

III. Commission Findings

Section 3(e) of SIPA sets forth the procedures for addressing proposed SIPC rules and bylaws.¹⁸ Pursuant to Section 3(e)(1)(B) of SIPA, the Commission found that the proposed bylaw changes involved a matter of such significant public interest that public comment should be obtained and required that the procedures applicable to SIPC proposed rule changes in section 3(e)(2) of SIPA be followed.¹⁹ Section 3(e)(2) of SIPA sets forth the procedures for proposed rule changes and provides that the Commission shall approve a proposed rule change if it finds the change is in the public interest and is consistent with the purposes of SIPA. As discussed below, the Commission finds, pursuant to Section 3(e)(2)(D) of SIPA, that the proposed bylaw change is in the public interest and consistent with the purposes of SIPA.²⁰

As noted above, the SIPC Board's honoraria have not increased since 2006. However, SIPC states that the responsibility of the SIPC Board members has increased since the 2008 financial crisis. For example, since 2006, SIPC has been responsible for three major SIPA liquidations: Bernard L. Madoff Investment Securities LLC; Lehman Brothers, Inc.; and MF Global Inc. Moreover, Congress designated SIPC to serve as trustee in the orderly liquidation of certain systemically important broker-dealers in the Dodd-Frank Wall Street Reform and Customer Protection Act of 2010.²¹ SIPC reports that these additional responsibilities have coincided with an increase in the time commitment for the role, including travel to attend SIPC Board meetings. In addition, SIPC Board members have been sued in their capacity as Board members.²² Finally, the Commission believes it is important to SIPC's customer protection mission to recruit well-qualified individuals to serve on the SIPC Board. SIPC directors should serve the public interest and carry out its mission of protecting investors.

The Commission also believes that the proposed increases in the honoraria are reasonable. In particular, the amount of the proposed honoraria for the private sector directors that do not serve as Chair (\$12,000 annually) is in line with the maximum compensation paid to an SES government employee, after pro rating for the estimated number of days

worked per year.²³ Using the SES government employee salary as a benchmark is appropriate given the similarity in the seniority and public mission of both SES government employees and SIPC Board members. The proposed increase in the Chairperson's, acting Chairperson's, or the SIPC Board-delegated Chairperson's honorarium from \$15,000 to \$28,000 maintains the same approximate ratio between the current private sector directors' honoraria and that of the Chairperson, acting Chairperson, or the SIPC Board-delegated Chairperson.

For these reasons, the Commission finds, pursuant to Section 3(e)(2)(D) of SIPA, that it is in the public interest and is consistent with the purposes of SIPA to increase the honoraria of the private sector directors to account for the increased responsibilities and time commitments associated with the positions and the potential legal risk the private sector directors face, as well as to provide an incentive to recruit well-qualified directors.²⁴

IV. Conclusion

It is therefore ordered, pursuant to Section 3(e)(2) of SIPA, that the proposed bylaw change (SIPA 2019-01) is approved.²⁵

By the Commission.

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting; Cancellation

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: 85 FR 34669, June 5, 2020.

PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING: Wednesday, June 10, 2020 at 2:00 p.m.

CHANGES IN THE MEETING: The Closed Meeting scheduled for Wednesday, June 10, 2020 at 2:00 p.m., has been cancelled.

²³ The maximum SES salary in 2019 was \$192,300. See Salary Table No. 2019-ES: Rates of Basic Pay for Members of the Senior Executive Service (SES), available at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2019/ES.pdf> (effective January 2019). When pro rating that salary for 16 days of service a year on the SIPC Board, the equivalent amount earned equals \$12,307 (*i.e.*, \$192,300 * 16 days/250-day work year). Therefore, the proposed honoraria of \$12,000 approximates a pro-rated version the current maximum SES salary.

²⁴ See 15 U.S.C. 78ccc(e)(2)(D).

²⁵ See 15 U.S.C. 78ccc(e)(2).

CONTACT PERSON FOR MORE INFORMATION: For further information; please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

Dated: June 10, 2020.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2020-12842 Filed 6-10-20; 11:15 am]

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DEPARTMENT OF STATE

[Public Notice 11136]

Updating the State Department's List of Entities and Subentities Associated With Cuba (Cuba Restricted List)

ACTION: Updated publication of list of entities and subentities; notice.

SUMMARY: The Department of State is publishing an update to its List of Restricted Entities and Subentities Associated with Cuba (Cuba Restricted List) with which direct financial transactions are generally prohibited under the Cuban Assets Control Regulations (CACR). The Department of Commerce's Bureau of Industry and Security (BIS) generally will deny applications to export or reexport items for use by entities or subentities identified by the Department of State in the **Federal Register** or at <https://www.state.gov/cuba-sanctions/cuba-restricted-list/>, unless such transactions are determined to be consistent with sections 2 and 3(a)(iii) of NSPM-5.

DATES: Applicable on June 12, 2020.

FOR FURTHER INFORMATION CONTACT: Emily Belson, Office of Economic Sanctions Policy and Implementation, 202-647-6526; Robert Haas, Office of the Coordinator for Cuban Affairs, tel.: 202-453-8456, Department of State, Washington, DC 20520.

SUPPLEMENTARY INFORMATION:

Background

On June 16, 2017, the President signed National Security Presidential Memorandum-5 on Strengthening the Policy of the United States toward Cuba (NSPM-5). As directed by NSPM-5, on November 9, 2017, the Department of the Treasury's Office of Foreign Assets Control (OFAC) published a final rule in the **Federal Register** amending the CACR, 31 CFR part 515, and the Department of Commerce's Bureau of Industry and Security (BIS) published a final rule in the **Federal Register** amending, among other sections, the section of the Export Administration Regulations (EAR) regarding Cuba, 15 CFR 746.2. The regulatory amendment

¹⁸ See 15 U.S.C. 78ccc(e).

¹⁹ See Notice, 85 FR 5513.

²⁰ See 15 U.S.C. 78ccc(e)(2)(D).

²¹ See 12 U.S.C. 5385(a)(1).

²² See, e.g., *Canavan v. Canavan*, Case No. 2:10-cv-00954-FSH-PS (D.N.J. 2010).