

subparagraph (f)(6) of Rule 19b-4 thereunder.<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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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-Phlx-2021-36 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-Phlx-2021-36. 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

<sup>19</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

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-Phlx-2021-36 and should be submitted on or before July 14, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

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

[FR Doc. 2021-13105 Filed 6-22-21; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

**TIME AND DATE:** 2:00 p.m. on Thursday, June 24, 2021.

**PLACE:** The meeting will be held via remote means and/or at the Commission's headquarters, 100 F Street NE, Washington, DC 20549.

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

#### **MATTERS TO BE CONSIDERED:**

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

In the event that the time, date, or location of this meeting changes, an announcement of the change, along with the new time, date, and/or place of the meeting will be posted on the Commission's website at <https://www.sec.gov>.

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

The subject matter of the closed meeting will consist of the following topics:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings;

Resolution of litigation claims; and  
Other matters relating to examinations and enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

#### **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 17, 2021.

**Vanessa A. Countryman,**  
Secretary.

[FR Doc. 2021-13155 Filed 6-17-21; 11:15 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 5756]

### Order Approving Adjustment for Inflation of the Dollar Amount Tests in Rule 205-3 Under the Investment Advisers Act of 1940

June 17, 2021.

#### I. Background

Section 205(a)(1) of the Investment Advisers Act of 1940 ("Advisers Act") generally prohibits an investment adviser from entering into, extending, renewing, or performing any investment advisory contract that provides for compensation to the adviser based on a share of capital gains on, or capital appreciation of, the funds of a client (also known as performance compensation or performance fees).<sup>1</sup> Section 205(e) authorizes the Securities and Exchange Commission ("Commission") to exempt any advisory contract from the performance fee prohibition if the contract is with any person that the Commission determines does not need the protections of the prohibition, on the basis of certain factors described in that section.<sup>2</sup> Rule 205-3 under the Advisers Act exempts an investment adviser from the prohibition against charging a client performance fees when the client is a

<sup>1</sup> 15 U.S.C. 80b-5(a)(1).

<sup>2</sup> Under section 205(e), the Commission may determine that persons do not need the protections of section 205(a)(1) on the basis of such factors as "financial sophistication, net worth, knowledge of and experience in financial matters, amount of assets under management, relationship with a registered investment adviser, and such other factors as the Commission determines are consistent with [section 205]." 15 U.S.C. 80b-5(e).

<sup>20</sup> 17 CFR 200.30-3(a)(12).

“qualified client.”<sup>3</sup> The rule allows an adviser to charge performance fees if the client has at least a certain dollar amount in assets under management (currently, \$1,000,000) with the adviser immediately after entering into the advisory contract (“assets-under-management test”) or if the adviser reasonably believes, immediately prior to entering into the contract, that the client has a net worth of more than a certain dollar amount (currently, \$2,100,000) (“net worth test”).<sup>4</sup>

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”)<sup>5</sup> amended section 205(e) of the Advisers Act to provide that, by July 21, 2011 and every five years thereafter, the Commission shall, by order, adjust for the effects of inflation the dollar amount thresholds included in rules issued under section 205(e), rounded to the nearest multiple of \$100,000.<sup>6</sup> The Commission issued an order to revise the dollar amount thresholds of the assets-under-management and net worth tests (to \$1,000,000 and \$2,000,000, respectively, as discussed above) on July 12, 2011.<sup>7</sup> Rule 205–3 codifies the threshold amounts revised by the 2011 Order and states that the Commission will issue an order on or about May 1, 2016, and approximately every five years thereafter, adjusting for inflation the dollar amount thresholds of the rule’s assets-under-management and net worth tests based on the Personal Consumption Expenditures Chain-Type Price Index (“PCE Index,” published by the United States Department of Commerce).<sup>8</sup> On June 14, 2016, the Commission issued an order adjusting for inflation, as appropriate, the dollar amount thresholds of the assets-under-management test and the net worth test

<sup>3</sup> The exemption applies to the entrance into, performance, renewal, and extension of advisory contracts. See rule 205–3(a).

<sup>4</sup> See rule 205–3(d)(1)(i)–(ii); see also Order Approving Adjustment for Inflation of the Dollar Amount Tests in Rule 205–3 under the Investment Advisers Act of 1940, Advisers Act Release No. 4421 (June 14, 2016) [81 FR 39985 (June 20, 2016)] (“2016 Order”). Rule 205–3 includes other definitions of “qualified client” that do not reference specific dollar amount tests. See, e.g., rule 205–3(d)(1)(ii)(B) and rule 205–3(d)(1)(iii).

<sup>5</sup> Public Law 111–203, 124 Stat. 1376 (2010).

<sup>6</sup> See section 418 of the Dodd-Frank Act (requiring the Commission to issue an order every five years revising dollar amount tests in a rule that exempts a person or transaction from section 205(a)(1) of the Advisers Act if the dollar amount test was a factor in the Commission’s determination that the persons do not need the protections of that section).

<sup>7</sup> See Order Approving Adjustment for Inflation of the Dollar Amount Tests in Rule 205–3 under the Investment Advisers Act of 1940, Advisers Act Release No. 3236 (July 12, 2011) [76 FR 41838 (July 15, 2011)] (“2011 Order”). The 2011 Order was effective as of September 19, 2011. *Id.*

<sup>8</sup> See rule 205–3(e).

(to \$1,000,000 and \$2,100,000, respectively).<sup>9</sup>

## II. Adjustment of Dollar Amount Thresholds

On May 10, 2021, the Commission published a notice of intent to issue an order that would adjust for inflation the dollar amount thresholds of the assets-under-management test and the net worth test.<sup>10</sup> The Commission stated that, based on calculations that take into account the effects of inflation by reference to historic and current levels of the PCE Index, the dollar amount of the assets-under-management test would increase from \$1,000,000 to \$1,100,000, and the dollar amount of the net worth test would increase from \$2,100,000 to \$2,200,000.<sup>11</sup> These dollar amounts—which are rounded to the nearest multiple of \$100,000 as required by section 205(e) of the Advisers Act—would reflect inflation from 2016 to the end of 2020.

The Commission’s notice established a deadline of June 4, 2021 for submission of requests for a hearing. No requests for a hearing have been received by the Commission.

## III. Effective Date of the Order

This Order is effective as of August 16, 2021. To the extent that contractual relationships are entered into prior to the Order’s effective date, the dollar amount test adjustments in the Order would not generally apply retroactively to such contractual relationships, subject to the transition rules incorporated in rule 205–3.<sup>12</sup>

<sup>9</sup> See 2016 Order, *supra* footnote 4. The 2016 Order was effective as of August 15, 2016. *Id.* As a result of the 2016 Order, the dollar amount threshold of the net worth test was increased to \$2,100,000, but the dollar amount threshold of the assets-under-management test remained at \$1,000,000. *Id.*

<sup>10</sup> See Performance-Based Investment Advisory Fees, Advisers Act Release No. 5733 (May 10, 2021) [86 FR 26685 (May 17, 2021)]. Because the amount of the Commission’s inflation adjustment calculations are larger than the rounding amount specified under rule 205–3, the dollar amount of both tests would be adjusted as a result of the Commission’s inflation adjustment calculation effected pursuant to the rule.

<sup>11</sup> See *id.* at section II.A.

<sup>12</sup> See rule 205–3(c)(1) (“If a registered investment adviser entered into a contract and satisfied the conditions of this [section] that were in effect when the contract was entered into, the adviser will be considered to satisfy the conditions of this [section]; Provided, however, that if a natural person or company who was not a party to the contract becomes a party (including an equity owner of a private investment company advised by the adviser), the conditions of this [section] in effect at that time will apply with regard to that person or company.”); see also Investment Adviser Performance Compensation, Advisers Act Release No. 3198 (May 10, 2011) [76 FR 27959 (May 13, 2011)], at section II.B.3. The 2011 Order and 2016 Order each applied to contractual relationships

## IV. Conclusion

Accordingly, pursuant to section 205(e) of the Advisers Act and section 418 of the Dodd-Frank Act,

*It is hereby ordered* that, for purposes of rule 205–3(d)(1)(i) under the Advisers Act [17 CFR 275.205–3(d)(1)], a qualified client means a natural person who, or a company that, immediately after entering into the contract has at least \$1,100,000 under the management of the investment adviser; and

*It is further ordered* that, for purposes of rule 205–3(d)(1)(ii)(A) under the Advisers Act [17 CFR 275.205–3(d)(1)(ii)(A)], a qualified client means a natural person who, or a company that, the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,200,000.

By the Commission.

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2021–13192 Filed 6–22–21; 8:45 am]

BILLING CODE 8011–01–P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–92197; File No. SR–ICC–2021–013]

### Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change Relating to the ICC End-of-Day Price Discovery Policies and Procedures

June 16, 2021.

## I. Introduction

On April 23, 2021, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> a proposed rule change to revise and update ICC’s End-of-Day Price Discovery Policies and Procedures (the “Pricing Policy”). The Pricing Policy formalizes ICC’s end-of-day (“EOD”) price discovery process that provides prices for cleared credit default

entered into on or after the effective date and did not apply retroactively to contractual relationships previously in existence. See Investment Adviser Performance Compensation, Advisers Act Release No. 3372 (Feb. 15, 2012) [77 FR 10358 (Feb. 22, 2012)], at section I, n.16; 2016 Order, *supra* footnote 4, at section III.

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

<sup>2</sup> 17 CFR 240.19b–4.