

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 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. 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-CboeBZX-2019-049 and should be submitted on or before July 15, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²²

Vanessa A. Countryman,
Acting Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86136; File No. SR-NYSEArca-2019-12]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Amendment No. 1 and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the iShares Commodity Curve Carry Strategy ETF

June 18, 2019.

I. Introduction

On March 1, 2019, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1)¹ of the Securities

Exchange Act of 1934 ("Act")² and Rule 19b-4 thereunder,³ a proposed rule change to list and trade the shares of the iShares Commodity Curve Carry Strategy ETF, a series of the iShares U.S. ETF Trust. The proposed rule change was published for comment in the **Federal Register** on March 20, 2019.⁴ On April 18, 2019, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced and superseded the proposed rule change as originally filed.⁵ The Commission received no comments on the proposed rule change. On May 1, 2019, pursuant to Section 19(b)(2) of the Act,⁶ 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 approve or disapprove the proposed rule change.⁷ The Commission is publishing this notice and order to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons and to institute proceedings under Section 19(b)(2)(B) of the Act⁸ to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.

II. The Exchange's Description of the Proposed Rule Change, as Modified by Amendment No. 1

The Exchange proposes to list and trade shares ("Shares") of the iShares Commodity Curve Carry Strategy ETF ("Fund") under NYSE Arca Rule 8.600-E, which governs the listing and trading of Managed Fund Shares⁹ on the Exchange.

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ See Securities Exchange Act Release No. 85312 (March 14, 2019), 84 FR 10369.

⁵ Amendment No. 1 is available at: <https://www.sec.gov/comments/sr-nysearca-2019-12/srnysearca201912-5393880-184151.pdf>.

⁶ 15 U.S.C. 78s(b)(2).

⁷ See Securities Exchange Act Release No. 85758, 84 FR 19978 (May 7, 2019). The Commission designated June 18, 2019, as the date by which the Commission shall approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change.

⁸ 15 U.S.C. 78s(b)(2)(B).

⁹ A Managed Fund Share is a security that represents an interest in an investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1) ("1940 Act") organized as an open-end investment company or similar entity that invests in a portfolio of securities selected by its investment adviser consistent with its investment objectives and policies. In contrast, an open-end investment company that issues Investment Company Units, listed and traded on the Exchange under NYSE Arca Rule 5.2-E(j)(3), seeks to provide investment results that correspond generally to the price and yield performance of a specific foreign or domestic stock index, fixed income securities index or combination thereof.

The Shares will be offered by iShares U.S. ETF Trust (the "Trust"), which is registered with the Commission as an open-end management investment company.¹⁰ The Fund is a series of the Trust.

BlackRock Fund Advisors ("BFA" or "Adviser") will be the investment adviser for the Fund. BlackRock Investments, LLC will be the distributor ("Distributor") for the Fund's Shares. State Street Bank and Trust Company will serve as the administrator, custodian and transfer agent ("Custodian" or "Transfer Agent") for the Fund.

Commentary .06 to Rule 8.600-E provides that, if the investment adviser to the investment company issuing Managed Fund Shares is affiliated with a broker-dealer, such investment adviser shall erect and maintain a "fire wall" between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such investment company portfolio.¹¹ In addition, Commentary .06 further requires that personnel who make decisions on the open-end fund's portfolio composition must be subject to procedures designed

¹⁰ The Trust is registered under the 1940 Act. On December 3, 2018, the Trust filed with the Securities and Exchange Commission ("SEC" or "Commission") its registration statement on Form N-1A under the Securities Act of 1933 (15 U.S.C. 77a), and under the 1940 Act relating to the Fund (File Nos. 333-179904 and 811-22649) ("Registration Statement"). The description of the operation of the Trust and the Fund herein is based, in part, on the Registration Statement. In addition, the Commission has issued an order upon which the Trust may rely, granting certain exemptive relief under the 1940 Act. See Investment Company Act Release No. 29571 (January 24, 2011) (File No. 812-13601).

¹¹ An investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (the "Advisers Act"). As a result, the Adviser and its related personnel are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A-1 under the Advisers Act. In addition, Rule 206(4)-7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

²² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

to prevent the use and dissemination of material nonpublic information regarding the open-end fund's portfolio. The Adviser is not registered as a broker-dealer, but is affiliated with a broker-dealer, and has implemented and will maintain a fire wall with respect to its broker-dealer affiliate regarding access to information concerning the composition and/or changes to the portfolio. In the event (a) the Adviser becomes registered as a broker-dealer or newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, it will implement and maintain a fire wall with respect to its relevant personnel or its broker-dealer affiliate regarding access to information concerning the composition and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

iShares Commodity Curve Carry Strategy ETF

Fund Investments

According to the Registration Statement, the investment objective of the Fund will be to seek to provide exposure, on a total return basis, to a group of commodities with higher carry than a broad universe of commodities.

The Fund is actively managed and seeks to achieve its investment objective in part,¹² under normal market conditions,¹³ by investing in listed and over-the-counter ("OTC") swaps, including total return swaps, referencing the—ICE BofAML Commodity Carry Total Return Index (the "Reference Benchmark").¹⁴ The Fund is expected to establish new swaps contracts on an ongoing basis and replace expiring contracts.¹⁵ Swaps subsequently entered into by the Fund may have terms that differ from the swaps the Fund previously held. The Fund expects generally to pay a fixed payment rate and certain swap-related

¹² The Fund's investment objective is also achieved by investing in cash, cash equivalents, Commodity Investments, Fixed Income Securities and Short-Term Fixed Income Securities (each as defined or described below).

¹³ The term "normal market conditions" is defined in NYSE Arca Rule 8.600–E(c)(5).

¹⁴ Although the Fund may hold swaps on the Reference Benchmark, or direct investments in, the same futures contracts as those included in the Reference Benchmark, the Fund is not obligated to invest in any futures contracts included in, and does not seek to replicate the performance of, the Reference Benchmark.

¹⁵ Swaps on the Reference Benchmark are included in "Commodity Investments" as defined below.

fees to the swap counterparty and receive the total return of the Reference Benchmark, including, in the event of negative performance by the Reference Benchmark, negative return (*i.e.*, a payment from the Fund to the swap counterparty). In seeking total return, the Fund additionally aims to generate interest income and capital appreciation through a cash management strategy consisting primarily of cash, cash equivalents,¹⁶ and fixed income securities other than cash equivalents, as described below.

The Reference Benchmark is composed of 20 futures contracts on physical agricultural, energy, precious metals, and industrial metals commodities. The Fund expects to obtain a substantial amount of its exposure to the carry strategy by entering into total return swaps that pay the returns of the commodity futures contracts referenced in the Reference Benchmark. The Reference Benchmark includes the 10 traded futures contracts on commodities having the highest degree of backwardation or lowest degree of contango among the 20 futures contracts on physical agricultural, energy, precious metals, and industrial metals listed on the U.S. regulated futures exchanges.

In order to maintain exposure to a futures contract on a particular commodity, an investor must sell the position in the expiring contract and buy a new position in a contract with a later delivery month, which is referred to as "rolling." If the price for the new futures contract is less than the price of the expiring contract, then the market for the commodity is said to be in "backwardation." In these markets, roll returns are positive, which is referred to as "positive carry." The term "contango" is used to describe a market in which the price for a new futures contract is more than the price of the expiring contract. In these markets, roll returns are negative, which is referred to as "negative carry." The Reference Benchmark seeks to employ a positive carry strategy that emphasizes commodities and futures contract months with the greatest degree of backwardation and lowest degree of contango, resulting in net gains through positive roll returns. The Fund will invest in financial instruments described below that provide exposure to commodities and not in physical commodities themselves.

The Fund (through its Subsidiary (as defined below)) may hold the following

¹⁶ For purposes of this filing, cash equivalents are the short-term instruments enumerated in Commentary .01(c) to Rule 8.600–E.

listed derivative instruments: Futures, options, and swaps on commodities (which commodities are from the same sectors as those included in the Reference Benchmark); currencies; U.S. and non-U.S. equity securities; fixed income securities as defined in Commentary .01(b) to Rule 8.600–E, but excluding Short-Term Fixed Income Securities (as defined below); interest rates; U.S. Treasuries, or a basket or index of any of the foregoing (collectively, "Listed Derivatives").¹⁷ Listed Derivatives will comply with the criteria in Commentary .01(d) of NYSE Arca Rule 8.600–E.

The Fund (through its Subsidiary (as defined below)) may hold the following over-the-counter ("OTC") derivative instruments: Forwards, options, and swaps on commodities (which commodities are from the same sectors as those included in the Reference Benchmark); currencies; U.S. and non-U.S. equity securities; fixed income securities as defined in Commentary .01(b) to Rule 8.600–E, but excluding Short-Term Fixed Income Securities (as defined below); interest rates, or a basket or index of any of the foregoing (collectively, "OTC Derivatives",¹⁸ and together with Listed Derivatives, "Commodity Investments").¹⁹

The Fund's exposure to Commodity Investments is obtained by investing through a wholly-owned subsidiary organized in the Cayman Islands (the "Subsidiary").²⁰ The Subsidiary is advised by BFA and has the same investment objective as the Fund.

In compliance with the requirements of Sub-Chapter M of the Internal Revenue Code of 1986, the Fund may invest up to 25% of its total assets in the Subsidiary. The Fund's Commodity Investments held in the Subsidiary are intended to provide the Fund with exposure to broad commodities.

¹⁷ Examples of Listed Derivatives the Fund may invest in include exchange traded futures contracts similar to those found in the Reference Benchmark, exchange traded futures contracts on the Reference Benchmark, swaps on commodity futures contracts similar to those found in the Reference Benchmark, futures and options that correlate to the investment returns of commodities without investing directly in physical commodities.

¹⁸ Examples of OTC Derivatives the Fund may invest in include swaps on commodity futures contracts similar to those found in the Reference Benchmark, options that correlate to the investment returns of commodities without investing directly in physical commodities.

¹⁹ As discussed below under "Application of Generic Listing Requirements" below, the Fund's and the Subsidiary's holdings in OTC derivatives will not comply with the criteria in Commentary .01(e) of NYSE Arca Rule 8.600–E.

²⁰ All statements included in this filing related to the Fund's investments and restrictions are applicable to the Fund and Subsidiary collectively.

The Fund may hold cash, cash equivalents and fixed income securities other than cash equivalents, as described further below.

Specifically, the Fund may invest in Short-Term Fixed Income Securities (as defined below) other than cash equivalents on an ongoing basis to provide liquidity or for other reasons.²¹ Short-Term Fixed Income Securities will have a maturity of no longer than 397 days and include only the following: (i) Money market instruments; (ii) obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities (including government-sponsored enterprises); (iii) negotiable certificates of deposit, bankers' acceptances, fixed-time deposits and other obligations of U.S. and non-U.S. banks (including non-U.S. branches) and similar institutions; (iv) commercial paper; (v) non-convertible corporate debt securities (e.g., bonds and debentures); (vi) repurchase agreements; (vii) short-term U.S. dollar-denominated obligations of non-U.S. banks (including U.S. branches) that, in the opinion of BFA, are of comparable quality to obligations of U.S. banks that may be purchased by the Fund; (viii) and sovereign obligations (collectively, "Short-Term Fixed Income Securities"). Any of these securities may be purchased on a current or forward-settled basis.²²

The Fund also may invest in fixed income securities as defined in Commentary .01(b) to NYSE Arca Rule 8.600–E, other than cash equivalents and Short-Term Fixed Income Securities, with remaining maturities longer than 397 days ("Fixed Income Securities"). Such Fixed Income Securities will comply with requirements of Commentary .01(b) to NYSE Arca Rule 8.600–E.²³

The Subsidiary may hold cash and cash equivalents.

The Fund may hold exchange-traded notes ("ETNs")²⁴ and exchange-traded funds ("ETFs").²⁵

The Fund will seek to gain exposure to Commodity Investments by investing in its Subsidiary. The Fund wholly owns and controls the Subsidiary, and the Fund and the Subsidiary are managed by BFA. The Subsidiary is not an investment company registered under the 1940 Act and is a company organized under the laws of the Cayman Islands.

The Trust's Board of Trustees has oversight responsibility for the investment activities of the Fund, including its investment in the Subsidiary, and the Fund's role as sole shareholder of the Subsidiary.

The Fund and the Subsidiary will not invest in securities or other financial instruments that have not been described in this proposed rule change.

Other Restrictions

The Fund's investments, including derivatives, will be consistent with the Fund's investment objective and will not be used to enhance leverage (although certain derivatives and other investments may result in leverage). That is, the Fund's investments will not be used to seek performance that is the multiple or inverse multiple (e.g., 2X or –3X) of the Reference Benchmark.

Use of Derivatives by the Fund

Investments in derivative instruments will be made in accordance with the Fund's investment objective and policies.

To limit the potential risk associated with such transactions, the Fund will enter into offsetting transactions or segregate or " earmark " assets determined to be liquid by the Adviser in accordance with procedures established by the Trust's Board of Trustees (the "Board"). In addition, the Fund has included appropriate risk disclosure in its offering documents, including leveraging risk. Leveraging risk is the risk that certain transactions

of the Fund, including the Fund's use of derivatives, may give rise to leverage, causing the Fund to be more volatile than if it had not been leveraged.

Impact on Arbitrage Mechanism

The Adviser believes there will be minimal, if any, impact to the arbitrage mechanism as a result of the Fund's use of derivatives. The Adviser understands that market makers and participants should be able to value derivatives as long as the positions are disclosed with relevant information. The Adviser believes that the price at which Shares of the Fund trade will continue to be disciplined by arbitrage opportunities created by the ability to purchase or redeem Shares of the Fund at their net asset value ("NAV"), which should ensure that Shares of the Fund will not trade at a material discount or premium in relation to their NAV.

The Adviser does not believe there will be any significant impacts to the settlement or operational aspects of the Fund's arbitrage mechanism due to the use of derivatives.

Creation and Redemption of Shares

According to the Registration Statement, the Trust will issue and sell Shares of the Fund only in Creation Units on a continuous basis through the Distributor or its agent at a price based on the Fund's NAV next determined after receipt, on any business day of an order received by the Distributor or its agent in proper form. The size of a Creation Unit is 50,000 Shares. The Adviser may increase or decrease the number of the Fund's Shares that constitute a Creation Unit.

The consideration for purchase of Creation Units of the Fund is generally cash. However, in some cases the consideration consists of an in-kind deposit of a designated portfolio of securities ("Deposit Securities") and the Cash Component computed as described below. Together, the Deposit Securities and the Cash Component constitute the "Fund Deposit." The Fund Deposit represents the minimum initial and subsequent investment amount for a Creation Unit of the Fund.

The "Cash Component" is an amount equal to the difference between the NAV of the Shares (per Creation Unit) and the "Deposit Amount," which is an amount equal to the market value of the Deposit Securities, and serves to compensate for any differences between the NAV per Creation Unit and the Deposit Amount.

The Fund's current policy is to accept cash in substitution for the Deposit Securities it might otherwise accept as in-kind consideration for the purchase of Creation Units. The Fund may, at

²¹ As discussed under "Application of Generic Listing Requirements", below, the Exchange proposes that such Short-Term Fixed Income Securities be excluded from the requirements of Commentary .01(b)(1)–(4) to NYSE Arca Rule 8.600–E.

²² To the extent that the Fund and the Subsidiary invest in cash and Short-Term Fixed Income Securities that are cash equivalents (i.e., that have maturities of less than 3 months) as specified in Commentary .01(c) to NYSE Arca Rule 8.600–E, such investments will comply with Commentary .01(c) and may be held without limitation. Non-convertible corporate debt securities and sovereign obligations are not included as cash equivalents in Commentary .01(c).

²³ Among the Fixed Income Securities in which the Fund may invest are commodity-linked notes.

²⁴ ETNs are securities as described in NYSE Arca Rule 5.2–E(j)(6) (Equity Index-Linked Securities, Commodity-Linked Securities, Currency-Linked Securities, Fixed Income Index-Linked Securities, Futures-Linked Securities and Multifactor Index-Linked Securities). All ETNs will be listed and traded in the U.S. on a national securities exchange. The Fund will not invest in inverse or leveraged (e.g., 2X, –2X, 3X or –3X) ETNs.

²⁵ For purposes of this filing, the term "ETFs" includes Investment Company Units (as described in NYSE Arca Rule 5.2–E(j)(3)); Portfolio Depository Receipts (as described in NYSE Arca Rule 8.100–E); and Managed Fund Shares (as described in NYSE Arca Rule 8.600–E). All ETFs will be listed and traded in the U.S. on a national securities exchange. The Fund will not invest in inverse or leveraged (e.g., 2X, –2X, 3X or –3X) ETFs.

times, elect to receive Deposit Securities (*i.e.*, the in-kind deposit of a designated portfolio of securities) and a Cash Component as consideration for the purchase of Creation Units. If the Fund elects to accept Deposit Securities, a purchaser's delivery of the Deposit Securities together with the Cash Component will constitute the "Fund Deposit," which will represent the consideration for a Creation Unit of the Fund.

The Fund reserves the right to permit or require the substitution of a "cash in lieu" amount to be added to the Cash Component to replace any Deposit Security that may not be available in sufficient quantity for delivery or that may not be eligible for transfer through the Depository Trust Company ("DTC") or the clearing process (as discussed below) or that the "Authorized Participant" as defined below, is not able to trade due to a trading restriction, during times the Fund has elected to receive Deposit Securities. The Fund also reserves the right to permit or require a "cash in lieu" amount in certain circumstances.

To be eligible to place orders with the Distributor and to create a Creation Unit of the Fund, an entity must be: (i) A "Participating Party," *i.e.*, a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation ("NSCC") (the "Clearing Process"), a clearing agency that is registered with the SEC, or (ii) a DTC Participant, and must have executed an agreement with the Distributor, with respect to creations and redemptions of Creation Units ("Authorized Participant Agreement") (discussed below). A Participating Party or DTC Participant who has executed an Authorized Participant Agreement is referred to as an "Authorized Participant."

To initiate an order for a Creation Unit, an Authorized Participant must submit to the Distributor or its agent an irrevocable order to purchase Shares of the Fund, in proper form, generally before 4:00 p.m., Eastern time on any business day to receive that day's NAV.

Shares of the Fund may be redeemed by only in Creation Units at their NAV next determined after receipt of a redemption request in proper form by the Distributor or its agent and only on a business day. The Fund generally redeems Creation Units solely for cash.²⁶

²⁶ The Adviser represents that, to the extent the Trust effects the creation or redemption of Shares wholly or partially in cash, such transactions will be effected in the same manner for all Authorized Participants.

BFA makes available through the NSCC, prior to the opening of business on the Exchange on each business day, the designated portfolio of securities (including any portion of such securities for which cash may be substituted) that will be applicable (subject to possible amendment or correction) to redemption requests received in proper form (as defined below) on that day ("Fund Securities"), and an amount of cash (the "Cash Amount," as described below). Such Fund Securities and the corresponding Cash Amount (each subject to possible amendment or correction) are applicable, in order to effect redemptions of Creation Units of the Fund until such time as the next announced composition of the Fund Securities and Cash Amount is made available. Where redemptions are permitted in-kind, Fund Securities received on redemption may not be identical to Deposit Securities that are applicable to creations of Creation Units. Procedures and requirements governing redemption transactions are set forth in the handbook for Authorized Participants and may change from time to time.

The Trust may, in its sole discretion, substitute a "cash in lieu" amount to replace any Fund Security. The Trust also reserves the right to permit or require a "cash in lieu" amount in certain circumstances. The amount of cash paid out in such cases will be equivalent to the value of the substituted security listed as a Fund Security. In the event that the Fund Securities have a value greater than the NAV of the Shares, a compensating cash payment equal to the difference is required to be made by or through an Authorized Participant by the redeeming shareholder. The Fund generally redeems Creation Units for cash.

Redemption requests for Creation Units of the Fund must be submitted to the Distributor or its agent by or through an Authorized Participant. An Authorized Participant must submit an irrevocable request to redeem Shares of the Fund generally before 4:00 p.m., Eastern time on any business day in order to receive that day's NAV.

Application of Generic Listing Requirements

The Exchange is submitting this proposed rule change because the portfolio for the Fund will not meet all of the "generic" listing requirements of Commentary .01 to NYSE Arca Rule 8.600-E applicable to the listing of Managed Fund Shares. The Fund's portfolio will meet all such requirements except for those set forth

in Commentary .01 (b)(1)–(4) (with respect to Short-Term Fixed Income Securities) and (e) (with respect to OTC Derivatives), as described below.

The Fund's Short-Term Fixed Income Securities will not comply with the requirements set forth in Commentary .01(b)(1)–(4) to NYSE Arca Rule 8.600–E.²⁷ While the requirements set forth in Commentary .01(b)(1)–(4) include rules intended to ensure that the fixed income securities included in a fund's portfolio are sufficiently large and diverse, and have sufficient publicly available information regarding the issuances, the Exchange believes that any concerns related to non-compliance are mitigated by the types of instruments that the Fund would hold. The Fund's Short-Term Fixed Income Securities primarily will include those instruments that are

²⁷ Commentary .01(b)(1)–(4) to NYSE Arca Rule 8.600–E provides as follows:

(b) Fixed Income—Fixed income securities are debt securities that are notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities ("Treasury Securities"), government-sponsored entity securities ("GSE Securities"), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or a subdivision thereof, investment grade and high yield corporate debt, bank loans, mortgage and asset backed securities, and commercial paper. To the extent that a portfolio includes convertible securities, the fixed income security into which such security is converted shall meet the criteria of this Commentary .01(b) after converting. The components of the fixed income portion of a portfolio shall meet the following criteria initially and on a continuing basis:

(1) Components that in the aggregate account for at least 75% of the fixed income weight of the portfolio each shall have a minimum original principal amount outstanding of \$100 million or more;

(2) No component fixed-income security (excluding Treasury Securities and GSE Securities) shall represent more than 30% of the fixed income weight of the portfolio, and the five most heavily weighted component fixed income securities in the portfolio (excluding Treasury Securities and GSE Securities) shall not in the aggregate account for more than 65% of the fixed income weight of the portfolio;

(3) An underlying portfolio (excluding exempted securities) that includes fixed income securities shall include a minimum of 13 non-affiliated issuers, provided, however, that there shall be no minimum number of non-affiliated issuers required for fixed income securities if at least 70% of the weight of the portfolio consists of equity securities as described in Commentary .01(a) above;

(4) Component securities that in aggregate account for at least 90% of the fixed income weight of the portfolio must be either (a) from issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Securities Exchange Act of 1934; (b) from issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of \$700 million or more; (c) from issuers that have outstanding securities that are notes, bonds debentures, or evidence of indebtedness having a total remaining principal amount of at least \$1 billion; (d) exempted securities as defined in Section 3(a)(12) of the Securities Exchange Act of 1934; or (e) from issuers that are a government of a foreign country or a political subdivision of a foreign country".

included in the definition of cash and cash equivalents, but are not considered cash and cash equivalents because they have maturities of three months or longer. The Exchange believes, however, that, because all Short-Term Fixed Income Securities, including non-convertible corporate debt securities and sovereign obligations (which are not cash equivalents as enumerated in Commentary .01(c) to Rule 8.600–E), are highly liquid they are less susceptible than other types of fixed income instruments both to price manipulation and volatility and that the holdings as proposed are generally consistent with the policy concerns which Commentary .01(b)(1)–(4) is intended to address. Because the Short-Term Fixed Income Securities will consist of high-quality fixed income securities described above, the Exchange believes that the policy concerns that Commentary .01(b)(1)–(4) is intended to address are otherwise mitigated and that the Fund should be permitted to hold these securities in a manner that may not comply with Commentary .01(b)(1)–(4).

The Fund's portfolio also will not comply with the requirements set forth in Commentary .01(e) (with respect to OTC Derivatives) to NYSE Arca Rule 8.600–E.²⁸ Specifically, the Fund's investments in OTC Derivatives may exceed 20% of Fund assets, calculated as the aggregate gross notional value of such OTC Derivatives. The Exchange proposes that up to 60% of the Fund's assets (calculated as the aggregate gross notional value) may be invested in OTC Derivatives. The Adviser believes that it is important to provide the Fund with additional flexibility to manage risk associated with its investments. Depending on market conditions, it may be critical that the Fund be able to utilize available OTC Derivatives to efficiently gain exposure to the multiple commodities markets that underlie the Reference Benchmark as well as commodity futures contracts similar to those found in the Reference Benchmark.

OTC Derivatives can be tailored to provide specific exposure to the Fund's Reference Benchmark, as well as commodity futures contracts similar to

those found in the Reference Benchmark, allowing the Fund to more efficiently meet its investment objective. For example, the Reference Benchmark is composed of 20 futures contracts across 20 physical commodities, which may not be sufficiently liquid and would not provide the commodity exposure the Fund requires to meet its investment objective if the Fund were to invest in the futures directly. A total return swap can be structured to provide exposure to the same futures contracts as exist in the Reference Benchmark, as well as commodity futures contracts similar to those found in the Reference Benchmark, while providing sufficient efficiency to allow the Fund to more easily meet its investment objective.

In addition, if the Fund were to gain commodity exposure exclusively through the use of listed futures, the Fund's holdings in Listed Derivatives would be subject to position limits and accountability levels established by an exchange. Such limitations would restrict the Fund's ability to gain efficient exposure to the commodities in the Reference Benchmark, or futures contracts similar to those found in the Reference Benchmark, thereby impeding the Fund's ability to satisfy its investment objective.

The Adviser represents that the basket or index on which much of the Fund's OTC Derivatives will be based will satisfy the criteria applicable to holdings in Listed Derivatives in Commentary .01(d)(2) on an initial and continued listing basis.²⁹ With respect to the Fund's holdings in OTC Derivatives, the aggregate gross notional value of OTC Derivatives based on any five or fewer underlying reference assets will not exceed 65% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of OTC Derivatives based on any single underlying reference asset will not exceed 30% of the weight of the portfolio (including gross notional exposures). In addition, the Adviser represents that futures on all commodities in the Reference Benchmark are traded on futures exchanges that are members of the Intermarket Surveillance Group ("ISG").

The Exchange notes that, other than Commentary .01(b)(1)–(4) (with respect

to Short-Term Fixed Income Securities) and .01(e) (with respect to OTC Derivatives) to Rule 8.600–E, as described above, the Fund's portfolio will meet all other requirements of Rule 8.600–E.

Availability of Information

The Fund's website (www.iShares.com) will include the prospectus for the Fund that may be downloaded. The Fund's website will include additional quantitative information updated on a daily basis including, for the Fund, (1) daily trading volume, the prior business day's reported closing price, NAV and midpoint of the bid/ask spread at the time of calculation of such NAV (the "Bid/Ask Price"),³⁰ and a calculation of the premium and discount of the Bid/Ask Price against the NAV, and (2) data in chart format displaying the frequency distribution of discounts and premiums of the daily Bid/Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters. On each business day, before commencement of trading in Shares in the Core Trading Session on the Exchange, the Fund will disclose on its website the Disclosed Portfolio as defined in NYSE Arca Rule 8.600–E(c)(2) that forms the basis for the Fund's calculation of NAV at the end of the business day.³¹

On a daily basis, the Fund will disclose the information required under NYSE Arca Rule 8.600–E(c)(2) to the extent applicable. The website information will be publicly available at no charge.

In addition, a basket composition file, which includes the security names and share quantities, if applicable, required to be delivered in exchange for the Fund's Shares, together with estimates and actual cash components, will be publicly disseminated daily prior to the opening of the Exchange via the NSCC. The basket represents one Creation Unit of the Fund. Authorized Participants may refer to the basket composition file for information regarding financial instruments that may comprise the Fund's basket on a given day.

²⁸ Commentary .01(e) of NYSE Arca Rule 8.600–E provides: "The portfolio may hold OTC derivatives, including forwards, options and swaps on commodities, currencies and financial instruments (e.g., stocks, fixed income, interest rates, and volatility) or a basket or index of any of the foregoing; however, on both an initial and continuing basis, no more than 20% of the assets in the portfolio may be invested in OTC derivatives. For purposes of calculating this limitation, a portfolio's investment in OTC derivatives will be calculated as the aggregate gross notional value of the OTC derivatives."

²⁹ Commentary .01(d)(2) to Rule 8.600–E provides that, with respect to a fund's portfolio, the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset shall not exceed 30% of the weight of the portfolio (including gross notional exposures).

³⁰ The Bid/Ask Price of the Fund's Shares will be determined using the mid-point of the highest bid and the lowest offer on the Exchange as of the time of calculation of the Fund's NAV. The records relating to Bid/Ask Prices will be retained by the Fund and its service providers.

³¹ Under accounting procedures followed by the Fund, trades made on the prior business day ("T") will be booked and reflected in NAV on the current business day ("T+1"). Accordingly, the Fund will be able to disclose at the beginning of the business day the portfolio that will form the basis for the NAV calculation at the end of the business day.

Investors can also obtain the Trust's Statement of Additional Information ("SAI"), the Fund's Shareholder Reports, and the Fund's Forms N-CSR and Forms N-SAR, filed twice a year. The Fund's SAI and Shareholder Reports will be available free upon request from the Trust, and those documents and the Form N-CSR, Form N-PX and Form N-SAR may be viewed on-screen or downloaded from the Commission's website at www.sec.gov.

Intra-day and closing price information regarding futures and other Listed Derivatives will be available from the exchange on which such instruments are traded and from major market data vendors. Price information regarding cash equivalents, OTC Derivatives, Short-Term Fixed Income Securities, and Fixed Income Securities also will be available from major market data vendors. Additionally, the Trade Reporting and Compliance Engine ("TRACE") of the Financial Industry Regulatory Authority ("FINRA") will be a source of price information for certain fixed income securities to the extent transactions in such securities are reported to TRACE.³² Price information regarding U.S. government securities and other cash equivalents generally may be obtained from brokers and dealers who make markets in such securities or through nationally recognized pricing services through subscription agreements. The index price is available via Bloomberg. The index methodology and constituent list of the Reference Benchmark is available via ICE Data Services.³³

Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. Information regarding the previous day's closing price and trading volume information for the Shares will be published daily in the financial section of newspapers.

Quotation and last sale information for the Shares, ETFs and ETNs will be available via the Consolidated Tape Association ("CTA") high-speed line.

³² Broker-dealers that are FINRA member firms have an obligation to report transactions in specified debt securities to TRACE to the extent required under applicable FINRA rules. Generally, such debt securities will have at issuance a maturity that exceeds one calendar year. For fixed income securities that are not reported to TRACE, (i) intraday price quotations will generally be available from broker-dealers and trading platforms (as applicable) and (ii) price information will be available from feeds from market data vendors, published or other public sources, or online information services, as described above.

³³ ICE Data Services is part of the Intercontinental Exchange, Inc.

Exchange-traded options quotation and last sale information for options cleared via the Options Clearing Corporation are available via the Options Price Reporting Authority. In addition, the Portfolio Indicative Value ("PIV"), as defined in NYSE Arca Rule 8.600-E(c)(3), will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Core Trading Session.

Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of the Fund.³⁴ Trading in Shares of the Fund will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12-E have been reached. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. Trading in the Fund's Shares also will be subject to Rule 8.600-E(d)(2)(D) ("Trading Halts").

Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4 a.m. to 8 p.m., E.T. in accordance with NYSE Arca Rule 7.34-E (Early, Core, and Late Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Rule 7.6-E, the minimum price variation ("MPV") for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00 for which the MPV for order entry is \$0.0001.

With the exception of the requirements of Commentary .01(b)(1)-(4) (with respect to Short-Term Fixed Income Securities) and (e) (with respect to OTC Derivatives) to Rule 8.600-E as described above in "Application of Generic Listing Requirements," the Shares of the Fund will conform to the initial and continued listing criteria under NYSE Arca Rule 8.600-E. Consistent with NYSE Arca Rule 8.600-E(d)(2)(B)(ii), the Adviser will implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the actual components of the Fund's portfolio. The Exchange represents that, for initial and continued listing, the Fund will be in

³⁴ See NYSE Arca Rule 7.12-E.

compliance with Rule 10A-3³⁵ under the Act, as provided by NYSE Arca Rule 5.3-E. A minimum of 100,000 Shares will be outstanding at the commencement of trading on the Exchange. The Exchange will obtain a representation from the issuer of the Shares that the NAV per Share will be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time. The Fund's investments will be consistent with its investment goal and will not be used to provide multiple returns of a benchmark or to produce leveraged returns.

Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, administered by FINRA on behalf of the Exchange, or by regulatory staff of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.³⁶

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, ETFs, ETNs, futures, and certain listed options with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in such securities and financial instruments from such markets and other entities.³⁷ In addition, the Exchange may obtain information regarding trading in such securities and

³⁵ 17 CFR 240.10A-3.

³⁶ FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

³⁷ For a list of the current members of ISG, see www.isgportal.org. The Exchange notes that not all components of the Disclosed Portfolio may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

financial instruments from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. In addition, FINRA, on behalf of the Exchange, is able to access, as needed, trade information for certain fixed income securities held by the Fund reported to FINRA's TRACE.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the portfolio or reference assets, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Shares of the Fund on the Exchange.

The issuer must notify the Exchange of any failure by the Fund to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5–E (m).

Information Bulletin

Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders in an Information Bulletin ("Bulletin") of the special characteristics and risks associated with trading the Shares. Specifically, the Bulletin will discuss the following: (1) The procedures for purchases and redemptions of Shares in Creation Unit aggregations (and that Shares are not individually redeemable); (2) NYSE Arca Rule 9.2–E(a), which imposes a duty of due diligence on its Equity Trading Permit Holders to learn the essential facts relating to every customer prior to trading the Shares; (3) the risks involved in trading the Shares during the Early and Late Trading Sessions when an updated PIV will not be calculated or publicly disseminated; (4) how information regarding the PIV and the Disclosed Portfolio is disseminated; (5) the requirement that Equity Trading Permit Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (6) trading information.

In addition, the Bulletin will reference that the Fund is subject to various fees and expenses described in the Registration Statement. The Bulletin

will discuss any exemptive, no-action, and interpretive relief granted by the Commission from any rules under the Act. The Bulletin will also disclose that the NAV for the Shares will be calculated after 4:00 p.m., Eastern time each trading day.

III. Proceedings To Determine Whether To Approve or Disapprove SR–NYSEArca–2019–12, as Modified by Amendment No. 1, and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Act³⁸ to determine whether the proposed rule change should be approved or disapproved. Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as described below, the Commission seeks and encourages interested persons to provide comments on the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Act,³⁹ the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of the proposal's consistency with Section 6(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be "designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade," and "to protect investors and the public interest."⁴⁰

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) or any other provision of the Act, or the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of

views, data, and arguments, the Commission will consider, pursuant to Rule 19b–4 under the Act,⁴¹ any request for an opportunity to make an oral presentation.⁴²

Interested persons are invited to submit written data, views, and arguments regarding whether the proposal, as modified by Amendment No. 1, should be approved or disapproved by July 15, 2019. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by July 29, 2019. The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, which are set forth in Amendment No. 1,⁴³ in addition to any other comments that they may wish to submit about the proposed rule change.

In this regard, the Commission seeks comment on the Exchange's statement that the Fund will not comply with the requirement in Commentary .01(e) to NYSE Arca Rule 8.600–E that investments in OTC Derivatives be limited to 20% of the assets of the Fund's portfolio; instead, the Fund's investments in OTC Derivatives would be limited to 60% of the Fund's assets. Such OTC Derivatives may be forwards, options, and swaps on commodities (which commodities are from the same sectors as those included in the Reference Benchmark); currencies; U.S. and non-U.S. equity securities; fixed income securities as defined in Commentary .01(b) to Rule 8.600–E, but excluding Short-Term Fixed Income Securities; interest rates, or a basket or index of any of the foregoing. The Commission specifically seeks comment on whether the Fund's proposed investments in OTC Derivatives are consistent with the requirement that the rules of a national securities exchange be "designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade," and "to protect investors and the public interest." Has the Exchange provided sufficient information relating to OTC Derivatives, including the underlying reference assets of such OTC Derivatives, for the Commission to determine that trading of the Fund's

⁴¹ 17 CFR 240.19b–4.

⁴² Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Public Law 94–29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

⁴³ See *supra* note 5.

³⁸ 15 U.S.C. 78s(b)(2)(B).

³⁹ *Id.*

⁴⁰ 15 U.S.C. 78f(b)(5).

Shares would be 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. Please include File Number SR-NYSEArca-2019-12 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-NYSEArca-2019-12. 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 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 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. 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-NYSEArca-2019-12 and should be submitted on or before July 15, 2019. Rebuttal comments should be submitted by July 29, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁴

Vanessa A. Countryman,

Acting Secretary.

[FR Doc. 2019-13307 Filed 6-21-19; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-549, OMB Control No. 3235-0610]

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 248.30

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 (the "Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Rule 248.30 (17 CFR 248.30) under Regulation S-P is titled "Procedures to Safeguard Customer Records and Information; Disposal of Consumer Report Information." Rule 248.30 (the "safeguard rule") requires brokers, dealers, investment companies, and investment advisers registered with the Commission ("registered investment advisers") (collectively "covered institutions") to adopt written policies and procedures for administrative, technical, and physical safeguards to protect customer records and information. The safeguards must be reasonably designed to "insure the security and confidentiality of customer records and information," "protect against any anticipated threats or hazards to the security and integrity" of those records, and protect against unauthorized access to or use of those records or information, which "could result in substantial harm or inconvenience to any customer." The safeguard rule's requirement that covered institutions' policies and procedures be documented in writing constitutes a collection of information and must be maintained on an ongoing basis. This requirement eliminates uncertainty as to required employee actions to protect customer records and information and promotes more systematic and organized reviews of

safeguard policies and procedures by institutions. The information collection also assists the Commission's examination staff in assessing the existence and adequacy of covered institutions' safeguard policies and procedures.

We estimate that as of the end of 2018, there are 3,926 broker-dealers, 4,095 investment companies, and 13,230 investment advisers registered with the Commission, for a total of 21,251 covered institutions. We believe that all of these covered institutions have already documented their safeguard policies and procedures in writing and therefore will incur no hourly burdens related to the initial documentation of policies and procedures.

Although existing covered institutions would not incur any initial hourly burden in complying with the safeguards rule, we expect that newly registered institutions would incur some hourly burdens associated with documenting their safeguard policies and procedures. We estimate that approximately 1,350 broker-dealers, investment companies, or investment advisers register with the Commission annually. However, we also expect that approximately 55% of these newly registered covered institutions, or 743 institutions, are affiliated with an existing covered institution, and will rely on an organization-wide set of previously documented safeguard policies and procedures created by their affiliates. We estimate that these affiliated newly registered covered institutions will incur a significantly reduced hourly burden in complying with the safeguards rule, as they will need only to review their affiliate's existing policies and procedures, and identify and adopt the relevant policies for their business. Therefore, we expect that newly registered covered institutions with existing affiliates will incur an hourly burden of approximately 15 hours in identifying and adopting safeguard policies and procedures for their business, for a total hourly burden for all affiliated new institutions of 11,145 hours. We expect that half of this time would be incurred by inside counsel at an hourly rate of \$401, and half would be by a compliance officer at an hourly rate of \$352, for a total cost of \$4,196,093.

Finally, we expect that the 607 newly registered entities that are not affiliated with an existing institution will incur a significantly higher hourly burden in reviewing and documenting their safeguard policies and procedures. We expect that virtually all of the newly registered covered entities that do not

⁴⁴ 17 CFR 200.30-3(a)(12); 17 CFR 200.30-3(a)(57).