

indicate that the CRS would be authorized to make recommendations to the PRC regarding approval of the bank prior to accepting such services.

III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization.⁶ For the reasons given below, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act⁷ and Rules 17Ad-22(e)(2)(i) and (v).⁸

A. Consistency With Section 17A(b)(3)(F) of the Act

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of ICC be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, as well as to assure the safeguarding of securities and funds which are in the custody or control of ICC or for which it is responsible.⁹ As discussed above, the proposed rule change would change the roles of the CRS and PRC internal committees in approving financial services providers and making recommendations with respect to matters of creditworthiness of CPs and the creditworthiness and performance of FSPs, with FSP approval being reserved for the PRC. The proposed changes also add the Risk Oversight Officer to both committees and remove representatives from Risk Management from voting participation in the CRS. The Commission believes that changing the roles of the internal committees in this way would enhance ICC's ability to efficiently manage the risks associated with assessment and approval of CP and FSP counterparties by centering decision making and support amongst distinct committees. Further, the Commission believes that by changing voting representation in the CRS, the proposed changes would support its changed support role by clearly specifying how participation on the CRS works. The Commission believes that these changes would thus enhance ICC's ability to maintain the appropriate financial resources necessary for the

prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds which are in the custody or control of ICC or for which it is responsible.

The Commission also believes that clarifying current practices related to the reporting line for the ERM, the frequency that the PRC meets, and the frequency with which the review and approval process of the policies and procedures that comprise ICC's overall risk management framework occurs, strengthens the Documents by ensuring that users are aware of reporting lines and when policies and procedures should be reviewed and approved. The Commission believes that this in turn enhances ICC's ability to promptly and accurately settle transactions and safeguard funds and securities by ensuring regular Document review intervals. Similarly, the grammatical changes noted above enhance the overall clarity of the Documents.

For the reasons stated above, the Commission therefore believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act.

B. Consistency With Rule 17Ad-22(e)(2)(i) and (v)

Rules 17Ad-22(e)(2)(i) and (v) requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to, as applicable, provide for governance arrangements that are clear and transparent and specify clear and direct lines of responsibility.¹⁰

As described above, the proposed rule changes would revise the specific role of the PRC and CRS regarding counterparty review and approval by making the PRC solely responsible for approval and oversight of FSPs and placing the CRS in a supporting position to make recommendations to the PRC after assessing and monitoring counterparties. The proposed changes also change the membership composition of the CRS to include the Risk Oversight Officer and remove the ICC Risk Management representative as a voting member while continuing to present materials to allow the CRS to perform its responsibilities and duties.

The Commission believes that by differentiating the responsibilities of the various committees, subcommittees, and their participants as noted above, these proposed changes provide for clear and transparent governance arrangements and specify clear and direct lines of responsibility to those serving on those

committees and utilizing the Documents.

The proposed changes would also revise a governance chart in the Documents to clarify that the ERM reports to the Board of ICC, which the Commission believes provides transparent governance and specify clear and direct lines of responsibility between the ERM and the Board.

Lastly, by clarifying the review and approval process of the policies and procedures that comprise ICC's overall risk management framework, which consists of review by the Risk Committee and review and approval by the Board at least annually, the proposed rule change helps ensure that the risk management policies and procedures are subject to clear governance and specific direct lines of responsibility.

For the reasons stated above, the Commission believes the proposed rule changes are consistent with Rules 17Ad-22(e)(2)(i) and (v).¹¹

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act, and in particular, with the requirements of Section 17A(b)(3)(F) of the Act¹² and Rules 17Ad-22(e)(2)(i) and (v).¹³

It is therefore ordered pursuant to Section 19(b)(2) of the Act¹⁴ that the proposed rule change (SR-ICC-2021-015), be, and hereby is, approved.¹⁵

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-216; OMB Control No. 3235-0243]

Proposed Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services,

¹¹ *Id.*

¹² 15 U.S.C. 78q-1(b)(3)(F).

¹³ 17 CFR 240.17Ad-22(e)(2)(i) and (v).

¹⁴ 15 U.S.C. 78s(b)(2).

¹⁵ In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁶ 17 CFR 200.30-3(a)(12).

⁶ 15 U.S.C. 78s(b)(2)(C).

⁷ 15 U.S.C. 78q-1(b)(3)(F).

⁸ 17 CFR 240.17Ad-22(e)(2)(i) and (v).

⁹ 15 U.S.C. 78q-1(b)(3)(F).

¹⁰ 17 CFR 240.17Ad-22(e)(2)(i) and (v).

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Extension: Rule 206(3)-2

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") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Rule 206(3)-2, (17 CFR 275.206(3)-2) which is entitled "Agency Cross Transactions for Advisory Clients," permits investment advisers to comply with section 206(3) of the Investment Advisers Act of 1940 (the "Act") (15 U.S.C. 80b-6(3)) by obtaining a client's blanket consent to enter into agency cross transactions (*i.e.*, a transaction in which an adviser acts as a broker to both the advisory client and the opposite party to the transaction), provided that certain disclosures are made to the client. Rule 206(3)-2 applies to all registered investment advisers. In relying on the rule, investment advisers must provide certain disclosures to their clients. Advisory clients can use the disclosures to monitor agency cross transactions that affect their advisory account. The Commission also uses the information required by Rule 206(3)-2 in connection with its investment adviser inspection program to ensure that advisers are in compliance with the rule. Without the information collected under the rule, advisory clients would not have information necessary for monitoring their adviser's handling of their accounts and the Commission would be less efficient and effective in its inspection program.

The information requirements of the rule consist of the following: (1) Prior to obtaining the client's consent appropriate disclosure must be made to the client as to the practice of, and the conflicts of interest involved in, agency cross transactions; (2) at or before the completion of any such transaction the client must be furnished with a written confirmation containing specified information and offering to furnish upon request certain additional information; and (3) at least annually, the client must be furnished with a written statement or summary as to the total number of transactions during the period covered by the consent and the total amount of commissions received by the adviser or its affiliated broker-dealer attributable to such transactions.

The Commission estimates that approximately 378 respondents use the

rule annually, necessitating about 50 responses per respondent each year, for a total of 18,900 responses. Each response requires an estimated 0.5 hours, for a total of 9,450 hours. The estimated average burden hours are made solely for the purposes of the Paperwork Reduction Act and are not derived from a comprehensive or representative survey or study of the cost of Commission rules and forms.

This collection of information is found at (17 CFR 275.206(3)-2) and is necessary in order for the investment adviser to obtain the benefits of Rule 206(3)-2. The collection of information requirements under the rule is mandatory. Information subject to the disclosure requirements of Rule 206(3)-2 does not require submission to the Commission; and, accordingly, the disclosure pursuant to the rule is not kept confidential. Commission-registered investment advisers are required to maintain and preserve certain information required under Rule 206(3)-2 for five (5) years. The long-term retention of these records is necessary for the Commission's inspection program to ascertain compliance with the Advisers Act.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid control number.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within sixty (60) days of this publication.

Please direct your written comments to David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, C/O Cynthia Roscoe, 100 F Street NE, Washington, DC 20549; or send an email to: PRA_Mailbox@sec.gov.

Dated: August 25, 2021.

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-92751; File No. SR-NASDAQ-2021-054]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change To Modify Listing Rule IM-5101-2 To Permit an Acquisition Company To Contribute a Portion of Its Deposit Account to Another Entity in a Spin-off or Similar Corporate Transaction

August 25, 2021.

On June 24, 2021, The Nasdaq Stock Market LLC ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to modify Listing Rule IM-5101-2 to permit an acquisition company to contribute a portion of the amount held in its deposit account to a deposit account of a new acquisition company in a spin-off or similar corporate transaction. The proposed rule change was published for comment in the **Federal Register** on July 13, 2021.³

Section 19(b)(2) of the Act⁴ provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is August 27, 2021.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, pursuant to Section 19(b)(2) of the Act,⁵ the Commission designates October 11, 2021 as the date

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 92344 (July 7, 2021), 86 FR 36841.

⁴ 15 U.S.C. 78s(b)(2).

⁵ *Id.*