

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 (iii) 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. The written record must state: (i) From whom the securities were acquired; (ii) the identity of the underwriting syndicate's members; (iii) the terms of the transactions; and (iv) the information or materials on which the fund's board of directors has determined that the purchases were made in compliance with procedures established by the board.

The rule 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 270 funds engage in a total of approximately 3,350 rule 10f-3 transactions each year.<sup>1</sup> Rule 10f-3 requires that the purchasing fund create a written record of each transaction that includes, among other things, from whom the securities were purchased and the terms of the transaction. The staff estimates<sup>2</sup> that it takes an average fund approximately 30 minutes per transaction and approximately 1,675 hours<sup>3</sup> in the aggregate to comply with this portion of the rule.

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 and that annually, in the aggregate, funds spend approximately 1,117 hours<sup>4</sup> to comply with this portion of the rule.

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 to come to this determination also must be maintained and the staff estimates that it takes a fund 1 hour per quarter and, in the aggregate, approximately 1,080 hours<sup>5</sup> annually to comply with this rule requirement.

The staff 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 per year.<sup>6</sup> Thus, annually, in the aggregate, the staff estimates that funds spend a total of approximately 540 hours<sup>7</sup> on monitoring and revising rule 10f-3 procedures.

Based on an analysis of fund filings, the staff estimates that approximately 251 fund portfolios enter into subadvisory agreements each year.<sup>8</sup> Based on discussions with industry representatives, the staff estimates that it will require approximately 3 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. Because these additional 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.<sup>9</sup> Assuming that all 251 funds that enter into new subadvisory contracts each year make the modification to their contract

required by the rule, we estimate that the rule's contract modification requirement will result in 188 burden hours annually.<sup>10</sup>

The staff estimates, therefore, that rule 10f-3 imposes an information collection burden of 4,060 hours.<sup>11</sup> This estimate does not include the time spent filing transaction reports on Form N-SAR, which is encompassed in the information collection burden estimate for that form.

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 the background documentation for this information collection at the following Web site, [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Shagufta.Ahmed@omb.eop.gov](mailto:Shagufta.Ahmed@omb.eop.gov); and (ii) 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). Comments must be submitted to OMB within 30 days of this notice.

Dated: May 28, 2015.

**Robert W. Errett,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75051; File No. SR-BX-2015-030]

### Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing of Proposed Rule Change To Amend the Amended and Restated Certificate of Incorporation and By-Laws of The NASDAQ OMX Group, Inc.

May 27, 2015.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the

<sup>1</sup> These estimates are based on staff extrapolations from filings with the Commission.

<sup>2</sup> Unless stated otherwise, the information collection burden estimates are based on conversations between the staff and representatives of funds.

<sup>3</sup> This estimate is based on the following calculation: (0.5 hours × 3,350 = 1,675 hours).

<sup>4</sup> This estimate is based on the following calculations: (20 minutes × 3,350 transactions = 67,000 minutes; 67,000 minutes/60 = 1,117 hours).

<sup>5</sup> This estimate is based on the following calculation: (1 hour per quarter × 4 quarters × 270 funds = 1,080 hours).

<sup>6</sup> 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.

<sup>7</sup> This estimate is based on the following calculation: (270 funds × 2 hours = 540 hours).

<sup>8</sup> Based on information in Commission filings, we estimate that 38 percent of funds are advised by subadvisers.

<sup>9</sup> This estimate is based on the following calculation (3 hours × 4 rules = .75 hours).

<sup>10</sup> These estimates are based on the following calculations: (0.75 hours × 251 portfolios = 188 burden hours).

<sup>11</sup> This estimate is based on the following calculation: (1,675 hours + 1,117 hours + 1,080 hours + 188 hours = 4,060 total burden hours).

“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 19, 2015, NASDAQ OMX BX, Inc. (“BX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “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 is filing this proposed rule change with respect to amendments of the Amended and Restated Certificate of Incorporation (the “Charter”) and By-Laws (the “By-Laws”) of its parent corporation, The NASDAQ OMX Group, Inc. (“NASDAQ OMX” or the “Company”), to change the name of the Company to Nasdaq, Inc. The proposed amendments will be implemented on a date designated by NASDAQ OMX following approval by the Commission. The text of the proposed rule change is available on the Exchange’s Web site at <http://nasdaqomxbx.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 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**

As part of an ongoing global rebranding initiative, the Company has begun to refer to itself, both internally and externally, as Nasdaq, rather than NASDAQ OMX. For purposes of consistency with its marketing, communications and other materials, the Company has decided to change the legal names of NASDAQ OMX and certain of its subsidiaries to eliminate

references to OMX. The Company therefore proposes to amend its Charter and By-Laws to change its legal name from The NASDAQ OMX Group, Inc. to Nasdaq, Inc.

Specifically, the Company proposes to file a Certificate of Amendment to its Charter with the Secretary of State of the State of Delaware to amend Article First of the Charter to reflect the new name. In addition, the Company proposes to amend the title and Article I(f) of the By-Laws to reflect the new name.

##### **2. Statutory Basis**

The Exchange believes that its proposal is consistent with section 6(b) of the Act,<sup>3</sup> in general, and furthers the objectives of section 6(b)(5) of the Act,<sup>4</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. The Company is proposing amendments to its Charter and By-Laws to effectuate its name change to Nasdaq, Inc. The Exchange believes that the changes will protect investors and the public interest by eliminating confusion that may exist because of differences between the Company’s corporate name and its current global branding.

#### **B. Self-Regulatory Organization’s Statement on Burden on Competition**

Because the proposed rule change relates to the governance of NASDAQ OMX and not to the operations of the Exchange, 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.

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

No written comments were either solicited or received.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) By order

approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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](mailto:rule-comments@sec.gov). Please include File Number SR-BX-2015-030 on the subject line.

#### **Paper Comments**

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-BX-2015-030. 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 Web site (<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 Web site 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BX-2015-030 and should be submitted on or before June 23, 2015.

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

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

<sup>3</sup> 15 U.S.C. 78f(b).

<sup>4</sup> 15 U.S.C. 78f(b)(5).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>5</sup>

Robert W. Errett,

Deputy Secretary.

[FR Doc. 2015-13173 Filed 6-1-15; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75058; File No. SR-FINRA-2015-012]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Clarify the Scope of the Definition of “Asset-Backed Security” for Purposes of Reporting to FINRA’s Trade Reporting and Compliance Engine (TRACE) System

May 28, 2015.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on May 19, 2015, Financial Industry Regulatory Authority, Inc. (“FINRA”) 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 FINRA. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,<sup>3</sup> which renders the proposal effective upon receipt of this filing by the Commission. 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

FINRA is proposing to clarify the scope of the definition of “Asset-Backed Security” for purposes of reporting to FINRA’s Trade Reporting and Compliance Engine (TRACE) system.

The text of the proposed rule change is available on FINRA’s Web site at <http://www.finra.org>, at the principal office of FINRA 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, FINRA 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. FINRA 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

On November 13, 2013, FINRA proposed a revised definition of “Asset-Backed Security” in Rule 6710 and also proposed new supplementary material to provide further guidance on the intended scope of the definition.<sup>4</sup> In Amendment No. 1 to the Proposal, FINRA modified the definition of “Asset-Backed Security” to provide that the term excludes any securitized product backed by “residential or commercial mortgage loans, mortgage-backed securities, or other financial assets derivative of mortgage-backed securities.”<sup>5</sup> However, a corresponding change to the supplementary material to delete such security types from the scope of Asset-Backed Security was not made at that time. FINRA is now proposing to amend Supplementary Material .01 of Rule 6710 to make clear that home equity loans and home equity lines of credit are not within the scope of the defined term “Asset-Backed Security.”<sup>6</sup>

FINRA has filed the proposed rule change for immediate effectiveness. The implementation date of the proposed rule change will be June 1, 2015.

###### 2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>7</sup> which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and

equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change will clarify the intended scope and operation of the amendments adopted by SR-FINRA-2013-046 by making clear that home equity loans and home equity lines of credit are not within the scope of the definition of “Asset-Backed Security.”

##### B. Self-Regulatory Organization’s Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change clarifies the intended operation of an existing rule.

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to section 19(b)(3)(A) of the Act<sup>8</sup> and Rule 19b-4(f)(6) thereunder.<sup>9</sup>

FINRA has requested that the Commission waive the requirement that the rule change, by its terms, not become operative for 30 days after the date of the filing as set forth in Rule 19b-4(f)(6)(iii),<sup>10</sup> so that the proposal may become operative on June 1, 2015, which is the date that TRACE dissemination of the additional Asset-Backed Securities information will begin. The Commission notes that the proposed rule change, by making a conforming change to Supplementary Material .01 of Rule 6710, would clarify the definition of Asset-Backed Security in that Rule. The Commission notes that without such a waiver there could be a period of time during which

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> See Securities Exchange Act Release No. 70906 (November 20, 2013), 78 FR 70602 (November 26, 2013) (Notice of Filing of File No. SR-FINRA-2013-046) (“Proposal”).

<sup>5</sup> See Amendment No. 1 to SR-FINRA-2013-046.

<sup>6</sup> TRACE dissemination of additional Asset-Backed Securities will begin on June 1, 2015. See *Regulatory Notice 14-34* (August 2014).

<sup>7</sup> 15 U.S.C. 78o-3(b)(6).

<sup>9</sup> 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), FINRA provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and the text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

<sup>10</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>5</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> 17 CFR 240.19b-4(f)(6).