

on August 28, 2020, the Board unanimously determined that failure to redeem the Fund's shares would likely result in adverse consequences to all of the Fund's shareholders.

#### Applicant's Conditions

Applicant has agreed to the following as conditions to deregistration under the Act:

1. Applicant will continue to maintain its internet website and shall post its semi-annual (unaudited) and annual (audited by the Applicant's independent accountants) financial statements to its website. As of the date of the filing of the application, Applicant has not engaged an independent accounting firm to audit the Applicant. However, the Board and Applicant's management are actively seeking a firm to perform any required audits. The Applicant's financial statements will be prepared in conformity with generally accepted accounting practices in the United States of America and comply with Regulation S-X, as if the Applicant were a registered management investment company, and will be posted to the Applicant's website within 60 days of the period's end. Within 60 days of the period's end, Applicant will send notifications to the shareholders (i) informing them that its financial statements are available online, (ii) providing the internet address where the financial statements can be found and (iii) offering to send them a paper copy, free of charge, upon their request.

2. Applicant will continue to maintain a Board that complies with the fund governance standards under Rule 0-1(a)(7) under the Act as if Applicant were a registered management investment company. The Applicant's Board will continue to meet no less frequently than quarterly. The Board shall continue to approve the selection of the Applicant's independent public accountant in accordance with Rule 32a-4 under the Act as if the Applicant were a registered management investment company. No less frequently than quarterly, the Applicant's Board shall determine the fair value of the illiquid asset in a manner consistent with Section 2(a)(41) of the Act. In the event that the value ascribed to that asset decreases 25% or more with respect to its prior value, such decrease shall be promptly communicated in writing to (i) the shareholders and (ii) staff of the Commission's Division of Investment Management.

3. Applicant shall continue to maintain and implement the policies and procedures required by Rules 17j-1 and 38a-1 under the Act as if it were

a registered management investment company.

4. Applicant will comply with the books and records provisions of Section 31 of the Act, and the rules thereunder as set forth in the response to Item 7 of the application. Such books and records shall promptly be made available to the staff of the Commission as requested.

5. Applicant will operate in compliance with Section 17 of the Act as if it were a registered management investment company.

6. Neither (i) the Applicant's investment adviser, (ii) any "affiliated person" (as defined in the Act) of the investment adviser, (iii) any affiliated person of the Applicant, nor (iv) any affiliated person of the persons described in clauses (ii) or (iii) will receive any fee or other payment, directly or indirectly, from Applicant; provided, however, that Applicant is permitted to make pro rata liquidation distributions.

For the Commission, by the Division of Investment Management, under delegated authority.

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89796; File No. SR-IEX-2020-13]

### Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Correct Two Typographical Errors in IEX Rules 2.220(a)(7) and 11.410(a)

September 9, 2020.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on September 3, 2020, the Investors Exchange LLC ("IEX" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Pursuant to the provisions of Section 19(b)(1) under the Act,<sup>4</sup> and Rule 19b-4 thereunder,<sup>5</sup> IEX is filing with the Commission a proposed rule change to correct two typographical errors in IEX Rules 2.220(a)(7) and 11.410(a). The Exchange has designated this rule change as "non-controversial" under Section 19(b)(3)(A) of the Act<sup>6</sup> and provided the Commission with the notice required by Rule 19b-4(f)(6) thereunder.<sup>7</sup>

The text of the proposed rule change is available at the Exchange's website at [www.iextrading.com](http://www.iextrading.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements [sic] may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

#### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange recently filed a proposed rule change to amend, in part, IEX Rules 2.220(a)(7) and 11.410(a) to include MIAx PEARL LLC ("MIAx PEARL") in the list of away trading centers to which the Exchange routes and the market data sources the Exchange will use to determine Top of Book<sup>8</sup> quotations, in anticipation of MIAx PEARL's planned launch of equities trading on September 25, 2020<sup>9</sup> (the "Original Filing").<sup>10</sup> The Original Filing introduced identical typographical errors in IEX Rules

<sup>4</sup> 15 U.S.C. 78s(b)(1).

<sup>5</sup> 17 CFR 240.19b-4.

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4.

<sup>8</sup> See IEX Rule 11.410(a)(1).

<sup>9</sup> See <https://www.miaxoptions.com/alerts/2020/07/20/miax-pearl-equities-updated-dom-and-eesm-interface-specifications>.

<sup>10</sup> See Securities Exchange Act Release No. 89705 (August 28, 2020) (SR-IEX-2020-12).

2.220(a)(7) and Rule 11.410(a), which the Exchange proposes to correct as described below.

The Original Filing inadvertently listed the Market Identifier Code (“MIC”) for MIAx PEARL’s equities exchange as “MPRL,” which is the MIC for MIAx PEARL’s options exchange. The Exchange proposes to correct these typographical errors by replacing the references to “MPRL” in IEX Rules 2.220(a)(7) and Rule 11.410(a) with references to “EPRL,” which is the MIC for MIAx PEARL’s equities exchange.<sup>11</sup>

## 2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b)<sup>12</sup> of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>13</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

Specifically, IEX believes that the proposed rule change is consistent with Section 6(b)(5) of the Act<sup>14</sup> because by correcting inadvertent typographical errors introduced by the Original Filing, it will eliminate any confusion regarding the away trading centers to which the Exchange routes and the market data sources the Exchange will use to determine Top of Book quotations, without substantively changing such provisions.

### B. Self-Regulatory Organization’s Statement on Burden on Competition

IEX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issues but rather to correct inadvertent typographical errors, thereby eliminating any potential confusion regarding such rule provisions without changing their substance.

### C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

## III. Date of Effectiveness of the Proposed Rule Change and Timing of Commission Action

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>15</sup> and Rule 19b-4(f)(6) thereunder.<sup>16</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>17</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>18</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay. The Exchange believes that waiver of the operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange, without undue delay, to correct a typographical error in an acronym used in a recent proposed rule change filing to avoid any potential confusion before the MIAx PEARL equities platform commences operations. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because the proposed rule change does not raise any new or novel issues. Therefore, the Commission hereby waives the operative delay and designates the proposal as operative upon filing.<sup>19</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the

<sup>15</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>16</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

<sup>17</sup> 17 CFR 240.19b-4(f)(6).

<sup>18</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>19</sup> For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>20</sup> of the Act to determine whether the proposed rule change should be approved or disapproved.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is 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](mailto:rule-comments@sec.gov). Please include File Number SR-IEX-2020-13 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-IEX-2020-13. 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 will also be available for inspection and copying at the IEX’s principal office and on its internet website at [www.iextrading.com](http://www.iextrading.com). 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

<sup>20</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>11</sup> See *supra* note 9.

<sup>12</sup> 15 U.S.C. 78f.

<sup>13</sup> 15 U.S.C. 78f(b)(5).

<sup>14</sup> 15 U.S.C. 78f(b)(5).

publicly. All submissions should refer to File Number SR-IEX-2020-13 and should be submitted on or before October 6, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>21</sup>

**J. Matthew DeLesDernier,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89799; File No. SR-NASDAQ-2020-027]

### Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To Apply Additional Initial Listing Criteria for Companies Primarily Operating in Restrictive Markets

September 9, 2020.

#### I. Introduction

On May 29, 2020, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) 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 to apply additional listing criteria to companies primarily operating in a jurisdiction that has secrecy laws, blocking statutes, national security laws or other laws or regulations restricting access to information by regulators of U.S.-listed companies. The proposed rule change was published for comment in the **Federal Register** on June 12, 2020.<sup>3</sup> On July 21, 2020, pursuant to Section 19(b)(2) of the Act,<sup>4</sup> 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.<sup>5</sup>

The Commission is publishing this order to solicit comments on the proposed rule change from interested persons and to institute proceedings pursuant to Section 19(b)(2)(B) of the Act<sup>6</sup> to determine whether to approve or disapprove the proposed rule change.

#### II. Exchange’s Description of the Proposed Rule Change

The Exchange states that in recent years the lack of transparency from certain emerging markets has raised concerns with respect to listed emerging market companies regarding the accuracy of disclosures, accountability, and access to information, particularly when the companies are based in a jurisdiction that has secrecy laws, blocking statutes, national security laws or other laws or regulations restricting access to information by regulators of U.S.-listed companies (“Restrictive Market”).<sup>7</sup> The Exchange further states that such concerns can be compounded when a company lists on the Exchange through an initial public offering (“IPO”) or a business combination with a small offering size or a low public float percentage, as the company may not develop sufficient public float, investor base, and trading interest to provide the depth and liquidity necessary to promote fair and orderly trading, which may result in a security that is illiquid.<sup>8</sup> The Exchange states that such securities may trade infrequently, in a more volatile manner, and with a wider bid-ask spread, all of which may lead to trading at a price that may not reflect true market value.<sup>9</sup> In addition, the Exchange states that less liquid securities may be more susceptible to price manipulation and that, in particular, the risk of price manipulation due to insider trading is more acute with respect to a company that principally administers its business in a Restrictive Market (“Restrictive Market Company”) because regulatory investigations into price manipulation, insider trading, and compliance concerns may be impeded, and, therefore, investor protections and remedies may be limited.<sup>10</sup> As a result, the Exchange states that it believes that Restrictive Market Companies present unique potential risks to U.S. investors.<sup>11</sup>

The Exchange states that it is now proposing rule changes that it believes

whether to approve or disapprove, the proposed rule change.

<sup>6</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>7</sup> See Notice, *supra* note 3, at 35962.

<sup>8</sup> See *id.* at 35962 and 35965.

<sup>9</sup> See *id.* at 35962 and 35965-66.

<sup>10</sup> See *id.* at 35962 and 35966.

<sup>11</sup> See *id.* at 35965.

will help to ensure that Restrictive Market Companies have sufficient investor base and public float to support fair and orderly trading on the Exchange.<sup>12</sup> Specifically, the Exchange proposes to adopt a definition of “Restrictive Market”<sup>13</sup> and to apply additional initial listing requirements to a Restrictive Market Company listing on the Exchange in connection with an IPO or a business combination.<sup>14</sup> The Exchange also proposes to prohibit a Restrictive Market Company from listing on the Nasdaq Capital Market in connection with a Direct Listing,<sup>15</sup> but to allow a Restrictive Market Company to list on the Nasdaq Global Select Market or Nasdaq Global Market in connection with a Direct Listing, provided that such company meets all applicable initial listing requirements for such market.

#### A. Definition of Restrictive Market

The Exchange proposes to adopt a new definition of Restrictive Market in Listing Rule 5005(a)(37).<sup>16</sup> As proposed, a Restrictive Market would mean a jurisdiction that Nasdaq determines to have secrecy laws, blocking statutes, national security laws or other laws or regulations restricting access to information by regulators of U.S.-listed companies in such jurisdiction.<sup>17</sup> In

<sup>12</sup> See *id.*

<sup>13</sup> See *infra* note 17 and accompanying text.

<sup>14</sup> The Exchange states that, currently, it may rely upon its discretionary authority under Nasdaq Listing Rule 5101 to deny initial listing or apply additional or more stringent criteria when it is concerned that a small offering size for an IPO may not reflect the company’s initial valuation or may not ensure sufficient liquidity to support trading in the secondary market. Pursuant to Rule 5101, Nasdaq has broad discretionary authority over the initial and continued listing of securities in Nasdaq in order to maintain the quality of and public confidence in its market, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest. Nasdaq may use such discretion to deny initial listing, apply additional or more stringent criteria for the initial or continued listing of particular securities, or suspend or delist particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities on Nasdaq inadvisable or unwarranted in the opinion of Nasdaq, even though the securities meet all enumerated criteria for initial or continued listing on Nasdaq. See Nasdaq Listing Rule 5101.

<sup>15</sup> Nasdaq defines “Direct Listing” as the listing of “companies that have sold common equity securities in private placements, which have not been listed on a national securities exchange or traded in the over-the-counter market pursuant to FINRA Form 211 immediately prior to the initial pricing.” See Nasdaq Listing Rule IM-5315-1.

<sup>16</sup> The Exchange proposes to renumber current paragraphs (a)(37) through (a)(46) of Listing Rule 5005 in connection with the addition of the definition of Restrictive Market. See Notice, *supra* note 3, at 35963.

<sup>17</sup> See *id.* at 35962-63; proposed Listing Rule 5005(a)(37).

<sup>21</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 89027 (June 8, 2020), 85 FR 35962 (“Notice”). Comments on the proposed rule change can be found at: <https://www.sec.gov/comments/sr-nasdaq-2020-027/srnasdaq2020027.htm>.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> See Securities Exchange Act Release No. 89358 (July 21, 2020), 85 FR 45275 (July 27, 2020). The Commission designated September 10, 2020 as the date by which the Commission shall approve or disapprove, or institute proceedings to determine