to that class (if any), including transfer agency fees, and any other incremental expenses of that class. Expenses of a Periodic Repurchase Fund allocated to a particular class of shares will be borne on a pro rata basis by each outstanding share of that class.

Applicants state that each Periodic Repurchase Fund will comply with the provisions of rule 18f-3 under the Act as if it were an open-end investment company.

12. Applicants state that each Periodic Repurchase Fund may impose an EWC on shares submitted for repurchase that have been held less than a specified period and may waive the EWC for certain categories of shareholders or transactions to be established from time to time. Applicants state that each Periodic Repurchase Fund will apply the EWC (and any waivers or scheduled variations, or elimination of the EWC) uniformly to all shareholders in a given class and consistently with the requirements of rule 22d-1 under the

Act as if the Periodic Repurchase Funds were open-end investment companies.

13. Each Periodic Repurchase Fund operating as an interval fund pursuant to rule 23c-3 under the Act may offer its shareholders an exchange feature under which the shareholders of the Periodic Repurchase Fund may, in connection with such Periodic Repurchase Fund's periodic repurchase offers, exchange their shares of the Periodic Repurchase Fund for shares of the same class of (i) registered open-end investment companies or (ii) other registered closed-end investment companies that comply with rule 23c-3 under the Act or rule 13e-4 under the Exchange Act and continuously offer their shares at net asset value, that are in the Periodic Repurchase Fund's group of investment companies (collectively, "Other Funds"). Shares of a Periodic Repurchase Fund operating pursuant to rule 23c-3 that are exchanged for shares of Other Funds will be included as part of the amount of the repurchase offer amount for such Periodic Repurchase Fund as specified in rule 23c-3 under the Act. Any exchange option will comply with rule 11a-3 under the Act, as if the Periodic Repurchase Fund were an open-end investment company subject to rule 11a-3. In complying with rule 11a-3, each Periodic Repurchase Fund will treat an EWC as if it were a contingent deferred sales load ("CDSL").

Applicants' Legal Analysis

Multiple Classes of Shares

1. Section 18(a)(2) of the Act provides that a closed-end investment company may not issue or sell a senior security that is a stock unless certain requirements are met. Applicants state that the creation of multiple classes of shares of the Periodic Repurchase Funds may violate section 18(a)(2) because the Periodic Repurchase Funds may not meet such requirements with respect to a class of shares that may be a senior security.

2. Section 18(c) of the Act provides, in relevant part, that a closed-end investment company may not issue or sell any senior security if, immediately thereafter, the company has outstanding more than one class of senior security. Applicants state that the creation of multiple classes of shares of the Periodic Repurchase Funds may be prohibited by section 18(c), as a class may have priority over another class as to payment of dividends because shareholders of different classes would pay different fees and expenses.

3. Section 18(i) of the Act provides that each share of stock issued by a

registered management investment company will be a voting stock and have equal voting rights with every other outstanding voting stock. Applicants state that multiple classes of shares of the Periodic Repurchase Funds may violate section 18(i) of the Act because each class would be entitled to exclusive voting rights with respect to matters solely related to that class.

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 provision of the Act, or from any rule or regulation under the Act, if and to the extent such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants request an exemption under section 6(c) from sections 18(a)(2), 18(c) and 18(i) to permit the Periodic Repurchase Funds to issue multiple classes of shares.

5. Applicants submit that the proposed allocation of expenses relating to distribution and voting rights among multiple classes is equitable and will not discriminate against any group or class of shareholders. Applicants submit that the proposed arrangements would permit a Periodic Repurchase Fund to facilitate the distribution of its securities and provide investors with a broader choice of shareholder services.

Applicants assert that the proposed closed-end investment company multiple class structure does not raise the concerns underlying section 18 of the Act to any greater degree than open-end investment companies' multiple class structures that are permitted by rule 18f-3 under the Act. Applicants state that each Periodic Repurchase Fund will comply with the provisions of rule 18f-3 as if it were an open-end investment company.

Early Withdrawal Charges

1. Section 23(c) of the 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 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

expenses in shareholder reports); and Disclosure of Breakpoint Discounts by Mutual Funds, Investment Company Act Release No. 26464 (June 7, 2004) (adopting release) (requiring open-end investment companies to provide prospectus disclosure of certain sales load information).

⁶ Fund of Funds Investments, Investment Company Act Rel. Nos. 26198 (Oct. 1, 2003) (proposing release) and 27399 (Jun. 20, 2006) (adopting release). See also Rules 12d1-1, *et seq.* of the Act.

pursuant to a fundamental policy of the interval fund. Rule 23c-3(b)(1) under the 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 Periodic Repurchase Funds to impose EWCs on shares of the Periodic Repurchase Funds submitted for repurchase that have been held for less than a specified period.

5. Applicants state that the EWCs they intend to impose are functionally similar to CDSLs imposed by open-end investment companies under rule 6c-10 under the Act. Rule 6c-10 permits open-end investment companies to impose CDSLs, subject to certain conditions. Applicants note that rule 6c-10 is grounded in policy considerations supporting the employment of CDSLs where there are adequate safeguards for the investor and state that the same policy considerations support imposition of EWCs in the interval fund context. In addition, applicants state that EWCs may be necessary for the distributor to recover distribution costs. Applicants represent that any EWC imposed by the Periodic Repurchase Funds will comply with rule 6c-10 under the Act as if the rule were applicable to closed-end investment companies. The Periodic Repurchase Funds will disclose EWCs in accordance with the requirements of Form N-1A concerning CDSLs.

Asset-Based Distribution and/or Service Fees

1. Section 17(d) of the Act and rule 17d-1 under the 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 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 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 Act. Applicants request an order under section 17(d) and rule 17d-1 under the Act to the extent necessary to permit a Periodic Repurchase Fund to impose asset-based distribution and/or 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 Periodic Repurchase 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 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 Periodic Repurchase Funds' imposition of asset-based distribution and/or service fees is consistent with the provisions, policies and purposes of the 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 Periodic Repurchase 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 Act, as amended from time to time, as if those rules applied to closed-end management investment companies, and will comply with the FINRA Sales Charge Rule, 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,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85244; File No. SR-NYSEArca-2018-82]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, Regarding Certain Changes Relating to Investments of the PGIM Active High Yield Bond ETF

March 4, 2019.

I. Introduction

On November 16, 2018, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to continue to list and trade shares ("Shares") of the PGIM Active High Yield Bond ETF ("Fund"), a series of PGIM ETF Trust ("Trust"), under NYSE Arca Rule 8.600-E. The proposed rule change was published for comment in the *Federal Register* on December 6, 2018.³ On January 17, 2019, 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 to disapprove the proposed rule change.⁴ On February 6, 2019, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced and superseded the proposed rule change as originally filed.⁵ On February 21, 2019, the Exchange filed Amendment No. 2 to the proposed rule change, which replaced and superseded the proposed rule change as modified by Amendment No.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 84696 (Nov. 30, 2018), 83 FR 62915.

⁴ See Securities Exchange Act Release No. 84987, 84 FR 0855 (Jan. 31, 2019). The Commission designated March 6, 2019, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

⁵ Amendment No. 1 to the proposed rule change is available at: <https://www.sec.gov/comments/sr-nysearca-2018-82/srnysearca201882-4891452-177603.pdf>.