Resolution of litigation claims; and

Other matters relating to enforcement proceedings; and

Disclosure of non-public information.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

CONTACT PERSON FOR MORE INFORMATION: For further information; please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551–5400.

Dated: December 2, 2020.

Vanessa A. Countryman,

Secretary.

[FR Doc. 2020–26892 Filed 12–3–20; 11:15 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–90542; File No. SR–NASDAQ–2020–078]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Exempt Proxy Portfolio Shares From Certain Governance Requirements and Include Proxy Portfolio Shares to the List of Products Covered Under Nasdaq Rule 4120 (Limit Up-Limit Down Plan and Trading Halts)

December 1, 2020.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on November 19, 2020, The Nasdaq Stock Market LLC (''Nasdaq'' 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 provide an exemption from certain governance requirements, as well as to include Proxy Portfolio Shares (listed on the Exchange pursuant to Nasdaq Rule 5750) to the list of products covered under Nasdaq Rule 4120 (Limit Up-Limit Down Plan and Trading Halts).

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/nasdaq/rules,* 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 recently adopted Nasdaq Rule 5750, which relates to the listing and trading of Proxy Portfolio Shares [3] on the Exchange.[4] Nasdaq proposes to amend the definition of ''Derivative Securities'' under Nasdaq Rule 5615(a)(6)(B) as well as certain portions of Nasdaq Rule 4120 to include and apply to a series of Proxy Portfolio Shares listed on the Exchange pursuant to Nasdaq Rule 5750.

Nasdaq notes that the proposed rule change, as discussed below, results from the Exchange proposing to make conforming changes to its corporate governance requirements in order to accommodate the listing of Proxy Portfolio Shares. This will subject Proxy Portfolio Shares to the same corporate governance requirements as other exchange-traded products listed on the Exchange.

Currently, Nasdaq Rule 5615(a)(5) provides management investment companies exemptions to certain corporate governance requirements.[5] Nasdaq Rule 5615(a)(5) also provides that management investment companies that are Derivative Securities (as defined in Nasdaq Rule 5615(a)(6)(B)) [6] are also exempt from the additional requirements of Nasdaq Rule 5600 as outlined in Nasdaq Rule 5615(a)(6)(A). In addition to the exemptions found in Nasdaq Rule 5615(a)(5), Nasdaq Rule 5615(a)(6)(A) also includes exemptions from the audit committee requirements in Nasdaq Rule 5605(c), except for the applicable requirements of SEC Rule 10A–3.[7]

Index Fund Shares, Managed Fund Shares and Exchange Traded Fund Shares are all considered Derivative Securities and, therefore, exempt from the audit committee requirements set forth in Nasdaq Rule 5605(c). They are exempted from such requirements because they are otherwise subject to the accounting and auditing requirements of the Investment Company Act of 1940 (the ''1940 Act''), including Section 32(a).[8]

Proxy Portfolio Shares are also subject to the accounting and auditing requirements under the 1940 Act and are so similarly situated as Index Fund Shares, Managed Fund Shares and Exchange Traded Fund Shares, that the Exchange believes Proxy Portfolio Shares should be subject to, and exempt from, the same corporate governance

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

[2] 17 CFR 240.19b–4.

[3] The term ''Proxy Portfolio Shares'' means ''a security that: (A) Represents an interest in an investment company registered under the Investment Company Act of 1940 (''Investment Company'') organized as an open- end management investment company, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies; (B) is issued in a specified aggregate minimum number in return for a deposit of a specified Proxy Basket and/or a cash amount with a value equal to the next determined net asset value; (C) when aggregated in the same specified minimum number, may be redeemed at a holder's request, which holder will be paid specified Proxy Basket and/or a cash amount with a value equal to the next determined net asset value; and (D) the portfolio holdings for which are disclosed within at least 60 days following the end of every fiscal quarter.''

[4] *See* Securities and Exchange Act Release No. 34–89110 (June 22, 2020), 85 FR 38461 (June 26, 2020) (SR–NASDAQ–2020–032) (the ''Rule Proposal''). The Rule Proposal was effective upon filing pursuant to Section 19(b)(3)(A)(iii) of the Act and Rule 19b–4(f)(6) thereunder and became operative 30 calendar days following the filing date of June 11, 2020.

[5] *See* Nasdaq Rule 5605(b) (Independent Directors); Nasdaq Rule 5605(d) (Compensation Committee); Nasdaq Rule 5605(e) (Independent Director Oversight of Director Nominations); and Nasdaq Rule 5610 (Codes of Conduct).

[6] Nasdaq Rule 5615(a)(6)(B) states: ''For the purposes of this Rule 5600 Series only, the term ''Derivative Securities'' is defined as the following: Exchange Traded Fund Shares (Rule 5704), Portfolio Depository Receipts and Index Fund Shares (Rule 5705); Equity Index-Linked Securities (Rule 5710(k)(i)), Commodity-Linked Securities (Rule 5710(k)(ii)), Fixed Income Index-Linked Securities (5710(k)(iii)), Futures-Linked Securities (5710(k)(iv)), Multifactor Index-Linked Securities (5710(k)(v)), Index-Linked Exchangeable Notes (Rule 5711(a)), Equity Gold Shares (Rule 5711(b)), Trust Certificates (Rule 5711(c)), Commodity-Based Trust Shares (Rule 5711(d)), Currency Trust Shares (Rule 5711(e)), Commodity Index Trust Shares (Rule 5711(f)), Commodity Futures Trust Shares (Rule 5711(g)), Partnership Units (Rule 5711(h)), Managed Trust Securities (Rule 5711(j)), SEEDS (Rule 5715), Trust Issued Receipts (Rule 5720), Managed Fund Shares (Rule 5735), and NextShares (Rule 5745). Derivative Securities are subject to certain exemptions to the Rule 5600 Series as described in Rule 5615(a)(6).''

[7] 17 CFR 240.10A–3.

[8] 15 U.S.C. 80a–31.

requirements associated with listing on the Exchange. Thus, Nasdaq is proposing to make a change to amend Nasdaq Rule 5615(a)(6)(B) to add Proxy Portfolio Shares to the definition of Derivative Securities. Nasdaq Rule 5615(a)(5) allows management investment companies that are considered Derivative Securities to be subject to the exemptions from the audit committee requirements in Nasdaq Rule 5605(c) (except for the applicable requirements of SEC Rule 10A–3) included in Nasdaq Rule 5615(a)(6)(A).

Index Fund Shares, Managed Fund Shares and Exchange Traded Fund Shares are all considered Derivative Securities and, therefore, exempt from the annual meeting requirements set forth in Nasdaq Rule 5620(a). They are exempted from such requirements because they are securities issued by an open-end investment company registered under the 1940 Act that are available for creation and redemption on a continuous basis, and require dissemination of a relevant portfolio value at regular intervals. These requirements provide important investor protections and ensure that the net asset value and the market price remain closely tied to one another while maintaining a liquid market for the security. These protections, along with the disclosure documents regularly received by investors, allow shareholders of Index Fund Shares, Managed Fund Shares and Exchange Traded Fund Shares to value their holdings on an ongoing basis and lessen the need for shareholders to directly deal with management at an annual meeting.[9]

Thus, Nasdaq is proposing to amend Nasdaq Rule 5615(a)(6)(B) to add Proxy Portfolio Shares to the definition of Derivative Securities. Nasdaq Rule 5615(a)(5) allows management investment companies that are considered Derivative Securities to be subject to the exemptions in Nasdaq Rule 5615(a)(6)(A), which includes the exemption from the annual meeting requirements in Nasdaq Rule 5620(a). The Exchange notes that the proposed changes would result in rules that are substantially similar to that of NYSE Arca, Inc.[10]

Nasdaq is also proposing to amend Nasdaq Rule 4120(a)(9) to include Proxy Portfolio Shares in the list of securities that Nasdaq will have discretion to halt trading in if ''(A) trading in underlying securities comprising the index or portfolio applicable to that series has been halted in the primary market(s), (B) the extent to which trading has ceased in securities underlying the index or portfolio, or (C) the presence of other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market.'' Nasdaq believes change this is appropriate because it will subject Proxy Portfolio Shares to the same halt requirements as other Nasdaq listed securities that derive value from an index or portfolio of underlying securities.

Additionally, Nasdaq is proposing to amend Nasdaq Rule 4120(a)(10) to specify that Nasdaq will halt trading in a series of Proxy Portfolio Shares if the net asset value, Proxy Basket, or Fund Portfolio are not being disseminated to market participants at the same time. Nasdaq believes this change is appropriate because it will subject Proxy Portfolio Shares to the same halt requirements as other Nasdaq listed securities that are required to publish similar values on a regular basis.

Nasdaq is also proposing to add Proxy Portfolio Shares to the definition of ''Derivative Securities Products'' as found in Nasdaq Rule 4120(b)(4)(A). Nasdaq believes change this is appropriate because it will specify the Proxy Portfolio Shares are subject to the requirements of Nasdaq Rule 4120(a)(10).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[11] in general, and furthers the objectives of Section 6(b)(5) of the Act,[12] in particular, in that it is consistent with the Section 6(b)(5) 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 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 Exchange believes that the proposed change to amend Nasdaq Rule 5615(a)(6)(B) to include Proxy Portfolio Shares in the definition of Derivative Securities (along with Index Fund Shares, Managed Fund Shares and Exchange Traded Fund Shares, among others), and thereby exempting Proxy Portfolio Shares from the audit committee requirements in Nasdaq Rule 5605(c) (except for the applicable requirements of SEC Rule 10A–3) and the annual meeting requirements in Nasdaq Rule 5620(a), is consistent with the Act because it is meant only to subject Proxy Portfolio Shares to the same corporate governance requirements currently applicable to the very similar product structures of Index Fund Shares, Managed Fund Shares and Exchange Traded Fund Shares. The Exchange believes that this will promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest.

The Exchange further believes that the proposed changes to Nasdaq Rule 4120(a)(9), Nasdaq Rule 4120(a)(10), and Nasdaq Rule 4120(b)(4)(A) are consistent with the Act because it is meant only to subject Proxy Portfolio Shares to the same halt requirements currently applicable to the very similar product structures of Index Fund Shares, Managed Fund Shares and Exchange Traded Fund Shares. Nasdaq believes that this too will promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest.

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. To the contrary, the Exchange believes that the proposed rule change would promote both intermarket and intramarket competition by providing Proxy Portfolio Shares the same exemptions as management investment companies from certain corporate governance requirements [13] the audit committee requirements set forth in Nasdaq Rule 5605(c) (except for the applicable requirements of SEC Rule 10A–3) and the annual meeting requirements of Nasdaq Rule 5620(a). This is consistent with the exemptions provided to Index Fund Shares, Managed Fund Shares, and Exchange Traded Fund Shares.

Additionally, the Exchange believes that the proposed changes to Nasdaq Rule 4120(a)(9), Nasdaq Rule 4120(a)(10), and Nasdaq Rule 4120(b)(4)(A) will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because these only serve to subject Proxy Portfolio

[9] *See* Securities and Exchange Act Release No. 34–86072 (June 10, 2019), 84 FR 27816 (June 14, 2020) (SR–NASDAQ–2019–039).

[10] *See* Securities and Exchange Act Release No. 34–89185 (June 29, 2020), 85 FR 40328 (July 6, 2020) (SR–NYSEArca–2019–95).

[11] 15 U.S.C. 78f(b).

[12] 15 U.S.C. 78f(b)(5).

[13] *Supra* note 5.

Shares to the same halt requirements currently applicable to the similar product structures of Index Fund Shares, Managed Fund Shares and Exchange Traded Fund Shares.

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

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 [14] and Rule 19b–4(f)(6) thereunder.[15]

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.

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–NASDAQ–2020–078 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–NASDAQ–2020–078. 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–NASDAQ–2020–078 and should be submitted on or before December 28, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[16]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020–26784 Filed 12–4–20; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–90543; File No. SR–NSCC–2020–018]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend the Fee Structure

December 1, 2020.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on November 16, 2020, National Securities Clearing Corporation (''NSCC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change. On November 30, 2020, NSCC filed Amendment No. 1 to the proposed rule change, which revised a portion of the rule text and corresponding description in the notice relating to NSCC's current policy regarding the issuance of rebates to Participants. NSCC filed the proposed rule change, as modified by Amendment No. 1, pursuant to Section 19(b)(3)(A) of the Act [3] and Rule 19b–4(f)(2) thereunder.[4] The proposed rule change, as modified by Amendment No. 1, is described in Items I, II, and III below, which Items have been prepared primarily by NSCC. The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change, as Modified by Amendment No. 1

The proposed rule change, as modified by Amendment No. 1, consists of amendments to Addendum A (Fee Structure) of the NSCC Rules & Procedures (''Rules'') [5] in order to (i) modify the Clearing Fund Maintenance Fee (''Maintenance Fee''), (ii) modify the ''value out of the net'' component of the Clearance Activity Fee, and (iii) replace the description currently under the heading ''NSCC Pricing Policy'' with a description of NSCC's current policy regarding the issuance of rebates to Members, as described in greater detail below.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, as Modified by Amendment No. 1

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change, as modified by Amendment No. 1, and discussed any comments it received on the proposed rule change, as modified by Amendment No. 1. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared

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[14] 15 U.S.C. 78s(b)(3)(A).

[15] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and 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. The Exchange has satisfied this requirement.

[16] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

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

[4] 17 CFR 240.19b–4(f)(2).

[5] Capitalized terms not defined herein are defined in the Rules, *available at http://www.dtcc.com/~/media/Files/Downloads/legal/rules/nscc_rules.pdf.*