206(4)–5 and has been more rigorous than rule 206(4)–5's requirements as BlackRock has monitored compliance with the Policy by searching for an individual employee's past political contributions on the Federal Election Commission's database whenever an individual makes a request to BlackRock to pre-clear a contribution to a federal candidate. Applicants submit that BlackRock is in the process of enhancing this monitoring protocol.

8. Applicants assert that at no time did any employee or covered associate of BlackRock, the Advisers or any of their affiliates, other than the Contributor have any knowledge that the Contribution had been made before its discovery by the Compliance department in October 2016.

9. Applicants assert that after learning of the Contribution and confirming the Contributor's covered status, BlackRock caused the Contributor to promptly obtain a full refund of the Contribution. Applicants submit that in response to the contribution, BlackRock has begun the process of implementing enhancements to the Policy that will include (a) sending its employees, including employees of its affiliates a third annual reminder to pre-clear all political contributions in the United States, including those to federal candidates (b) revising its annual computer-based training module to highlight the need to pre-clear all political contributions in the United States, including those to federal candidates, and (c) enhancing its protocol to monitor compliance with the Policy's pre-clearance requirements by searching the FEC's and certain states' campaign finance databases for contributions made by a sampling of covered associates on a quarterly basis. Finally, BlackRock's Compliance department will remind the Contributor of the Policy's pre-clearance requirement on at least a quarterly basis.

10. Applicants state that the Contributor is and has, at all relevant times, been a covered associate of the Advisers. Applicants note that the Contributor has never solicited investment advisory business covered under rule 206(4)–5 from government entities and has had no direct contact or involvement with any of the Clients or the members of their Boards regarding any business matters.

11. Applicants assert that the Clients' initial investments with the Advisers substantially predate the Contribution. They were done on an arm's length basis and the Contributor and the Applicants took no action to obtain any direct or indirect influence from the Official.

12. Applicants submit that neither the Advisers nor the Contributor sought to interfere with the Clients' merit-based selection process for advisory services, nor did they seek to negotiate higher fees or greater ancillary benefits than would be achieved in arms' length transactions. Applicants further submit that there was no violation of the Advisers' fiduciary duty to deal fairly or disclose material conflicts given the absence of any intent or action by the Advisers or the Contributor to influence the selection process. Applicants contend that in the case of the Contribution, the imposition of the two-year prohibition on compensation does not achieve rule 206(4)–5's purposes and would result in consequences disproportionate to the mistake that was made.

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

Eduardo A. Aleman,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–83220; File No. SR–CBOE–2018–034]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Marketing Fee Program With Respect to the Russell 2000 Index Options

May 11, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act'') [1], and Rule 19b–4 thereunder,[2] notice is hereby given that on May 1, 2018, Cboe Exchange, Inc. (the ''Exchange'' or ''Cboe Options'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its marketing fee program with respect to the fee assessed on Russell 2000 Index (''RUT'') options.

The text of the proposed rule change is also available on the Exchange's website (*http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx*), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its marketing fee program with respect to the fee assessed on Russell 2000 Index (''RUT'') options. Currently, the Exchange assesses the marketing fee on RUT options at a rate of $0.30 per contract. The Exchange no longer wishes to assess the marketing fee to RUT options. The Exchange notes that the marketing fee is similarly not applied to other Underlying Symbol List A products, which group includes RUT. The Exchange believes removing the marketing fee will encourage greater liquidity in RUT, which benefits all market participants.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[3] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [4] requirements that the rules of an exchange 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 regulating, clearing, settling, processing information with respect to,

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78f(b).

[4] 15 U.S.C. 78f(b)(5).

and 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[5] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes removing the marketing fee to RUT options is reasonable, because it is a fee that will no longer apply to RUT transactions. The proposed change is also equitable and not unfairly discriminatory because it applies uniformly to all Trading Permit Holders and because the marketing fee does not apply to other Underlying Symbol List A products, of which group RUT belongs.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed change applies uniformly to Trading Permit Holders and TPHs will no longer have to pay a marketing fee for RUT transactions. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because RUT is exclusively listed on Cboe Options and C2. To the extent that the proposed changes make Cboe Options a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become Cboe Options market participants.

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 comments on the proposed rule change.

[5] *Id.*

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) of the Act[6] and paragraph (f) of Rule 19b–4[7] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–CBOE–2018–034 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–CBOE–2018–034. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*http://www.sec.gov/rules/sro.shtml).* Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–CBOE–2018–034, and should be submitted on or before June 7, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[8]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–10503 Filed 5–16–18; 8:45 am]

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[6] 15 U.S.C. 78s(b)(3)(A).

[7] 17 CFR 240.19b–4(f).

[8] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–83080; File No. SR–Phlx–2018–31]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Exchange's Pricing Schedule at Section II To Clarify Fees Applicable To Correcting ''As/of'' or ''Reversal'' Trades

April 20, 2018.

Correction

In notice document 2018–08729, beginning on page 18630 in the issue of Thursday, April 26, 2018, make the following correction:

On page 18630, in the middle column, in the document heading, ''[Release No. 34–83080; File No. SR–18–31]'' should read ''[Release No. 34–83080; File No. SR–Phlx–2018–31]''.

[FR Doc. C1–2018–08729 Filed 5–16–18; 8:45 am]

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