

necessary or appropriate in furtherance of the purpose of the Exchange Act.

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

The Exchange neither solicited nor received written comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Exchange Act¹⁹³ and Rule 19b-4(f)(2) thereunder,¹⁹⁴ because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CboeBYX-2024-029 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-CboeBYX-2024-029. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. 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. All submissions should refer to file number SR-CboeBYX-2024-029 and should be submitted on or before September 24, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹⁵

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2024-19659 Filed 8-30-24; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

TIME AND DATE: 2 p.m. on Thursday, September 5, 2024.

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 her designee, has certified that, in her 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.

Authority: 5 U.S.C. 552b.

Dated: August 29, 2024.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2024-19818 Filed 8-29-24; 11:15 am]

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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-237, OMB Control No. 3235-0226]

Submission for OMB Review; Comment Request; Extension: Rule 10f-3

Upon Written Request, Copies Available From Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget a request for extension and approval of the collections of information discussed below.

Section 10(f) of the Investment Company Act of 1940 (the "Act") prohibits a registered investment company ("fund") from purchasing any security during an underwriting or selling syndicate if the fund has certain

¹⁹³ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁹⁴ 17 CFR 240.19b-4(f)(2).

¹⁹⁵ 17 CFR 200.30-3(a)(12).

affiliated relationships with a principal underwriter for the security.¹ Congress enacted this provision in 1940 to protect funds and their shareholders by preventing underwriters from “dumping” unmarketable securities on affiliated funds.

Rule 10f-3 under the Act permits a fund to engage in a securities transaction that otherwise would violate Section 10(f) if, among other things: (i) the fund’s directors have approved procedures for purchases made in reliance on the rule, regularly review fund purchases to determine whether they comply with these procedures, and approve necessary changes to the procedures; and (ii) a written record of each transaction effected under the rule is maintained for six years, the first two of which in an easily accessible place.²

Rule 10f-3 also conditionally allows managed portions of fund portfolios to purchase securities offered in otherwise off-limits primary offerings. To qualify for this exemption, Rule 10f-3 requires that the subadviser that is advising the purchaser be contractually prohibited from providing investment advice to any other portion of the fund’s portfolio and consulting with any other of the fund’s advisers that is a principal underwriter or affiliated person of a principal underwriter concerning the fund’s securities transactions.

These requirements provide a mechanism for fund boards to oversee compliance with the rule. The required recordkeeping facilitates the Commission staff’s review of Rule 10f-3 transactions during routine fund inspections and, when necessary, in connection with enforcement actions.

The staff estimates that approximately 745 funds engage in at least one Rule 10f-3 transaction each year, for a total of 745 such transactions.³ Rule 10f-3 requires that the purchasing fund create a written record of each transaction that includes, among other things, information about from whom the securities were purchased and the terms of the transaction. The staff estimates that it takes an average fund approximately 30 minutes per transaction at a time cost of \$131 per

transaction to document each transaction.⁴ Thus, annually funds spend approximately 373 hours⁵ at an internal cost of \$97,595 documenting these transactions.⁶

The funds also must maintain and preserve these transactional records in accordance with the rule’s recordkeeping requirement, and the staff estimates that it takes a fund approximately 20 minutes per transaction at a time cost of \$28 per transaction to comply with this part of the rule.⁷ The staff estimates that annually, in the aggregate, funds spend approximately 248 hours⁸ at a cost of \$20,832 to comply with this aspect of Rule 10f-3’s recordkeeping requirements.⁹

In addition, fund boards must, no less than quarterly, examine each of these transactions to ensure that they comply with the fund’s policies and procedures. The information or materials upon which the board relied in making its determination also must be maintained. The staff estimates that it takes a fund 1 hour per quarter at a cost of \$262 per quarter to comply with the maintenance requirement of the rule.¹⁰ Thus annually, in the aggregate, funds spend approximately 2,980 hours¹¹ annually at a total internal cost of \$780,760 to comply with this recordkeeping requirement.¹²

The staff further estimates that reviewing and revising as needed written procedures for Rule 10f-3 transactions takes, on average for each

fund, two hours of a compliance attorney’s time at a cost of approximately \$880¹³ per year.¹⁴ Thus, annually, in the aggregate, the staff estimates that funds spend a total of approximately 1,490 hours¹⁵ at a cost of approximately \$655,600¹⁶ on monitoring and revising Rule 10f-3 procedures.

Based on an analysis of Form N-CEN filings, the staff estimates that approximately 589 new funds enter into sub-advisory agreements each year.¹⁷ Based on discussions with industry representatives, the staff estimates that it will require approximately 0.75 attorney hours to draft and execute additional clauses in new subadvisory contracts in order for funds and subadvisers to be able to rely on the exemptions in Rule 10f-3.¹⁸ Assuming that all 589 new funds that enter into new subadvisory contracts each year make the modification to their subadvisory contracts required by the rule, we estimate that Rule 10f-3’s subadvisory contract requirement will require a total of 442 burden hours annually for new funds, with an associated aggregate internal cost of approximately \$221,200.¹⁹

The staff estimates that complying with Rule 10f-3’s requirements imposes an internal burden of 5,408 hours at an internal cost of approximately \$1,755,155. This estimate does not include the time spent to report a fund’s

¹³ This estimate is based on the following calculation: (2 hours × \$440 = \$880).

¹⁴ These averages take into account the fact that in most years, fund attorneys and boards spend little or no time modifying procedures and in other years, they spend significant time doing so.

¹⁵ This estimate is based on the following calculation: (745 funds × 2 hours = 1,490 hours).

¹⁶ This estimate is based on the following calculation: (745 funds × \$880 = \$655,600).

¹⁷ Based on the average number of subadvisory agreements entered into by funds during fiscal years 2021–2023, as filed with the Commission on Form N-CEN, we estimate that approximately 559 new open-end funds and 30 new closed-end funds, or a total of 589 new funds enter into new subadvisory agreements each year (559 + 30 = 589 new funds); we understand that existing funds may also enter into new subadvisory agreements, but in many cases would benefit from having previously drafted Rule 10f-3 clauses in prior or existing subadvisory contracts.

¹⁸ Because such clauses are identical to the clauses that a fund would need to insert in their subadvisory contracts to rely on Rules 12d3-1, 17a-10, and 17e-1, and because we believe that funds that use one such rule generally use all of these rules, we apportion this 3 hour time burden equally to all four rules; therefore, we estimate that the burden allocated to Rule 10f-3 for this contract change would be 0.75 hours (3 hours ÷ 4 rules = .75 hours/rule); the staff further estimates that the average hourly wage rate for an attorney to perform this service is \$375/hour.

¹⁹ These estimates are based on the following calculations: (0.75 hours × 589 new funds = approximately 442 burden hours); (\$500 per hour × 442 hours = approximately, \$221,200 total cost).

¹ 15 U.S.C. 80a–10(f).

² 17 CFR 270.10f-3.

³ These estimates are based on the average number of fund filings on Form N-CEN made with the Commission for fiscal years 2021 through 2023; although business development companies (“BDCs”) may also rely on Rule 10f-3, they do not file on Form N-CEN, so our estimates for purposes of this PRA exclude BDCs; further, because Form N-CEN does not require any specific information about Rule 10f-3 transactions, we assume for purposes of this PRA that each fund reported to have relied on Rule 10f-3 engaged in one such transaction annually.

⁴ The staff estimates that this task is shared between a compliance clerk (\$84/hour) and a compliance attorney (\$440/hour), for a blended hourly wage rate of \$262 (\$84 + \$440 ÷ 2 = \$262) and a half-hour blended wage rate of \$131 (\$262 ÷ 2 = \$131); all hourly wage rates are derived from SIFMA’s Management & Professional Earnings in the Securities Industry (2013), modified by Commission staff to account for an 1800-hour work-year and inflation and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

⁵ This estimate is based on the following calculation: (0.5 hours × 745 transactions = approximately, 373 hours).

⁶ This estimate is based on the following calculation: (745 transactions × \$131 = \$97,595).

⁷ The wage figure of \$28 is one third of an average compliance clerk’s hourly wage rate of \$84 (\$84 ÷ 3 = \$28).

⁸ This estimate is based on the following calculations: (20 minutes × 745 transactions = 14,900 minutes; 14,900 minutes/60 = 248 hours).

⁹ This estimate is based on the following calculation: (248 hours × \$84 = \$20,832).

¹⁰ The staff estimates that a compliance clerk spends half an hour preparing the report and a compliance attorney spends half an hour reviewing the report, for a blended hourly wage rate of \$262 per hour. See *supra* note 4.

¹¹ This estimate is based on the following calculation: (1 hour per quarter × 4 quarters × 745 funds = 2,980 hours).

¹² This estimate is based on the following calculation: (2,980 hours × \$262 = \$780,760).

reliance on Rule 10f-3 on Form N-CEN, which is subject to a separate PRA information collection.

The collection of information required by Rule 10f-3 is necessary to obtain the benefits of the rule. Responses will not be kept confidential. 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 OMB control number.

The public may view background documentation for this information collection at the following website: www.reginfo.gov. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice by October 3, 2024 to (i) MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov and (ii) Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Oluwaseun Ajayi, 100 F Street NE, Washington, DC 20549, or by sending an email to: PRA_Mailbox@sec.gov.

Dated: August 27, 2024.

Vanessa A. Countryman,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-233, OMB Control No. 3235-0223]

Submission for OMB Review; Comment Request; Extension: Rule 17f-2

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

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") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Rule 17f-2 (17 CFR 270.17f-2), entitled "Custody of Investments by Registered Management Investment Company," establishes safeguards for arrangements in which a registered management investment company or business development company ("fund") is deemed to maintain custody

of its own assets, such as when the fund maintains its assets in a facility that provides safekeeping but not custodial services.¹ The rule includes four distinct requirements that are an information collection under the Paperwork Reduction Act. First, fund's directors must prepare a resolution designating not more than five fund officers or responsible employees who may have access to the fund's assets. Secondly, the fund's board must vote to approve this resolution. Third, the designated access persons (two or more of whom must act jointly when handling fund assets) must prepare a written notation providing certain information about each deposit or withdrawal of fund assets and must transmit the notation to another officer or director designated by the directors. Lastly, an independent public accountant must verify the fund's assets three times each year, and two of those examinations must be unscheduled.²

Rule 17f-2's requirements are designed to safeguard fund assets from loss by requiring certain specific controls when those assets are not placed and maintained in the custody of a bank or other custodian as permitted under section 17(f) of the Investment Company Act of 1940 (15 U.S.C. 80a-17(f)) ("Act") and the rules thereunder. Specifically, the requirement that directors designate access persons is intended to ensure that directors evaluate the trustworthiness of insiders who handle fund assets. The requirements that access persons act jointly in handling fund assets, prepare a written notation of each transaction, and transmit the notation to another designated person are intended to reduce the risk of misappropriation of fund assets by access persons, and to ensure that adequate records are prepared, reviewed by a responsible third person, and available for examination by the Commission. The requirement that auditors verify fund assets without notice twice each year is intended to provide an additional deterrent to the misappropriation of fund assets and to detect any irregularities. Less frequent

¹ The rule generally requires all assets to be deposited in the safekeeping of a "bank or other company whose functions and physical facilities are supervised by Federal or State authority."

² The accountant must transmit to the Commission promptly after each examination a certificate describing the examination on Form N-17f-2; the preparation and filing of Form N-17f-2, which largely serves as a cover-sheet for the accountant's certification of their audit, is covered by a separate information collection; the third (scheduled) examination may coincide with the annual verification required for every fund by section 30(g) of the Act (15 U.S.C. 80a-29(g)).

examinations by a fund's accountants could impair the ability of the Commission's examination staff to ascertain the fund's compliance with the rule.

The Commission staff estimates that each fund makes 974 responses and spends an average of 252 hours annually in complying with the rule's requirements.³ Commission staff estimates that on an annual basis it takes: (i) 0.5 hours of fund accounting personnel at a total cost of \$126 and 1 hour of fund attorney personnel time at a cost of \$484, for a total of 1.5 hours and a cost of \$610 to draft director resolutions;⁴ (ii) 0.5 hours of the fund's board of directors at a total cost of \$2,385 to adopt the resolution;⁵ (iii) 244 hours for the fund's accounting personnel at a total cost of \$81,086 to prepare written notations of transactions;⁶ and (iv) 3 hours for the fund's controller or administrator at a total cost of \$1,704 to assist the independent public accountants when they perform verifications of fund assets.⁷ The total of these four requirements would then be 249 hours at a cost of \$84,081 per respondent.⁸ Commission staff estimates that approximately 165 funds file Form N-17f-2 each year.⁹ Thus, the total annual

³ The 974 responses are: 1 (one) response to draft and adopt the resolution and 973 notations; estimates of the number of hours are based on conversations with individuals in the fund industry; the actual number of hours may vary significantly depending on individual fund assets.

⁴ The estimate relating to fund accounting personnel is based on the following calculation: 0.5 (burden hours per fund) × \$252 (senior accountant's hourly rate) = approximately \$126; unless otherwise indicated, the hourly wage figures used herein are from the Securities Industry and Financial Markets Association's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

⁵ The staff has estimated the average cost of board of director time as \$4,770 per hour, which was last adjusted for inflation through 2019; this is a combined cost for the entire board and assumes an average of 9 board members per board.

⁶ Respondents estimated that each fund makes 973 responses on an annual basis and spends a total of 0.25 hours per response; the staff assumes that the fund personnel involved are Accounts Payable Manager (\$237 hourly rate), Senior Operations Manager (\$425 hourly rate) and General Accounting Manager (\$337 hourly rate); the blended average hourly rate of these personnel is \$333 ($(237 + 425 + 337)/3$); the total estimated cost of preparing notations is based on the following calculation: $974 \times 0.25 \times \$333 = \$81,086$.

⁷ This estimate is based on the following calculation: $3 \times \$568$ (fund controller's hourly rate) = \$1,704.

⁸ $249 = 0.5 + 1 + 0.5 + 3 + 244$; $\$84,081 = 126 + 484 + \$2,385 + 81,086 + 1,704$.

⁹ On average, each year approximately 165 funds filed Form N-17f-2 with the Commission during

Continued