

(1) The requirements specified in paragraphs (1) and (2) of EASA AD 2022–0135 do not apply to this AD.

(2) Paragraph (3) of EASA AD 2022–0135 specifies revising “the approved AMP” within 12 months after its effective date, but this AD requires revising the existing maintenance or inspection program, as applicable, within 90 days after April 18, 2023 (the effective date of AD 2023–04–18).

(3) The initial compliance time for doing the tasks specified in paragraph (3) of EASA AD 2022–0135 is at the applicable “limitations” and “associated thresholds” as incorporated by the requirements of paragraph (3) of EASA AD 2022–0135, or within 90 days after April 18, 2023 (the effective date of AD 2023–04–18), whichever occurs later.

(4) The provisions specified in paragraphs (4) and (5) of EASA AD 2022–0135 do not apply to this AD.

(5) The “Remarks” section of EASA AD 2022–0135 does not apply to this AD.

(i) Retained No Alternative Actions or Intervals With a New Exception

This paragraph restates the requirements of paragraph (l) of AD 2023–04–18, with a new exception. Except as required by paragraph (j) of this AD, after the existing maintenance or inspection program has been revised as required by paragraph (g) of this AD, no alternative actions (e.g., inspections) or intervals may be used unless they are approved as specified in the provisions of the “Ref. Publications” section of EASA AD 2022–0135.

(j) New Maintenance or Inspection Program Revision

Except as specified in paragraph (k) of this AD: Comply with all required actions and compliance times specified in, and in accordance with, EASA AD 2023–0099, dated May 11, 2023 (EASA AD 2023–0099). Accomplishing the maintenance or inspection program revision required by this paragraph terminates the requirements of paragraph (g) of this AD.

(k) Exceptions to EASA AD 2023–0099

(1) This AD does not adopt the requirements specified in paragraphs (1) and (2) of EASA AD 2023–0099.

(2) Paragraph (3) of EASA AD 2023–0099 specifies revising “the approved AMP” within 12 months after its effective date, but this AD requires revising the existing maintenance or inspection program, as applicable, within 90 days after the effective date of this AD.

(3) The initial compliance time for doing the tasks specified in paragraph (3) of EASA AD 2023–0099 is at the applicable “limitations” and “associated thresholds” as incorporated by the requirements of paragraph (3) of EASA AD 2023–0099, or within 90 days after the effective date of this AD, whichever occurs later.

(4) This AD does not adopt the provisions specified in paragraphs (4) and (5) of EASA AD 2023–0099.

(5) This AD does not adopt the “Remarks” section of EASA AD 2023–0099.

(l) New Provisions for Alternative Actions and Intervals

After the existing maintenance or inspection program has been revised as required by paragraph (j) of this AD, no alternative actions (e.g., inspections), and intervals are allowed unless they are approved as specified in the provisions of the “Ref. Publications” section of EASA AD 2023–0099.

(m) Terminating Action for Certain Requirements in AD 2010–26–05

Accomplishing the actions required by paragraphs (g) or (j) of this AD terminates the requirements of paragraph (g) of AD 2010–26–05 for Model FALCON 2000 airplanes only.

(n) Additional AD Provisions

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs)*: The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or responsible Flight Standards Office, as appropriate. If sending information directly to the International Validation Branch, send it to the attention of the person identified in paragraph (o) of this AD. Information may be emailed to: 9-AVS-AIR-730-AMOC@faa.gov. Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the responsible Flight Standards Office.

(2) *Contacting the Manufacturer*: For any requirement in this AD to obtain instructions from a manufacturer, the instructions must be accomplished using a method approved by the Manager, International Validation Branch, FAA; or EASA; or Dassault Aviation’s EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature.

(o) Additional Information

For more information about this AD, contact Tom Rodriguez, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone 206–231–3226; email tom.rodriguez@faa.gov.

(p) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the service information listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this service information as applicable to do the actions required by this AD, unless this AD specifies otherwise.

(3) The following service information was approved for IBR on [DATE 35 DAYS AFTER PUBLICATION OF THE FINAL RULE].

(i) European Union Aviation Safety Agency (EASA) AD 2023–0099, dated May 11, 2023.

(ii) [Reserved]

(4) The following service information was approved for IBR on April 18, 2023 (88 FR 15607, March 14, 2023).

(i) European Union Aviation Safety Agency (EASA) AD 2022–0135, dated July 6, 2022.

(ii) [Reserved]

(5) For EASA ADs 2023–0099 and 2022–0135, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; telephone +49 221 8999 000; email ADs@easa.europa.eu; website easa.europa.eu. You may find these EASA ADs on the EASA website at ad.easa.europa.eu.

(6) You may view this service information at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206–231–3195.

(7) You may view this service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, email fr.inspection@nara.gov, or go to: www.archives.gov/federal-register/cfr/ibr-locations.html.

Issued on August 24, 2023.

Victor Wicklund,

Deputy Director, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2023–18692 Filed 8–29–23; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 275 and 279

[Release No. IA–6384; File No. S7–04–23]

RIN 3235–AM32

Safeguarding Advisory Client Assets; Reopening of Comment Period

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule; reopening of comment period.

SUMMARY: The Securities and Exchange Commission (“Commission”) is reopening the comment period for its proposal, *Safeguarding Advisory Client Assets*, Release No. IA–6240 (Feb. 15, 2023) (“Proposal”), which proposed a new rule under the Investment Advisers Act of 1940 (“Advisers Act” or “Act”) that would redesignate and amend the current custody rule. In light of the adoption of the private fund adviser audit rule, which generally requires a registered investment adviser to obtain an annual financial statement audit of each private fund it advises in accordance with the audit provision of the current custody rule, reopening the comment period will allow interested persons additional time to assess the proposed amendments to the current custody rule’s audit provision in light of the private fund adviser audit rule.

DATES: The comment period for the proposed rule published in the **Federal Register** on March 9, 2023, at 88 FR

14672, is reopened. Comments should be received on or before October 30, 2023.

ADDRESSES: Comments may be submitted 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 S7-04-23 on the subject line.

Paper Comments

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

All submissions should refer to File Number S7-04-23. The 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 of submission. The Commission will post all comments on the Commission's website (<https://www.sec.gov/rules/proposed.shtml>). Comments also are 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. Operating conditions may limit access to the Commission's Public Reference Room. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

Studies, memoranda, or other substantive items may be added by the Commission or staff to the comment file during this rulemaking. A notification of the inclusion in the comment file of any such materials will be made available on the Commission's website. To ensure direct electronic receipt of such notifications, sign up through the "Stay Connected" option at www.sec.gov to receive notifications by email.

FOR FURTHER INFORMATION CONTACT:

Janet Jun, Senior Counsel; Christopher Staley, Branch Chief; or Melissa Roverts Harke, Assistant Director, Investment Adviser Regulation Office, Division of Investment Management, (202) 551-6787 or IArules@sec.gov, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION:

I. Background

The Commission proposed 17 CFR 275.223-1 under the Advisers Act ("rule 223-1" or "safeguarding rule") on February 15, 2023, to address how advisers safeguard client assets and enhance investor protections.¹ The Proposal also would renumber 17 CFR 275.206(4)-2 ("rule 206(4)-2" or "current custody rule") to redesignate it as rule 223-1 and amend certain of its provisions, including 17 CFR 275.206(4)-2(b)(4) ("rule 206(4)-2(b)(4)" or "audit provision"). The original comment period for the Proposal closed on May 8, 2023.

Title 17 section 275.206(4)-2(a)(4) of the current custody rule requires the client funds and securities of which an adviser has custody to be verified by actual examination at least once during each calendar year by an independent public accountant. An adviser is deemed to have complied with this annual surprise examination requirement with respect to the accounts of certain pooled investment vehicles,² provided that such vehicles' audited financial statements are obtained and delivered in accordance with the elements of the current custody rule's audit provision, as set forth in paragraphs (b)(4)(i) through (b)(4)(iii) of the current custody rule. Similar to the current custody rule, the proposed safeguarding rule generally would require an adviser with custody of client assets³ to obtain a similar annual surprise examination. Again, like the current custody rule, the proposed safeguarding rule also contains an audit provision that, when satisfied, would allow an adviser to be deemed in compliance with the proposed safeguarding rule's surprise examination requirement with respect to certain client accounts.⁴

While the elements of the proposed safeguarding rule's audit provision

¹ See Safeguarding Advisory Client Assets, Investment Advisers Act Release No. 6240 (Feb. 15, 2023), [88 FR 14672 (Mar. 9, 2023)] ("Safeguarding Advisory Client Assets Release").

² As discussed below, the safeguarding rule would expand the availability of the audit provision from pooled investment vehicle clients to any advisory client entity whose financial statements are able to be audited in accordance with the rule. See proposed 17 CFR 275.223-1(b)(4) ("rule 223-1(b)(4)").

³ The safeguarding rule would expand the scope of the current custody rule's application to cover not only client funds and securities, but also client "assets", which is defined in the proposed safeguarding rule as, "funds, securities, or other positions held in the client's account." See proposed 17 CFR 275.223-1(d)(1).

⁴ See proposed rule 223-1(b)(4). See also Safeguarding Advisory Client Assets Release, *supra* footnote 1, at section II.G.1.a. (explaining the elements of the audit provision under the proposed safeguarding rule).

remain largely unchanged from those of the current custody rule, the Proposal includes some key modifications; namely, (1) expanding the audit provision's availability from "pooled investment vehicle" clients to "any other entity"; (2) requiring the audited financial statements of non-U.S. clients to contain information substantially similar to statements prepared in accordance with U.S. GAAP and material differences with U.S. GAAP to be reconciled; and (3) requiring that the adviser or the entity enter into a written agreement with the auditor requiring the auditor to notify the Commission in the event of the auditor's termination or issuance of a modified opinion.⁵

On August 23, 2023, the Commission adopted new rules designed to protect investors who invest in private funds.⁶ Among them was 17 CFR 275.206(4)-10 under the Act ("rule 206(4)-10" or "private fund adviser audit rule"), which generally requires a registered investment adviser to cause each of the private funds it advises (other than a securitized asset fund, as defined in 17 CFR 275.211(h)(1)-1 ("securitized asset fund")) to undergo a financial statement audit (as defined in 17 CFR 210.1-02(d)) that satisfies the requirements set forth in paragraph (b)(4) of the current custody rule, as well as to deliver each such audited financial statement in accordance with paragraph (c) of the current custody rule.⁷

II. Reopening of Comment Period

Because compliance with the private fund adviser audit rule is predicated in part on an adviser complying with the current custody rule's audit provision, the proposed modifications to the audit provision as set forth in the proposed safeguarding rule, if adopted, would apply to advisers subject to the private fund adviser audit rule.⁸ The

⁵ Compare rule 206(4)-2(b)(4) with proposed rule 223-1(b)(4). See also Safeguarding Advisory Client Assets Release, *supra* footnote 1, at section II.G.1.a.

⁶ See Private Fund Advisers; Documentation of Registered Investment Adviser Compliance Reviews, Investment Advisers Act Release No. 6383 (Aug. 23, 2023).

⁷ Title 17 section 275.206(4)-10(b) also references the current custody rule's audit provision, providing an exception from the requirement to obtain an audit for funds and advisers that are not in a control relationship, and instead requiring an adviser to take "all reasonable steps" to cause the private fund (other than a securitized asset fund) to undergo a financial statement audit that satisfies the requirements set forth in paragraph (b)(4) of the current custody rule and to deliver audited financial statements in accordance with paragraph (c) of the current custody rule.

⁸ If the Commission adopts the proposed safeguarding rule, the Commission could amend rule 206(4)-10 at that time to redesignate references to rule 206(4)-2 in rule 206(4)-10 as references to rule 223-1.

Commission is therefore reopening the comment period for the safeguarding rule proposal so that commenters may consider the proposed modifications to the audit provision in light of rule 206(4)–10. The Commission is reopening the comment period for Release No. IA–6240 *Safeguarding Advisory Client Assets* until October 30, 2023.

By the Commission.

Dated: August 23, 2023.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2023–18667 Filed 8–29–23; 8:45 am]

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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[Docket No. TTB–2023–0007; Notice No. 225]

RIN 1513–AD03

Proposed Establishment of the San Luis Rey Viticultural Area

AGENCY: Alcohol and Tobacco Tax and Trade Bureau, Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Alcohol and Tobacco Tax and Trade Bureau (TTB) proposes to establish the 97,733-acre “San Luis Rey” American viticultural area (AVA) in San Diego County, California. The proposed AVA is located entirely within the existing South Coast AVA. TTB designates viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase. TTB invites comments on these proposals.

DATES: TTB must receive your comments on or before October 30, 2023.

ADDRESSES: You may electronically submit comments to TTB on this proposal and view copies of this document, its supporting materials, and any comments TTB receives on it within Docket No. TTB–2023–0007 as posted on *Regulations.gov* (<https://www.regulations.gov>), the Federal e-rulemaking portal. Please see the “Public Participation” section of this document below for full details on how to comment on this proposal via *Regulations.gov* or U.S. mail, and for full details on how to obtain copies of this document, its supporting materials,

and any comments related to this proposal.

FOR FURTHER INFORMATION CONTACT:

Karen A. Thornton, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW, Box 12, Washington, DC 20005; phone 202–453–1039, ext. 175.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas

TTB Authority

Section 105(e) of the Federal Alcohol Administration Act (FAA Act), 27 U.S.C. 205(e), authorizes the Secretary of the Treasury to prescribe regulations for the labeling of wine, distilled spirits, and malt beverages. The FAA Act provides that these regulations should, among other things, prohibit consumer deception and the use of misleading statements on labels and ensure that labels provide the consumer with adequate information as to the identity and quality of the product. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers the FAA Act provisions pursuant to section 1111(d) of the Homeland Security Act of 2002, as codified at 6 U.S.C. 531(d). In addition, the Secretary of the Treasury has delegated certain administrative and enforcement authorities to TTB through Treasury Order 120–01.

Part 4 of the TTB regulations (27 CFR part 4) authorizes TTB to establish definitive viticultural areas and regulate the use of their names as appellations of origin on wine labels and in wine advertisements. Part 9 of the TTB regulations (27 CFR part 9) sets forth standards for the preparation and submission of petitions for the establishment or modification of American viticultural areas (AVAs) and lists the approved AVAs.

Definition

Section 4.25(e)(1)(i) of the TTB regulations (27 CFR 4.25(e)(1)(i)) defines a viticultural area for American wine as a delimited grape-growing region having distinguishing features as described in part 9 of the regulations and, once approved, a name and a delineated boundary codified in part 9 of the regulations. These designations allow vintners and consumers to attribute a given quality, reputation, or other characteristic of a wine made from grapes grown in an area to the wine’s geographic origin. The establishment of AVAs allows vintners to describe more accurately the origin of their wines to consumers and helps consumers to identify wines they may purchase. Establishment of an AVA is neither an

approval nor an endorsement by TTB of the wine produced in that area.

Requirements

Section 4.25(e)(2) of the TTB regulations (27 CFR 4.25(e)(2)) outlines the procedure for proposing an AVA and allows any interested party to petition TTB to establish a grape-growing region as an AVA. Section 9.12 of the TTB regulations (27 CFR 9.12) prescribes standards for petitions to establish or modify AVAs. Petitions to establish an AVA must include the following:

- Evidence that the area within the proposed AVA boundary is nationally or locally known by the AVA name specified in the petition;
- An explanation of the basis for defining the boundary of the proposed AVA;
 - A narrative description of the features of the proposed AVA that affect viticulture, such as climate, geology, soils, physical features, and elevation, that make the proposed AVA distinctive and distinguish it from adjacent areas outside the proposed AVA boundary;
 - The appropriate United States Geological Survey (USGS) map(s) showing the location of the proposed AVA, with the boundary of the proposed AVA clearly drawn thereon;
 - If the proposed AVA is to be established within, or overlapping, an existing AVA, an explanation that both identifies the attributes of the proposed AVA that are consistent with the existing AVA and explains how the proposed AVA is sufficiently distinct from the existing AVA and therefore appropriate for separate recognition; and
 - A detailed narrative description of the proposed AVA boundary based on USGS map markings.

Petition To Establish the San Luis Rey AVA

TTB received a petition from Rebecca Wood, managing member of Premium Vintners, LLC, proposing to establish the “San Luis Rey” AVA. Premium Vintners, LLC, operates Fallbrook Winery and farms several vineyards within the proposed AVA. The petition was submitted on behalf of Fallbrook Winery and other local vineyard owners and winemakers. The proposed AVA is located in San Diego County, California, and is entirely within the existing South Coast AVA (27 CFR 9.104). Within the proposed AVA, there are approximately 44 commercial vineyards, which cover a total of approximately 256 acres, as well as an additional 29 acres of planned vineyards. There are also 23 wineries within the proposed AVA. The