

with account information, and costs for equipment and systems development. The Commission estimates that under Rule 17a-3(a)(17), approximately 45,633,482 customers will need to be provided with information regarding their account on a yearly basis. The Commission estimates that the postage costs associated with providing those customers with copies of their account record information would be approximately \$16,321,719 per year ( $45,633,482 \times \$0.35$ ).<sup>2</sup> The staff estimates that broker-dealers establishing liquidity, credit, and market risk management controls pursuant to Rule 17a-3(a)(23) incur one-time startup costs of \$912,000, or \$304,000 amortized over a three-year approval period, to hire outside counsel to review the controls. The staff further estimates that the ongoing equipment and systems development costs relating to Rule 17a-3 for the industry would be about \$37,446,686 per year. Consequently, the total cost burden associated with Rule 17a-3 would be approximately \$54,072,405 per year.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be 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.

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: Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Candace Kenner, 100 F Street NE, Washington, DC 20549, or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

<sup>2</sup> Estimates of postage costs are derived from past conversations with industry representatives and have been adjusted to account for inflation and increases in postage costs.

Dated: August 7, 2019.

**Jill M. Peterson,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

**[SEC File No. 270-465, OMB Control No. 3235-0528]**

### 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 237, 60-Day Notice (2019)

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the Securities and Exchange Commission (the "Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for extension and approval.

In Canada, as in the United States, individuals can invest a portion of their earnings in tax-deferred retirement savings accounts ("Canadian retirement accounts"). These accounts, which operate in a manner similar to individual retirement accounts in the United States, encourage retirement savings by permitting savings on a tax-deferred basis. Individuals who establish Canadian retirement accounts while living and working in Canada and who later move to the United States ("Canadian-U.S. Participants" or "participants") often continue to hold their retirement assets in their Canadian retirement accounts rather than prematurely withdrawing (or "cashing out") those assets, which would result in immediate taxation in Canada.

Once in the United States, however, these participants historically have been unable to manage their Canadian retirement account investments. Most securities that are "qualified investments" for Canadian retirement accounts are not registered under the U.S. securities laws. Those securities, therefore, generally cannot be publicly offered and sold in the United States without violating the registration requirement of the Securities Act of 1933 ("Securities Act").<sup>1</sup> As a result of

<sup>1</sup> 15 U.S.C. 77. In addition, the offering and selling of securities of investment companies

this registration requirement, Canadian-U.S. Participants previously were not able to purchase or exchange securities for their Canadian retirement accounts as needed to meet their changing investment goals or income needs.

The Commission issued a rulemaking in 2000 that enabled Canadian-U.S. Participants to manage the assets in their Canadian retirement accounts by providing relief from the U.S. registration requirements for offers of securities of foreign issuers to Canadian-U.S. Participants and sales to Canadian retirement accounts.<sup>2</sup> Rule 237 under the Securities Act<sup>3</sup> permits securities of foreign issuers, including securities of foreign funds, to be offered to Canadian-U.S. Participants and sold to their Canadian retirement accounts without being registered under the Securities Act.

Rule 237 requires written offering documents for securities offered and sold in reliance on the rule to disclose prominently that the securities are not registered with the Commission and are exempt from registration under the U.S. securities laws. The burden under the rule associated with adding this disclosure to written offering documents is minimal and is non-recurring. The foreign issuer, underwriter, or broker-dealer can redraft an existing prospectus or other written offering material to add this disclosure statement, or may draft a sticker or supplement containing this disclosure to be added to existing offering materials. In either case, based on discussions with representatives of the Canadian fund industry, the staff estimates that it would take an average of 10 minutes per document to draft the requisite disclosure statement.

The Commission understands that there are approximately 2,412 Canadian issuers other than funds that may rely on rule 237 to make an initial public offering of their securities to Canadian-U.S. Participants.<sup>4</sup> The staff estimates

("funds") that are not registered pursuant to the Investment Company Act of 1940 ("Investment Company Act") is generally prohibited by U.S. securities laws. 15 U.S.C. 80a.

<sup>2</sup> See Offer and Sale of Securities to Canadian Tax-Deferred Retirement Savings Accounts, Release Nos. 33-7860, 34-42905, IC-24491 (June 7, 2000) [65 FR 37672 (June 15, 2000)]. This rulemaking also included new rule 7d-2 under the Investment Company Act, permitting foreign funds to offer securities to Canadian-U.S. Participants and sell securities to Canadian retirement accounts without registering as investment companies under the Investment Company Act. 17 CFR 270.7d-2.

<sup>3</sup> 17 CFR 230.237.

<sup>4</sup> This estimate is based on the following calculation: 2,322 equity issuers + 90 bond issuers = 2,412 total issuers (as of Dec. 2018). See The MiG Report, Toronto Stock Exchange and TSX Venture Exchange (Dec. 2018) (providing number of equity and bond issuers on the Toronto Exchange).

that in any given year approximately 24 (or 1 percent) of those issuers are likely to rely on rule 237 to make a public offering of their securities to participants, and that each of those 24 issuers, on average, distributes 3 different written offering documents concerning those securities, for a total of 72 offering documents.

The staff therefore estimates that during each year that rule 237 is in effect, approximately 24 respondents<sup>5</sup> would be required to make 72 responses by adding the new disclosure statements to approximately 72 written offering documents. Thus, the staff estimates that the total annual burden associated with the rule 237 disclosure requirement would be approximately 18 hours (108 offering documents × 10 minutes per document). The total annual cost of burden hours is estimated to be \$4,980 (12 hours × \$415 per hour of attorney time).<sup>6</sup>

In addition, issuers from foreign countries other than Canada could rely on rule 237 to offer securities to Canadian-U.S. Participants and sell securities to their accounts without becoming subject to the registration requirements of the Securities Act. However, the staff believes that the number of issuers from other countries that rely on rule 237, and that therefore are required to comply with the offering document disclosure requirements, is negligible.

These burden hour estimates are based upon the Commission staff's experience and discussions with the fund industry. The estimates of average burden hours are made solely for the purposes of the Paperwork Reduction Act. These estimates are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules.

Compliance with the collection of information requirements of the rule is mandatory and is necessary to comply with the requirements of the rule in general. 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.

Please direct your written comments to Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, C/O Candace Kenner, 100 F Street NE, Washington, DC 20549; or send an email to: [PHR\\_Mailbox@sec.gov](mailto:PHR_Mailbox@sec.gov).

Dated: August 7, 2019.

**Jill M. Peterson,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86588; File No. SR-CBOE-2019-039]

### Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fees Schedule

August 7, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 1, 2019, 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

Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to amend its Fees Schedule. The text of the proposed rule change is provided in Exhibit 5.

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 fees schedule to (i) amend the Cboe Options Clearing Trading Permit Holder Proprietary Products Sliding Scales Program (Proprietary Product Sliding Scales") and (ii) amend the Marketing Fee program, effective August 1, 2019.

###### Proprietary Sliding Scales

The Proprietary Products Sliding Scales table provides that Clearing Trading Permit Holder Proprietary transaction fees for Clearing Trading Permit Holders (origin code "F") and for Non-Clearing Trading Permit Holder Affiliates ("Non-TPH Affiliates") (origin code "L") (collectively, Clearing TPHs") in Underlying Symbol List A<sup>3</sup> will be reduced provided a Clearing TPH reaches certain average daily volume ("ADV") thresholds identified in Table A (the "Firm Sliding Scale") and Table B (the "VIX Sliding Scale"). More specifically, Table A, the Firm Sliding Scale, provides for reduced Clearing TPH transaction fees in Underlying Symbol List A options, provided a Clearing TPH reaches certain ADV thresholds in all underlying symbols excluding Underlying Symbol List A on the Exchange in a month. Table B, the VIX Sliding Scale, provides for reduced Clearing TPH transaction fees in VIX, provided a Clearing TPH reaches certain ADV thresholds in all underlying symbols excluding Underlying Symbol List A on the Exchange in a month. Table B, the VIX Sliding Scale, provides for reduced Clearing TPH transaction fees in VIX, provided a Clearing TPH reaches certain ADV thresholds in all underlying symbols excluding Underlying Symbol List A on the Exchange in a month. For each Clearing TPH, the Exchange assesses the better of (a) the Firm Sliding Scale as applied to all Underlying Symbol List A products or (b) the Firm Sliding Scale as applied to all Underlying Symbol List A except

<sup>5</sup> This estimate of respondents only includes foreign issuers. The number of respondents would be greater if foreign underwriters or broker-dealers draft stickers or supplements to add the required disclosure to existing offering documents.

<sup>6</sup> The Commission's estimate concerning the wage rate for attorney time is based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association ("SIFMA"). The \$415 per hour figure for an attorney is from SIFMA's *Management & Professional Earnings in the Securities Industry 2013*, modified by Commission staff to account for an 1,800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, overhead, and inflation.

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

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

<sup>3</sup> See Cboe Options Footnote 34. Underlying Symbol List A currently includes OEX, XEO, RUT, RLC, RLV, RUI, AWDE, FTEM, FXTM, UKXM, SPX (includes SPXw), VIX, VOLATILITY INDEXES and binary options.