

the fund's annual income tax returns, and as a normal business custom.

Rule 12d1-1 also requires unregistered money market funds in which registered funds invest to adopt procedures designed to ensure that the unregistered money market funds comply with sections 17(a), (d), (e), and 22(e) of the Act. This is a one-time collection of information requirement that applies to unregistered money market funds that intend to comply with the requirements of rule 12d1-1. As discussed above, based on a projection of 10 new money market funds per year, the staff estimates that, similarly, there will be 10 new unregistered money market funds that undertake the above burden to establish written procedures and guidelines designed to ensure that the unregistered money market funds comply with sections 17(a), (d), (e), and 22(e) of the Act. The staff estimates the burden as follows:

Establish written procedures and guidelines designed to ensure that the unregistered money market funds comply with sections 17(a), (d), (e), and 22(e) of the Act:

1 response

15.5 hours of director, legal, and support staff time

Cost: \$6,328<sup>39</sup>

Accordingly, the staff estimates that 10 unregistered money market funds will comply with this collection of information requirement and engage in 10 annual responses under rule 12d1-1,<sup>40</sup> the aggregate annual burden hours associated with these responses is 155,<sup>41</sup> and the aggregate annual cost to funds is \$62,380.<sup>42</sup>

Commission staff also estimates that unregistered money market funds will incur costs to preserve records, as required under rule 2a-7. These costs will vary significantly for individual funds, depending on the amount of assets under fund management and whether the fund preserves its records in a storage facility in hard copy or has developed and maintains a computer system to create and preserve compliance records. In the rule 2a-7 submission, Commission staff estimated that the amount an individual money market fund may spend ranges from

\$100 per year to \$300,000. We have no reason to believe the range is different for unregistered money market funds. Based on Form PF data as of the fourth calendar quarter 2016, private liquidity funds have \$293 billion in gross asset value.<sup>43</sup> The Commission does not have specific information about the proportion of assets held in small, medium-sized, or large unregistered money market funds. Because private liquidity funds are often used as cash management vehicles, the staff estimates that each private liquidity fund is a "large" fund (*i.e.*, more than \$1 billion in assets under management). Based on a cost of \$0.0000009 per dollar of assets under management (for large funds),<sup>44</sup> the staff estimates compliance with rule 2a-7 for these unregistered money market funds totals \$263,700 annually.<sup>45</sup>

Consistent with estimates made in the rule 2a-7 submission, Commission staff estimates that unregistered money market funds also incur capital costs to create computer programs for maintaining and preserving compliance records for rule 2a-7 of \$0.0000132 per dollar of assets under management. Based on the assets under management figures described above, staff estimates annual capital costs for all unregistered money market funds of \$3.87 million.<sup>46</sup>

Commission staff further estimates that, even absent the requirements of rule 2a-7, money market funds would spend at least half of the amounts described above for record preservation (\$131,850) and for capital costs (\$1.94 million). Commission staff concludes that the aggregate annual costs of compliance with the rule are \$131,850 for record preservation and \$1.94 million for capital costs.

The collections of information required for unregistered money market funds by rule 12d1-1 are necessary in order for acquiring funds to be able to obtain the benefits described above. Notices to the Commission 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 control number.

<sup>39</sup> See *supra* note 12.

<sup>44</sup> The recordkeeping cost estimates are \$0.0051295 per dollar of assets under management for small funds, and \$0.0005041 per dollar of assets under management for medium-sized funds. The cost estimates are the same as those used in the most recently approved rule 2a-7 submission.

<sup>45</sup> This estimate is based on the following calculation: (\$293 billion × \$0.0000009) = \$263,700 billion for small funds.

<sup>46</sup> This estimate is based on the following calculation: (\$293 billion × 0.0000132) = \$3.87 million.

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 will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information 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 60 days of this publication.

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: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: January 30, 2018.

**Eduardo A. Aleman,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82602; File No. SR-NYSEArca-2017-139]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To List and Trade the Shares of the ProShares Bitcoin ETF and the ProShares Short Bitcoin ETF Under NYSE Arca Rule 8.200-E, Commentary .02

January 30, 2018.

On December 4, 2017, NYSE Arca, Inc. ("NYSE Arca") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade the shares of the ProShares Bitcoin ETF and the ProShares Short Bitcoin ETF under NYSE Arca Rule 8.200-E, Commentary .02. The proposed rule change was published for comment in the **Federal Register** on December 26, 2017.<sup>3</sup> The

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 82350 (Dec. 19, 2017), 82 FR 61100.

<sup>39</sup> This estimate is based on the following calculation: (0.5 hours × \$4,500 per hour for board time) + (7.2 hours × \$378 per hour for an attorney) + (7.8 hours × \$174 per hour for support staff) = \$6,328 per response.

<sup>40</sup> The estimate is based on the following calculations: (10 funds × 1 response) = 10 responses.

<sup>41</sup> This estimate is based on the following calculations: (10 funds × 15.5 hours) = 155 hours.

<sup>42</sup> This estimate is based on the following calculations: (10 funds × \$6,238) = \$62,380.

Commission has received one comment letter on the proposed rule change.<sup>4</sup>

Section 19(b)(2) of the Act<sup>5</sup> 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 Commission is extending this 45-day time period. The Commission finds that it is 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, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>6</sup> designates March 26, 2018, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-NYSEArca-2017-139).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2018-02130 Filed 2-1-18; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82597; File No. SR-BX-2018-007]

### Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Relocate the Consolidated Audit Trail Compliance Rules

January 30, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 24, 2018, Nasdaq BX, Inc. (“BX” or

“Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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 relocate the Consolidated Audit Trail Compliance rules (“CAT Rules”), currently under the 6800 Series (Rules 6810 through 6896), to General 7, Sections 1 through 13 in the Exchange’s rulebook’s (“Rulebook”) shell structure.<sup>3</sup>

The text of the proposed rule change is available on the Exchange’s website at <http://nasdaqbx.cchwallstreet.com/>, at the principal office of the Exchange, 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 relocate the CAT Rules, currently under the 6800 Series, Rules 6810 through 6896, to General 7, Sections 1 through 13 of the Rulebook’s shell structure.

The Exchange adopted the CAT Rules to implement a consolidated audit trail in order to capture customer and order event information to comply with the provisions of the National Market

System Plan Governing the Consolidated Audit Trail.<sup>4</sup> Because the CAT Rules apply across all markets and to all products,<sup>5</sup> the Exchange believes it is pertinent that they be located in the General section of the Rulebook’s shell; therefore, the Exchange will amend the shell structure, creating a new “General 7 Consolidated Audit Trail Compliance” title under “General Equity and Options Rules,” and make conforming changes to the “Options Rules” titles; moreover, this proposal is consistent with similar filings concurrently submitted by the Affiliated Exchanges.

The relocation of the CAT Rules is part of the Exchange’s continued effort to promote efficiency and conformity of its processes with those of its Affiliated Exchanges.<sup>6</sup> The Exchange believes that the migration of the CAT Rules to their new location will facilitate the use of the Rulebook by Members<sup>7</sup> of the Exchange who are members of other Affiliated Exchanges. Moreover, the proposed changes are of a non-substantive nature and will not amend the relocated rules other than to update their numbers and make conforming cross-reference changes.

###### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>9</sup> in particular, in that it is designed to promote just and equitable principles of trade, 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, by promoting efficiency and conformity of the Exchange’s processes with those of the Affiliated Exchanges and to make the Exchange’s Rulebook easier to read and more accessible to its Members. The Exchange believes that the relocation of the CAT Rules and cross-reference updates are of a non-substantive nature.

##### 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 not necessary or appropriate in furtherance of the purposes of the Act. The

<sup>4</sup> See Letter from Abe Kohen, AK Financial Engineering Consultants, LLC (Dec. 27, 2017). All comments on the proposed rule change are available on the Commission’s website at: <https://www.sec.gov/comments/sr-nysearca-2017-139/nysearca2017139.htm>.

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> *Id.*

<sup>7</sup> 17 CFR 200.30-3(a)(31).

<sup>8</sup> 15 U.S.C. 78s(b)(1).

<sup>9</sup> 17 CFR 240.19b-4.

<sup>3</sup> Recently, the Exchange added a shell structure to its Rulebook with the purpose of improving efficiency and readability and to align its rules closer to those of its five sister exchanges, The Nasdaq Stock Market LLC; Nasdaq PHLX LLC; Nasdaq ISE, LLC; Nasdaq GEMX, LLC; and Nasdaq MRX, LLC (“Affiliated Exchanges”). See Securities Exchange Act Release No. 82174 (November 29, 2017), 82 FR 57492 (December 5, 2017) (SR-BX-2017-054).

<sup>4</sup> See Securities Exchange Act Release No. 80256 (March 15, 2017), 82 FR 14526 (March 21, 2017) (SR-BX-2017-007) (Order Approving Proposed Rule Changes To Adopt Consolidated Audit Trail Compliance Rules).

<sup>5</sup> *Id.*

<sup>6</sup> See footnote 3.

<sup>7</sup> Exchange Rule 0120(i).

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).