any fees paid to the Affiliated Sub-Adviser.

3. Applicants agree that any order granting the requested relief will be subject to the terms and conditions stated in the Application. Such terms and conditions provide for, among other safeguards, appropriate disclosure to Fund shareholders and notification about sub-advisory changes and enhanced Board oversight to protect the interests of the Funds’ shareholders.

4. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction or any class or classes of persons, securities, or transactions from any provisions of the Act, or any rule thereunder, if such relief is necessary or appropriate in the public interest and consistent with the protection of investors and purposes fairly intended by the policy and provisions of the Act. Applicants believe that the requested relief meets this standard because, as further explained in the Application, the Advisory Agreements will remain subject to shareholder approval, while the role of the Sub-Advisers is substantially similar to that of individual portfolio managers, so that requiring shareholder approval of Sub-Advisory Agreements would impose unnecessary delays and expenses on the Funds. Applicants believe that the requested relief from the Disclosure Requirements meets this standard because it will improve the Adviser’s ability to negotiate fees paid to the Sub-Advisers that are more advantageous for the Funds.

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

Robert W. Errett,
Deputy Secretary.

[FR Doc. 2015–18324 Filed 7–24–15; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

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

Extension: Rule 17f–1(c) and Form X–17F–1A; SEC File No. 270–29, OMB Control No. 3235–0037.


Rule 17f–1(c) requires approximately 15,500 entities in the securities industry to report lost, stolen, missing, or counterfeit securities certificates to the Commission or its designee, to a registered transfer agent for the issue, and, when criminal activity is suspected, to the Federal Bureau of Investigation. Such entities are required to use Form X–17F–1A to make such reports. Filing these reports fulfills a statutory requirement that reporting institutions report and inquire about missing, lost, counterfeit, or stolen securities. Since these reports are compiled in a central database, the rule facilitates reporting institutions to access the database that stores information for the Lost and Stolen Securities Program.

We estimate that 15,500 reporting institutions will report that securities are either missing, lost, counterfeit, or stolen annually and that each reporting institution will submit this report 30 times each year. The staff estimates that the average amount of time necessary to comply with Rule 17f–1(c) and Form X–17F–1A is five minutes. The total burden is approximately 38,750 hours annually for respondents (15,500 times 30 times 5 divided by 60).

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 on respondents; 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 60 days of this publication.

Rule 17f–1(c) is a reporting rule and does not specify a retention period. The rule requires an incident-based reporting requirement by the reporting institutions when securities certificates are discovered to be missing, lost, counterfeit, or stolen. Registering under Rule 17f–1(c) is mandatory to obtain the benefit of a central database that stores information about missing, lost, counterfeit, or stolen securities for the Lost and Stolen Securities Program. Reporting institutions required to register under Rule 17f–1(c) will not be kept confidential; however, the Lost and Stolen Securities Program database will be kept confidential.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number. Please direct your written comments to: Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington DC 20549, or send an email to: PHA_Mailbox@sec.gov.

Dated: July 22, 2015.

Robert W. Errett,
Deputy Secretary.

[FR Doc. 2015–18323 Filed 7–24–15; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Granting Approval of Proposed Rule Change, as Modified by Amendments Nos. 1 and 2 Thereto, Relating to the Listing and Trading of the Shares of 18 Eaton Vance NextShares ETFs of Either the Eaton Vance ETMF Trust or the Eaton Vance ETMF Trust II

July 21, 2015.

I. Introduction

On April 10, 2015, The NASDAQ Stock Market LLC (“Nasdaq” or “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 2 thereunder, a proposed rule change to list and trade the shares (“Shares”) of the following 18 exchange-traded managed funds: Eaton Vance Balanced NextShares™; Eaton Vance Global Dividend Income NextShares™; Eaton Vance Growth NextShares™; Eaton Vance Large-Cap Value NextShares™; Eaton Vance Richard Bernstein All Asset Strategy NextShares™; Eaton Vance Richard Bernstein Equity Strategy NextShares™; Eaton Vance Small-Cap...
NextShares™; Eaton Vance Stock NextShares™; Parametric Emerging Markets NextShares™; Parametric International Equity NextShares™; Eaton Vance Bond NextShares™; Eaton Vance TABS 5-to-15 Year Laddered Municipal Bond NextShares™; Eaton Vance Floating-Rate & High Income NextShares™; Eaton Vance Global Macro Absolute Return NextShares™; Eaton Vance High Income Opportunities NextShares™; Eaton Vance High Yield Municipal Income NextShares™; and Eaton Vance National Municipal Income NextShares™ (individually “Fund,” and collectively, “Funds”). On April 21, 2015, the Exchange filed Amendments Nos. 1 and 2 to the proposal.3 The proposed rule change, as modified by Amendments Nos. 1 and 2 thereto, was published for comment in the Federal Register on April 29, 2015.4 On June 8, 2015, pursuant to Section 19(b)(2) of the Act,5 the Commission designated a longer period within which to either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.6 The Commission received no comments on the proposed rule change. This order grants approval of the proposed rule change, as modified by Amendments Nos. 1 and 2 thereto.

II. Description of Proposed Rule Change

The Exchange proposes to list and trade the Shares pursuant to Nasdaq Rule 5745, which governs the listing and trading of Exchange-Traded Managed Fund Shares, as defined in Nasdaq Rule 5745(c)(1).7 Each Fund is a series of either Eaton Vance ETMF Trust or Eaton Vance ETMF Trust II (individually “Trust,” and collectively, “Trusts”).8 Each Trust is registered with the Commission as an open-end investment company and has filed a registration statement on Form N–1A ("Registration Statements") with the Commission.9

Eaton Vance Management will be the investment adviser (“Adviser”) to the Funds. Foreside Fund Services, LLC will be the principal underwriter and distributor of each Fund’s Shares. State Street Bank and Trust Company will act as the administrator, accounting agent, custodian, and transfer agent to the Funds. Interactive Data Corporation will be the intraday indicative value calculator to the Funds. The Exchange has made the following representations and statements in describing the Funds.10

A. Principal Investment Strategies of the Funds

According to the Exchange, each Fund will be actively managed and will pursue the various principal investment strategies described below.11

1. Eaton Vance Balanced NextShares™

The investment objective of this Fund is to provide current income and long-term growth of capital. The Fund normally will invest between 50% and 75% of its net assets in equity securities and between 25% and 50% of its net assets in fixed-income securities.

2. Eaton Vance Global Dividend Income NextShares™

The investment objective of this Fund is to provide current income and long-term growth of capital. The Fund normally will invest primarily in common stocks and, in the adviser’s discretion, preferred stocks of U.S. and foreign companies that pay dividends.

3. Eaton Vance Growth NextShares™

The investment objective of this Fund is total return. The Fund will invest in a broadly diversified selection of equity securities, seeking companies with above-average growth and financial strength. Under normal market conditions, the Fund will invest primarily in large-cap companies.

4. Eaton Vance Large-Cap Value NextShares™

The investment objective of this Fund is total return. Under normal market conditions, the Fund will invest primarily in value stocks of large-cap companies.

5. Eaton Vance Richard Bernstein All Asset Strategy NextShares™

The investment objective of this Fund is total return. In seeking its investment objective, the Fund will have flexibility to allocate its assets in markets around the world and among various asset classes, including equity, fixed-income, commodity, currency and cash investments.

6. Eaton Vance Richard Bernstein Equity Strategy NextShares™

The investment objective of this Fund is total return. Under normal market conditions, the Fund will invest primarily in equity securities and derivative instruments that provide exposure to equity securities.

7. Eaton Vance Small-Cap NextShares™

The investment objective of this Fund is long-term capital appreciation. The Fund normally will invest primarily in equity securities of small-cap companies.

8. Eaton Vance Stock NextShares™

The investment objective of this Fund is to achieve long-term capital appreciation by investing in a diversified portfolio of equity securities. The Fund normally will invest primarily in a diversified portfolio of common stocks.

9. Parametric Emerging Markets NextShares™

The investment objective of this Fund is long-term capital appreciation. The Fund normally will invest primarily in equity securities of companies located in emerging market countries.

10. Parametric International Equity NextShares™

The investment objective of this Fund is long-term capital appreciation. The

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3 Amendment No. 1 amended and replaced the proposed rule change in its entirety. Amendment No. 2 subsequently amended the proposal to include a new footnote to reflect a Web site reference.
6 See Securities Exchange Act Release No. 75121, 80 FR 34184 (Jun. 15, 2015). The Commission determined that it was 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 and the comments received. Accordingly, the Commission designated July 28, 2015 as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.
7 The Funds would be the first exchange-traded managed funds to be listed on the Exchange.
8 According to the Exchange, the Trusts and affiliates of the Trusts have obtained exemptive relief under the Investment Company Act of 1940 ("1940 Act"). See Investment Company Act Release No. 31361 (Dec. 2, 2014) (File No. 812–14139). The Exchange represents that, in compliance with Nasdaq Rule 5745(b)(5), which applies to Shares based on an international or global portfolio, the application for exemptive relief under the 1940 Act states that the Funds will comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933, as amended.
9 See Registration Statements on Form N–1A for the Eaton Vance NextShares Trust dated April 9, 2015 (File Nos. 333–197733 and 811–22982) and for the Eaton Vance NextShares Trust II dated April 9, 2015 (File Nos. 333–197734 and 811–22983).
10 The Commission notes that additional information regarding the Trusts, the Funds, and the Shares, including investment strategies, risks, creation and redemption procedures, calculation of net asset value ("NAV"), fees, distributions, and taxes, among other things, can be found in the Notice and Registration Statements, as applicable. See supra notes 4 and 9, respectively.
11 According to the Exchange, additional information regarding the Funds also will be available on the public Web site for the Funds.
Fund normally will invest primarily in companies domiciled in developed markets outside of the United States, including securities trading in the form of depositary receipts.

11. Eaton Vance Bond NextShares™

The investment objective of this Fund is total return. The Fund normally will invest primarily in bonds and other fixed and floating-rate income instruments.

12. Eaton Vance TABS 5-to-15 Year Laddered Municipal Bond NextShares™

The investment objective of this Fund is to provide current income exempt from regular federal income tax. The Fund normally will invest primarily in municipal obligations with remaining maturities of between 5 and 15 years, the interest on which is exempt from regular federal income tax.

13. Eaton Vance Floating-Rate & High Income NextShares™

The investment objective of this Fund is to provide a high level of current income. The Fund normally will invest primarily in income-producing floating rate loans and other floating rate debt securities and high-yield corporate bonds.

14. Eaton Vance Global Macro Absolute Return NextShares™

The investment objective of this Fund is total return. The Fund will seek its investment objective by investing in securities, derivatives and other instruments to establish long and short investment exposures around the world.

15. Eaton Vance Government Obligations NextShares™

The investment objective of this Fund is to provide a high current return. The Fund normally will invest primarily in fixed-income producing floating rate loans and other floating rate debt securities and high-yield corporate bonds.

16. Eaton Vance High Income Opportunities NextShares™

The primary investment objective of this Fund is to provide a high level of current income. The Fund will seek growth of capital as a secondary investment objective. The Fund normally will invest primarily in fixed-income securities, including preferred stocks, senior and subordinated floating rate loans, and convertible securities.

17. Eaton Vance High Yield Municipal Income NextShares™

The investment objective of this Fund is to provide high current income exempt from regular federal income tax. The Fund normally will invest primarily in municipal obligations, the interest on which is exempt from regular federal income tax.

18. Eaton Vance National Municipal Income NextShares™

The investment objective of this Fund is to provide current income exempt from regular federal income tax. The Fund normally will invest primarily in municipal obligations, the interest on which is exempt from regular federal income tax.

B. Portfolio Disclosure

Consistent with the disclosure requirements that apply to traditional open-end investment companies, a complete list of current Fund portfolio positions will be made available at least once each calendar quarter, with a reporting lag of not more than 60 days. Funds may provide more frequent disclosures of portfolio positions at their discretion.

C. Intraday Indicative Value

For each series of Shares, an estimated value of an individual Share, defined in Nasdaq Rule 5745(c)(2) as the “Intraday Indicative Value,” will be calculated and disseminated at intervals of not more than 15 minutes throughout the Regular Market Session when Shares trade on the Exchange. The Exchange will obtain a representation from the issuer of the Shares that the Intraday Indicative Value will be calculated on an intraday basis and provided to Nasdaq for dissemination via the Nasdaq Global Index Service (“GIDS”). The Intraday Indicative Value will be based on current information regarding the value of the securities and other assets held by a Fund. The purpose of the Intraday Indicative Value is to enable investors to estimate the next-determined NAV so they can determine the number of Shares to buy or sell if they want to transact in an approximate dollar amount (e.g., if an investor wants to acquire approximately $5,000 of a Fund, how many Shares should the investor buy?).

D. NAV-Based Trading

Shares will be purchased and sold in the secondary market at prices directly linked to the Fund’s next-determined NAV using a new trading protocol called “NAV-Based Trading.” All bids, offers, and execution prices of Shares will be expressed as a premium/discount (which may be zero) to the Fund’s next-determined NAV (e.g., NAV – $0.01, NAV+$0.01). A Fund’s NAV will be determined each business day, normally as of 4:00 p.m. Eastern Time. Trade executions will be binding at the time orders are matched on Nasdaq’s facilities, with the transaction prices contingent upon the determination of NAV. Nasdaq represents that all Shares listed on the Exchange will have a unique identifier associated with their ticker symbols, which will indicate that the Shares are traded using NAV-Based Trading.

According to the Exchange, member firms will utilize certain existing order types and interfaces to transmit Share bids and offers to Nasdaq, which will process Share trades like trades in shares of other listed securities. In the systems used to transmit and process transactions in Shares, a Fund’s next-determined NAV will be represented by a proxy price (e.g., 100.00) and a premium/discount of a stated amount to the next-determined NAV to be represented by the same increment/decrement from the proxy price used to denote NAV (e.g., NAV – $0.01 would be represented as 99.99; NAV+$0.01 as 100.01).

To avoid potential investor confusion, Nasdaq represents that it will work with reference NAV is calculated, buyers and sellers of Shares during the trading day will not know the final value of their purchases and sales until the end of the trading day. A Fund’s Registration Statement, Web site and any advertising or marketing materials will include prominent disclosure of this fact. Although Intraday Indicative Values may provide useful estimates of the value of intraday trades, they cannot be used to calculate with precision the dollar value of the Shares to be bought or sold.

According to the Exchange, the premium or discount to NAV at which Share prices are quoted and transactions are executed will vary depending on market factors, including the balance of supply and demand for Shares among investors, transaction fees and other costs in connection with creating and redeeming creation units of Shares, the cost and availability of borrowing Shares, competition among market makers, the Share inventory positions and inventory strategies of market makers, the profitability requirements and business objectives of market makers, and the volume of Share trading.

According to the Exchange, all orders to buy or sell Shares that are not executed on the day the order is submitted will be automatically cancelled as of the close of trading on such day. Prior to the commencement of trading in a Fund, the Exchange will inform its members in an Information Circular of the effect of this characteristic on existing order types.
member firms and providers of market data services to seek to ensure that representations of intraday bids, offers and execution prices of Shares that are made available to the investing public follow the “NAV − $0.01/NAV+$0.01” (or similar) display format. Specifically, the Exchange will use the NASDAQ Basic and NASDAQ Last Sale data feeds to disseminate intraday price and quote data for Shares in real time in the “NAV − $0.01/NAV+$0.01” (or similar) display format. Member firms may use the NASDAQ Basic and NASDAQ Last Sale data feeds to source intraday Share prices for presentation to the investing public in the “NAV − $0.01/NAV+$0.01” (or similar) display format. Alternatively, member firms may source intraday Share prices in proxy price format from the Consolidated Tape and other Nasdaq data feeds (e.g., Nasdaq TotalView and Nasdaq Level 2) and use a simple algorithm to convert prices into the “NAV − $0.01/NAV+$0.01” (or similar) display format. Prior to the commencement of trading in a Fund, the Exchange will inform its members in an Information Circular of the identities of the specific Nasdaq data feeds from which intraday Share prices in proxy price format may be obtained.

III. Discussion and Commission Findings

After careful review, the Commission finds that the Exchange’s proposal to list and trade the Shares is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.17 In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,18 which requires, among other things, that the Exchange’s rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Shares will be subject to Rule 5745, which sets forth the initial and continued listing criteria applicable to Exchange-Traded Managed Fund Shares. A minimum of 50,000 Shares and no less than two creation units of each Fund will be outstanding at the commencement of trading on the Exchange. The Shares are deemed to be equity securities, thus rendering trading in the Shares subject to the Exchange’s existing rules governing the trading of equity securities.

Nasdaq represents that trading in the Shares will be subject to the existing trading surveillances, administered by both Nasdaq and the Financial Industry Regulatory Authority (“FINRA”) on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.19 The Exchange represents that its surveillance procedures are adequate to properly monitor Exchange trading of the Shares and to deter and detect violations of Exchange rules and applicable federal securities laws. FINRA, on behalf of the Exchange, will communicate as needed with other markets and other entities that are members of the Intermarket Surveillance Group (“ISG”) regarding trading in Shares, and in exchange-traded securities and instruments held by the Funds (to the extent such exchange-traded securities and instruments are known through the publication of the Composition File and periodic public disclosures of a Fund’s portfolio holdings), and FINRA may obtain trading information regarding such trading from other markets and other entities. In addition, the Exchange may obtain information regarding trading in Shares, and in exchange-traded securities and instruments held by the Funds (to the extent such exchange-traded securities and instruments are known through the publication of the Composition File and periodic public disclosures of a Fund’s portfolio holdings), from markets and other entities that are members of ISG, which includes securities and futures exchanges, or with which the Exchange has in place a comprehensive surveillance sharing agreement.

Prior to the commencement of trading, the Exchange will inform its members in an Information Circular of the special characteristics and risks associated with trading the Shares. Specifically, the Information Circular will discuss the following: (a) The procedures for purchases and redemptions of Shares in creation units (and that Shares are not individually redeemable); (b) Nasdaq Rule 2111A, which imposes suitability obligations on Nasdaq members with respect to recommending transactions in the Shares to customers; (c) the dissemination of information regarding the Intraday Indicative Value and Composition File; (d) the requirement that members deliver a prospectus to investors purchasing Shares prior to or concurrently with the confirmation of a transaction; and (e) information regarding NAV-Based Trading protocols.

The Information Circular also will identify the specific Nasdaq data feeds from which intraday Share prices in proxy price format may be obtained. As noted above, all orders to buy or sell Shares that are not executed on the day the order is submitted will be automatically cancelled as of the close of trading on such day. The Information Circular will discuss the effect of this characteristic on existing order types. In addition, Nasdaq intends to provide its members with a detailed explanation of NAV-Based Trading through a Trading Alert issued prior to the commencement of trading in Shares on the Exchange.

Nasdaq represents that the Adviser is affiliated with a broker-dealer and has implemented a fire wall with respect to its broker-dealer affiliate regarding access to information concerning the composition and/or changes to each Fund’s portfolio. In the event (a) the Adviser registers as a broker-dealer or becomes newly affiliated with a broker-dealer, or (b) any new adviser or a sub-adviser to a Fund is a registered broker-dealer or becomes affiliated with a broker-dealer, the applicable entity will implement a fire wall with respect to its relevant personnel and/or such broker-dealer affiliate, as the case may be, with respect to access to information concerning the composition and/or changes to the relevant Fund’s portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

The Commission also finds that the proposal to list and trade the Shares on the Exchange is consistent with Section 11A(a)(1)(C)(iii) of the Act,20 which sets forth Congress’ finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for, and transactions in, securities. Information regarding NAV-based trading prices, best bids and offers for Shares, and volume of the Shares traded will be continually available on a real-time basis throughout the day on brokers’ computer screens and other electronic services. All bids and offers for Shares and all Share trade executions will be

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17 In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).
reported intraday in real time by the Exchange to the Consolidated Tape and separately disseminated to member firms and market data services through the Exchange data feeds. Once a Fund’s daily NAV has been calculated and disseminated, Nasdaq will price each Share traded into during the day at the Fund’s NAV plus/minus the trade’s executed premium/discount.

Using the final trade price, each executed Share trade will then be disseminated to member firms and market data services via an FTP file to be created for exchange-traded managed funds and confirmed to the member firms participating in the trade to supplement the previously provided information to include final pricing.

Prior to the commencement of market trading in Shares, each Fund will be required to establish and maintain a public Web site through which its current prospectus may be downloaded. The Web site will include the prior business day’s NAV, and the following trading information for such business day expressed as premiums/discounts to NAV: (a) Intraday high, low, average and closing prices of Shares in Exchange trading; (b) the midpoint of the highest bid and lowest offer prices as of the close of Exchange trading, expressed as a premium/discount to NAV (the “Closing Bid/Ask Midpoint’’); and (c) the spread between highest bid and lowest offer prices as of the close of Exchange trading, expressed as a premium/discount to NAV (the “Closing Bid/Ask Spread’’). The Web site will also contain charts showing the frequency distribution and range of values of trading prices, Closing Bid/Ask Midpoints and Closing Bid/Ask Spreads over time.

This approval order is based on all of the Exchange’s representations, including those set forth above and in the Notice, and the Exchange’s description of the Funds. The Commission notes that the Funds and the Shares must comply with the requirements of Nasdaq Rule 5745 to be listed and traded on the Exchange.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendments Nos. 1 and 2 thereto, is consistent with Section 6(b)(5) of the Act and the rules and regulations thereunder applicable to a national securities exchange.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR–NASDQ–2015–036), as modified by Amendments Nos. 1 and 2 thereto, be, and it hereby is, approved.

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

Robert W. Errett,
Deputy Secretary.

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–616, OMB Control No. 3235–0671]

Proposed Collection; Comment Request

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

Extension: Rule 613

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 613 (17 CFR 242.613). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 613 of Regulation NMS (17 CFR part 242) requires national securities exchanges and national securities associations (“self-regulatory organizations” or “SROs”) to jointly submit to the Commission a national market system (“NMS”) plan to govern the creation, implementation, and maintenance of a consolidated audit trail and central repository for the collection of information for NMS securities. The NMS plan must require each SRO and its respective members to provide certain data to the central repository in compliance with Rule 613. When it adopted Rule 613, the Commission discussed the burden hours associated with the development and submission of the NMS plan. In doing so, the Commission noted that the development and submission of the NMS plan is part of a multi-step process for developing the consolidated audit trail and that the Commission deferred its discussion of the burden hours associated with the other paperwork requirements required by Rule 613—such as the requirements to provide certain data to the central repository—until after the SROs submit an NMS plan and there has been an opportunity for public comment.

The SROs submitted to the Commission the NMS plan on September 30, 2014 and an amended and restated NMS Plan on February 27, 2015. Although the existing collection of information pertains to the development and submission of an NMS plan, and such NMS plan has been developed and submitted, the Commission believes it is prudent to extend this collection of information during the pendency of the Commission’s review of the NMS plan.

The Commission estimates that each of the 19 SROs would spend a total of 2,760 burden hours of internal legal, compliance, information technology, and business operations time to comply with the existing collection of information, calculated as follows: (880 programmer analyst hours) + (300 compliance manager hours) + (700 attorney business analyst hours) + (2,000 other hours) = 52,440 burden hours in the aggregate, calculated as follows: (2,760 burden hours per SRO) × (19 SROs) = 25,440 burden hours. Amortized over three years, the annualized burden hours would be 920 hours per SRO, or a total of 17,480 for all 19 SROs.

The Commission further estimates that the aggregate one-time reporting burden for preparing and filing an NMS plan would be approximately $20,000 in external legal costs per SRO, calculated as follows: 50 legal hours × $400 per hour = $20,000, for an aggregate burden of $1,300,000, calculated as follows: ($20,000 in external legal costs per SRO) × (19 SROs) = $380,000. Amortized over three years, the annualized capital external cost would be $6,667 per SRO, or a total of $126,667 for all 19 SROs.

23 Id. at 45804.
24 See Letter from the SROs, to Brent J. Fields, Secretary, Commission, dated September 30, 2014 (“CAT NMS Plan”).
25 See Letter from the SROs, to Brent J. Fields, Secretary, Commission, dated February 27, 2015 (“Amended and Restated CAT NMS Plan”).