

**RAILROAD RETIREMENT BOARD****Sunshine Act: Notice of Public Meeting**

Notice is hereby given that the Railroad Retirement Board will hold a meeting on April 16, 2019, 10:00 a.m. at the Board's meeting room on the 8th Floor of its headquarters building, 844 North Rush Street, Chicago, Illinois 60611. The agenda for this meeting follows:

*Portion open to the public:*

1. Impact of the SCOTUS Wisconsin Central decision and any necessary Board Action.

The person to contact for more information is Stephanie Hillyard, Secretary to the Board, Phone No. 312-751-4920.

For the Board.

Dated: April 5, 2019.

**Stephanie Hillyard,**

*Secretary to the Board.*

[FR Doc. 2019-07123 Filed 4-5-19; 4:15 pm]

**BILLING CODE 7905-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[SEC File No. 270-217, OMB Control No. 3235-0241]**

**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 206(4)-2

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for extension and revision of the previously approved collection of information discussed below.

The title for the collection of information is "Rule 206(4)-2 under the Investment Advisers Act of 1940—Custody of Funds or Securities of Clients by Investment Advisers." Rule 206(4)-2 (17 CFR 275.206(4)-2) under the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 *et seq.*) governs the custody of funds or securities of clients by Commission-registered investment advisers. Rule 206(4)-2 requires each

registered investment adviser that has custody of client funds or securities to maintain those client funds or securities with a broker-dealer, bank or other "qualified custodian."<sup>1</sup> The rule requires the adviser to promptly notify clients as to the place and manner of custody, after opening an account for the client and following any changes.<sup>2</sup> If an adviser sends account statements to its clients, it must insert a legend in the notice and in subsequent account statements sent to those clients urging them to compare the account statements from the custodian with those from the adviser.<sup>3</sup> The adviser also must have a reasonable basis, after due inquiry, for believing that the qualified custodian maintaining client funds and securities sends account statements directly to the advisory clients, and undergo an annual surprise examination by an independent public accountant to verify client assets pursuant to a written agreement with the accountant that specifies certain duties.<sup>4</sup> Unless client assets are maintained by an independent custodian (*i.e.*, a custodian that is not the adviser itself or a related person), the adviser also is required to obtain or receive a report of the internal controls relating to the custody of those assets from an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB").<sup>5</sup>

The rule exempts advisers from the rule with respect to clients that are registered investment companies. Advisers to limited partnerships, limited liability companies and other pooled investment vehicles are excepted from the account statement delivery and deemed to comply with the annual surprise examination requirement if the limited partnerships, limited liability companies or pooled investment vehicles are subject to annual audit by an independent public accountant registered with, and subject to regular inspection by the PCAOB, and the audited financial statements are distributed to investors in the pools.<sup>6</sup> The rule also provides an exception to the surprise examination requirement for advisers that have custody because they have authority to deduct advisory fees from client accounts and advisers

that have custody solely because a related person holds the adviser's client assets and the related person is operationally independent of the adviser.<sup>7</sup>

Advisory clients use this information to confirm proper handling of their accounts. The Commission's staff uses the information obtained through these collections in its enforcement, regulatory and examination programs. Without the information collected under the rule, the Commission would be less efficient and effective in its programs and clients would not have information valuable for monitoring an adviser's handling of their accounts.

The respondents to this information collection are investment advisers registered with the Commission and have custody of clients' funds or securities. We estimate that 7,216 advisers would be subject to the information collection burden under the rule 206(4)-2. The number of responses under rule 206(4)-2 will vary considerably depending on the number of clients for which an adviser has custody of funds or securities, and the number of investors in pooled investment vehicles that the adviser manages. It is estimated that the average number of responses annually for each respondent would be 6,830, and an average time of 0.00500 hour per response. The annual aggregate burden for all respondents to the requirements of rule 206(4)-2 is estimated to be 246,532 hours.

This collection of information is found at 17 CFR 275.206(4)-2 and is mandatory. Responses to the collection of information are not kept confidential. Commission-registered investment advisers are required to maintain and preserve certain information required under rule 206(4)-2 for five years. The long-term retention of these records is necessary for the Commission's examination program to ascertain compliance with the Investment Advisers Act.

The estimated average burden hours are made solely for the purposes of Paperwork Reduction Act and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms. 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 control number.

<sup>1</sup> Rule 206(4)-2(a)(1).

<sup>2</sup> Rule 206(4)-2(a)(2).

<sup>3</sup> Rule 206(4)-2(a)(2).

<sup>4</sup> Rule 206(4)-2(a)(3), (4).

<sup>5</sup> Rule 206(4)-2(a)(6).

<sup>6</sup> Rule 206(4)-2(b)(4).

<sup>7</sup> Rule 206(4)-2(b)(3), (b)(6).

The public may view the background documentation for this information collection at the following website, [www.reginfo.gov](http://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 Office Building, Washington, DC 20503, or by sending an email to: [Shagufta\\_Ahmed@omb.eop.gov](mailto:Shagufta_Ahmed@omb.eop.gov); and (ii) Charles Riddle, Acting 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](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: April 4, 2019.

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2019-06958 Filed 4-8-19; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

**TIME AND DATE:** 12:00 p.m. on Thursday, April 11, 2019.

**PLACE:** The meeting will be held at the Commission's headquarters, 100 F Street NE, Washington, DC 20549.

**STATUS:** This meeting will be closed to the public.

**MATTERS TO BE CONSIDERED:**

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Peirce, as duty officer, voted to consider the items listed for the closed meeting in closed session.

The subject matters of the closed meeting will be:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings; and

Other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

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

Dated: April 4, 2019.

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2019-07052 Filed 4-5-19; 11:15 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85495; File No. SR-ICC-2019-002]

### Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change Relating to the ICC Risk Parameter Setting and Review Policy

April 3, 2019.

#### I. Introduction

On February 6, 2019, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change (SR-ICC-2019-002) to formalize the ICC Risk Parameter Setting and Review Policy ("Risk Parameter Policy").<sup>3</sup> The proposed rule change was published in the *Federal Register* on February 22, 2019.<sup>4</sup> The Commission did not receive comments on the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change.

#### II. Description of the Proposed Rule Change

The proposed rule change would formalize the Risk Parameter Policy. The Risk Parameter Policy would explain ICC's process for setting and calibrating the core parameters of, and reviewing the assumptions underlying, the ICC Risk Management Model (the "Model"). The Risk Parameter Policy would also explain the analyses that ICC

performs to explore the sensitivity of the Model's outputs to certain core parameters.

#### A. Parameter Setting and Calibration

The Risk Parameter Policy would discuss the process of setting and reviewing the Model's core parameters and their underlying assumptions.<sup>5</sup> The Risk Parameter Policy would first list each of the Model's parameters and then summarize (i) the method used to review and set the parameter; (ii) the frequency of review; (iii) the group within ICC responsible for the review (Risk Management Department ("ICC Risk"), Risk Working Group ("RWG"), or Risk Committee ("RC")); and (iv) whether the review is statistical or non-statistical. The Risk Parameter Policy would then explain in detail the process for setting and reviewing the parameters, with the parameters categorized according to their associated component of the Model: (i) Liquidity charge; (ii) concentration charge; (iii) jump-to-default; (iv) interest rate sensitivity; (v) basis risk; and (vi) integrated spread response.

For the parameters associated with the liquidity charge, the Risk Parameter Policy would describe the parameters associated with index instruments and single-name instruments.<sup>6</sup> With respect to index instruments, the Risk Parameter Policy would specify how ICC Risk estimates the Bid Offer Widths ("BOWs") for indices across volatile and extreme market conditions, in addition to how ICC Risk recognizes long-short benefits when computing portfolio-level index liquidity charges. With respect to single-name instruments, the Risk Parameter Policy would explain the parameters that ICC uses to incorporate a price-based BOW component and a spread-based BOW component into the liquidity charge. The Risk Parameter Policy would require ICC Risk to estimate and review the liquidity charge parameters and their underlying assumptions at least monthly and present the analysis and any proposed changes to the RWG for review.

For the parameters associated with the concentration charge, the Risk Parameter Policy would explain how ICC Risk establishes specific threshold levels for each index or SN Risk Factor ("RF").<sup>7</sup> The thresholds would reflect the market depth and liquidity for the considered RFs. The concentration charges would apply to positions that

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

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

<sup>3</sup> Capitalized terms used herein but not otherwise defined have the meaning set forth in the ICC Rules or the Risk Parameter Policy. Available at [https://www.theice.com/publicdocs/clear\\_credit/ICE\\_Clear\\_Credit\\_Rules.pdf](https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Rules.pdf).

<sup>4</sup> Securities Exchange Act Release No. 34-85157 (Feb. 15, 2019), 84 FR 5748 (Feb. 22, 2019) (SR-ICC-2019-002) ("Notice").

<sup>5</sup> Notice, 84 FR at 5748.

<sup>6</sup> Notice, 84 FR at 5749.

<sup>7</sup> Notice, 84 FR at 5749. ICC deems each index, sub-index, or underlying SN reference entity a separate RF.