

described in Section III.A.1.b. of the application.

(e) *Other Conditions.* The acquisition of Follow-On Investments as permitted by this Condition will be considered a Co-Investment Transaction for all purposes and subject to the other Conditions set forth in the application.

10. Board Reporting, Compliance and Annual Re-Approval

(a) Each Adviser to a Regulated Fund will present to the Board of each Regulated Fund, on a quarterly basis, and at such other times as the Board may request, (i) a record of all investments in Potential Co-Investment Transactions made by any of the other Regulated Funds or any Affiliated Funds during the preceding quarter that fell within the Regulated Fund's then-current Objectives and Strategies and Board-Established Criteria that were not made available to the Regulated Fund, and an explanation of why such investment opportunities were not made available to the Regulated Fund; (ii) a record of all Follow-On Investments in and Dispositions of investments in any issuer in which the Regulated Fund holds any investments by any Affiliated Fund or other Regulated Fund during the prior quarter; and (iii) all information concerning Potential Co-Investment Transactions and Co-Investment Transactions, including investments made by other Regulated Funds or any Affiliated Funds that the Regulated Fund considered but declined to participate in, so that the Independent Trustees, may determine whether all Potential Co-Investment Transactions and Co-Investment Transactions during the preceding quarter, including those investments that the Regulated Fund considered but declined to participate in, comply with the Conditions.

(b) All information presented to the Regulated Fund's Board pursuant to this Condition will be kept for the life of the Regulated Fund and at least two years thereafter, and will be subject to examination by the Commission and its staff.

(c) Each Regulated Fund's chief compliance officer, as defined in rule 38a-1(a)(4), will prepare an annual report for its Board each year that evaluates (and documents the basis of that evaluation) the Regulated Fund's compliance with the terms and Conditions of the application and the procedures established to achieve such compliance.

(d) The Independent Trustees will consider at least annually whether continued participation in new and

existing Co-Investment Transactions is in the Regulated Fund's best interests.

11. *Record Keeping.* Each Regulated Fund will maintain the records required by section 57(f)(3) of the Act as if each of the Regulated Funds were a BDC and each of the investments permitted under these Conditions were approved by the Required Majority under section 57(f).

12. *Trustee Independence.* No Independent Trustee of a Regulated Fund will also be a director, general partner, managing member or principal, or otherwise be an "affiliated person" (as defined in the Act) of any Affiliated Fund.

13. *Expenses.* The expenses, if any, associated with acquiring, holding or disposing of any securities acquired in a Co-Investment Transaction (including, without limitation, the expenses of the distribution of any such securities registered for sale under the Securities Act) will, to the extent not payable by the Advisers under their respective advisory agreements with the Regulated Funds and the Affiliated Funds, be shared by the Regulated Funds and any participating Affiliated Funds in proportion to the relative amounts of the securities held or being acquired or disposed of, as the case may be.

14. *Transaction Fees.*²⁷ Any transaction fee (including break-up, structuring, monitoring or commitment fees but excluding brokerage or underwriting compensation permitted by section 17(e) or 57(k)) received in connection with any Co-Investment Transaction will be distributed to the participants on a pro rata basis based on the amounts they invested or committed, as the case may be, in such Co-Investment Transaction. If any transaction fee is to be held by an Adviser pending consummation of the transaction, the fee will be deposited into an account maintained by an Adviser at a bank or banks having the qualifications prescribed in section 26(a)(1), and the account will earn a competitive rate of interest that will also be divided pro rata among the participants. None of the Adviser, the Affiliated Funds, the other Regulated Funds or any affiliated person of the Affiliated Funds or the Regulated Funds will receive any additional compensation or remuneration of any kind as a result of or in connection with a Co-Investment Transaction other than (i) in the case of the Regulated Funds and the Affiliated Funds, the pro rata transaction fees described above and

²⁷ Applicants are not requesting and the Commission is not providing any relief for transaction fees received in connection with any Co-Investment Transaction.

fees or other compensation described in Condition 2(c)(iii)(B)(z), (ii) brokerage or underwriting compensation permitted by section 17(e) or 57(k) or (iii) in the case of the Adviser, investment advisory compensation paid in accordance with investment advisory agreements between the applicable Regulated Fund(s) or Affiliated Fund(s) and its Adviser.

15. *Independence.* If the Holders own in the aggregate more than 25 percent of the Shares of a Regulated Fund, then the Holders will vote such Shares in the same percentages as the Regulated Fund's other shareholders (not including the Holders) when voting on (1) the election of directors; (2) the removal of one or more directors; or (3) any other matter under either the Act or applicable State law affecting the Board's composition, size or manner of election.

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

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2021-02179 Filed 2-1-21; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. SIPA-183; File No. SIPC-2021-01]

Securities Investor Protection Corporation; Determination

AGENCY: Securities and Exchange Commission.

ACTION: Notice.

SUMMARY: Pursuant to Section 3(e)(2) of the Securities Investor Protection Act of 1970 ("SIPA"), notice is hereby given that the Board of Directors of SIPC (the "Board") filed with the Securities and Exchange Commission ("Commission") on January 5, 2021, notification that the Board has determined, beginning January 1, 2022, and for the five year period immediately thereafter, that the standard maximum cash advance amount available to satisfy customer claims for cash in a SIPA liquidation proceeding will remain at \$250,000. The Commission is publishing this notice to solicit comments on Board's determination from interested parties.

DATES: Comments are to be received on or before February 17, 2021.

ADDRESSES: Interested persons are invited to submit written data, views, and arguments concerning the foregoing by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/submitcomments.htm>); or
- Send an email to rule-comments@sec.gov. Please include File Number SIPC-2021-01 on the subject line.

Paper Comments

- Send paper comments to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All comments should refer to File Number SIPC-2021-01. This file numbers 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/other.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to this Notice that are filed with the Commission, and all written communications relating to the Notice 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 a.m. and 3 p.m. 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.

FOR FURTHER INFORMATION CONTACT:

Michael A. Macchiaroli, Associate Director, at (202) 551-5525; Thomas K. McGowan, Associate Director, at (202) 551-5521; Randall W. Roy, Deputy Associate Director, at (202) 551-5522; Raymond A. Lombardo, at (202) 551-5755; Timothy C. Fox, Branch Chief, at (202) 551-5687; or A.J. Jacob, Special Counsel, at (202) 551-5583; Office of Financial Responsibility, Division of Trading and Markets, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-7010.

SUPPLEMENTARY INFORMATION:

I. SIPC'S Statement of the Purpose of and Statutory Basis of the Determination of the Board of Directors of SIPC Not To Adjust the Standard Maximum Cash Advance Amount for Inflation

In its filing with the Commission, SIPC included statements concerning the purpose of and statutory basis of the SIPC Board's determination. The text of these statements may be examined at the places specified above, and appear in the text, below.

* * * * *

"Pursuant to section 9(e)(1) of the Securities Investor Protection Act ("SIPA"), 15 U.S.C. 78fff-3(e)(1),¹ the Board of Directors ("Board") of the Securities Investor Protection Corporation ("SIPC") must determine, "[n]ot later than January 1, 2011, and every five years thereafter, and subject to the approval of the Commission," whether to adjust for inflation the standard maximum cash advance amount that SIPC can advance to satisfy customer claims for cash under SIPA § 78fff-3(a)(1). The Board considered the issue at its Meeting on September 9, 2020, and again at its Meeting on November 12, 2020. Among other things, and as more fully set forth below, the Board considered the criteria set forth in SIPA § 78fff-3(e)(5), and the views of the staffs of the Commission, the FDIC, and FINRA.

The Board has determined that the maximum cash advance amount should remain at the current level of \$250,000 per customer. Pursuant to SIPA § 78fff-3(e)(4), and subject to the approval of the Commission as provided under SIPA §§ 78ccc(e)(2) and 78fff-3(e)(1),² the Board's determination will become effective January 1, 2022. Further, pursuant to SIPA § 78fff-3(e)(3)(A), the Commission "shall publish in the **Federal Register** the standard maximum cash advance amount" not later than April 5, 2021.

Consideration of the Statutory Criteria

A. Amount of Potential Adjustment

Were the Board to have determined that the maximum cash advance amount should be adjusted, the formula for calculation of such adjustment would entail multiplying \$250,000 by: [t]he ratio of the annual value of the Personal Consumption Expenditures

¹ For convenience, references herein to provisions of SIPA shall be to the United States Code, and shall omit "15 U.S.C."

² SIPA § 78fff-3(e)(1) provides that approval by the Commission be obtained "as provided under section 78ccc(e)(2)" of SIPA. SIPA § 78ccc(e)(2) establishes procedures governing proposed changes to SIPC's rules.

Chain-Type Price Index (or any successor index thereto), published by the Department of Commerce, for the calendar year preceding the year in which such determination is made, to the published annual value of such index for the calendar year preceding the year 2010.

SIPA § 78fff-3(e)(1)(B).

A present-day application of the formula would increase the limit by \$40,000, to a total of \$290,000.³

B. Inflation Adjustment Considerations

SIPA § 78fff-3(e)(5) provides that in deciding whether to adjust the maximum cash advance amount, the Board shall consider the following criteria:

- (A) The overall state of the fund and the economic conditions affecting members of SIPC;
- (B) the potential problems affecting members of SIPC; and
- (C) such other factors as the Board of Directors of SIPC may determine appropriate.

1. The Overall State of the SIPC Fund and Economic Conditions Affecting Members, and Potential Problems Affecting Members of SIPC

The Board reviewed the projected growth of the SIPC Fund, including the target amount for the Fund of \$5 billion, the assessment rate imposed on SIPC members pursuant to SIPC's Assessments bylaw, as amended, and the potential impact of an inflation adjustment on the Fund, and determined that keeping the standard maximum cash advance at \$250,000 did not adversely affect SIPC members. In its review, the Board also considered SIPC's historical experience and examined: (1) SIPC advances in past and present liquidation proceedings; (2) amounts generated from assessments on member broker-dealers; and (3) projected returns on SIPC investments.

³ Pursuant to SIPA § 78fff-3(e), the \$40,000 amount was determined as follows: \$250,000 multiplied by 1.1675 [the ratio of 108.763 (the annual value of the Price Index published by the Department of Commerce for calendar year 2019), to 94.094 (the published annual value of the index for 2009)], which equals \$291,875. Pursuant to SIPA § 78fff-3(e)(2), this amount is to be rounded down to the nearest multiple of \$10,000, *i.e.*, \$290,000. However, because the determination is to be made for the calendar year 2021, the annual value of the Price Index to be used is for the "calendar year preceding the year in which such determination is made," namely, the year 2020. The 2020 annual value will not be available until sometime in 2021. Nevertheless, through the month of November 2020, the index increased by approximately 0.9%. Consequently, the index value would have to either increase in December 2020 by approximately 1.9% or decrease by approximately 1.5% for the result to be different from \$290,000, which is extremely unlikely.

In addition, the Board considered the views of the staffs of the Commission, the FDIC, and FINRA, as reported to the SIPC staff and as further reported by the SIPC staff to the Board. The Board concluded that the SIPC Fund remains on a steady growth path for the near future, barring any unforeseen catastrophic event, and that any increases in the cash limit of SIPC protection would not appreciably benefit customers.

2. Other Appropriate Factors

a. Potential Divergence Between FDIC and SIPC Protections

The Board noted the equivalency—presently \$250,000—between SIPC’s maximum cash advance amount and the “standard maximum deposit insurance amount” that fixes the limit on bank deposit insurance under the Federal Deposit Insurance Act (“FDIA”), 12 U.S.C. 1821 *et seq.* An inflation adjustment to the former without a corresponding adjustment to the latter would result in an unprecedented divergence between the maximum cash advance amount under SIPC and the standard maximum deposit insurance amount under FDIA.

Increases to the limit of protection for cash claims under SIPC historically have been in lockstep with increases in FDIC deposit insurance.⁴ In 2008, and again, in 2010, parity with deposit insurance was the primary reason for SIPC’s request to Congress to increase the SIPC limit of protection for cash claims. In 2016, uniformity with FDIC deposit insurance was a primary factor in the Board’s determination not to adjust the standard maximum cash advance amount.

b. Historical Claims Experience and Benefit to Customers

The Board also reviewed the number of claims for cash exceeding the limit of protection in past and present liquidation proceedings. This data suggests that the benefit to customers of an inflation adjustment may be limited. Of the more than 770,000 allowed claims in completed or substantially

completed liquidation proceedings as of year-end 2019, the unsatisfied portion of cash claims amounted to \$25 million. More than half of that amount involved only three claims. In the seven SIPC proceedings initiated since 2010, when the cash limit was raised to \$250,000, only one cash claim remains unsatisfied.

c. Aggregate Credit Balances and Sweep Programs

It also was brought to the Board’s attention that aggregate cash credit balances at member firms have not increased over the last five years in line with inflation. Instead, member firms have increasingly utilized sweep programs to move customer free credit balances from broker-dealers to banks.

Conclusion

The Board weighed all the relevant factors against a potential adjustment of \$40,000, the amount determined by the formula set forth in SIPC § 78fff–3(e)(1)(B). The Board concluded that, on balance, in light of the intent to grow the SIPC Fund to reach a target of \$5 billion, the unprecedented break with the FDIC limit that would result, and the absence of evidence that an appreciable number of investors would be benefitted, an adjustment to the limit of protection for cash claims was not appropriate. Accordingly, the Board determined that the standard maximum cash advance amount should remain at \$250,000 per customer.”

* * * * *

II. Date of Effectiveness and Timing for Commission Action

Within thirty-five days of the date of publication of this notice of the SIPC Board’s determination in the **Federal Register**, or within such longer period (i) as the Commission may designate of not more than ninety days after such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which SIPC consents, the Commission shall:

(A) By order approve such determination or

(B) Institute proceedings to determine whether such determination should be disapproved.

III. Notice of the Determination of the SIPC Board Not To Adjust the Standard Maximum Cash Advance Amount for Inflation

On January 1, 2021, pursuant to section 9(e)(1) of the Securities Investor Protection Act, 15 U.S.C. 78fff–3(e)(1), the Board of Directors of the Securities Investor Protection Corporation (the “Board”) determined that an inflation

adjustment to the standard maximum cash advance amount would not be appropriate. Accordingly, the Board determined that the standard maximum cash advance amount will remain at \$250,000 per customer, effective January 1, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵

Dated: January 27, 2021.

J. Matthew DesLesDernier,
Assistant Secretary.

[FR Doc. 2021–02128 Filed 2–1–21; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–91002; File No. SR–CboeEDGX–2021–006]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fee Schedule

January 27, 2021.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”),² and Rule 19b–4 thereunder,³ notice is hereby given that on January 13, 2021, Cboe EDGX Exchange, Inc. (the “Exchange” or “EDGX”) 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.

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

Cboe EDGX Exchange, Inc. (the “Exchange” or “EDGX”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the fee schedule applicable to Members and non-Members of the Exchange pursuant to EDGX Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal are effective upon filing. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website (http://markets.cboe.com/us/options/regulation/rule_filings/edgx/),

⁵ 17 CFR 200.30–3(f)(3).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.

⁴ The below compares the limits of protection for cash under SIPC and the FDIA: SIPC: \$20,000 (Pub. L. No. 91–598, § 6(f)(1)(A), 84 Stat. 1636, 1651 (1970)). FDIA: \$20,000 (Pub. L. 91–151, 7, 83 Stat. 371, 375 (1969)). SIPC: \$40,000 (Pub. L. 95–283, 9, 92 Stat. 249, 265 (1978)). FDIA: \$40,000 (Pub. L. 93–495, 102(a), 88 Stat. 1500, 1502 (1974)). SIPC: \$100,000 (Pub. L. 96–433, 1, 94 Stat. 1855 (1980)). FDIA: \$100,000 (Pub. L. 96–221, 308, 94 Stat. 132, 147 (1980)). SIPC: \$250,000 (Pub. L. 111–203, 929H, 124 Stat. 1376, 1865 (2010)). FDIA: \$250,000 (temporary until 12/31/2009) Public Law 110–343, 136, 122 Stat. 3765, 3799 (2008); (permanent) Public Law 111–203, 335, 124 Stat. 1376, 1540 (2010)).