through issuance of an NSCC Important Notice

2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires, in part, that NSCC's Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions and to protect investors and the public interest.[11] By permitting additional, eligible transactions to settle through CNS or the Balance Order Accounting Operation, and receive the benefit of NSCC's settlement services, including, in the case of CNS, the central counterparty trade guarantee, the proposal would offer protection to investors and the public interest by mitigating its Members' settlement risk and counterparty risk with respect to those transactions. Therefore, NSCC believes the proposed rule change would promote the prompt and accurate clearance and settlement of securities transactions by reducing these risks, consistent with the requirements of the Act, in particular section 17A(b)(3)(F), cited above.

(B) Clearing Agency's Statement on Burden on Competition

NSCC does not believe that the proposed rule changes would have any impact on competition because the proposal would apply equally to all NSCC Members that submit CMU trades through NSCC's RTTM service.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

NSCC has not received any written comments relating to this proposal. NSCC will notify the Commission of any written comments received by NSCC.

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 up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

[11] 15 U.S.C. 78q–1(b)(3)(F).

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–NSCC–2015–005 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–NSCC–2015–005. 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 NSCC and on DTCC's Web site (*http://dtcc.com/legal/sec-rule-filings.aspx*). 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–NSCC–2015–005 and should be submitted on or before November 5, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[12]

Robert W. Errett,

Deputy Secretary.

[FR Doc. 2015–26151 Filed 10–14–15; 8:45 am]

BILLING CODE 8011–01–P

[12] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. IA–4220/803–00225]

Fidelity Management & Research Company and FMR Co., Inc.; Notice of Application

October 8, 2015.

AGENCY: Securities and Exchange Commission (''Commission'').

ACTION: Notice of application for an exemptive order under section 206A of the Investment Advisers Act of 1940 (the ''Advisers Act'') and rule 206(4)–5(e).

APPLICANT: Fidelity Management & Research Company (''FMR'') and FMR Co., Inc. (''FMRC'' and, together with FMR, ''Applicants'').

RELEVANT ADVISERS ACT SECTIONS: Exemption requested under section 206A of the Advisers Act and rule 206(4)–5(e) from rule 206(4)–5(a)(1) under the Advisers Act.

SUMMARY OF APPLICATION: Applicants request that the Commission issue an order under section 206A of the Advisers Act and rule 206(4)–5(e) exempting Applicants from rule 206(4)–5(a)(1) under the Advisers Act to permit Applicants to receive compensation from certain government entities for investment advisory services provided to the government entities within the two-year period following a contribution by a covered associate of the Applicants to an official of the government entities.

FILING DATES: The application was filed on August 28, 2014, an amended and restated application was filed on May 11, 2015, and a second amended and restated application was filed on September 24, 2015.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on November 2, 2015, and should be accompanied by proof of

service on the Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Advisers Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Commission's Secretary.

ADDRESSES: Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090. Fidelity Management & Research Company and FMR Co., Inc., 245 Summer Street, Boston, MA 02210.

FOR FURTHER INFORMATION CONTACT: Kyle R. Ahlgren, Senior Counsel, or Holly Hunter-Ceci, Branch Chief, at (202) 551–6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained via the Commission's Web site either at *http://www.sec.gov/rules/iareleases.shtml* or by searching for the file number, or for an applicant using the Company name box, at *http://www.sec.gov/search/search.htm*, or by calling (202) 551–8090.

Applicants' Representations:

1. Applicants are affiliated asset management companies registered with the Commission as investment advisers under the Investment Advisers Act of 1940 (the ''Act''). Applicants manage mutual funds offered as investment options in participant-directed plans sponsored by two Massachusetts government entities (''Client 1'' and ''Client 2'', respectively, or collectively, the ''Clients''). Client 1 initially entered into its agreement with FMR in 2007 and Client 2 initially entered into its agreement with FMR and FMRC in 1994.

2. Thomas Hense (the ''Contributor'') is a Group Chief Investment Officer of Applicants and a resident of Massachusetts. He assumed his current role in 2008, and is a ''covered associate'' of the Applicants, as such term is defined by rule 206(4)–5(f)(2)(i) due to his role as a supervisor of one or more employees who may solicit investment advisory business from government entities on behalf of each Client. The Contributor has very limited direct interactions with clients regarding their investments. The Contributor's primary role is to supervise a team of investment professionals who manage client funds and accounts. To the best of the Contributor's knowledge, the Contributor attended only two meetings with any Massachusetts government entities in the past two years, and neither of those meetings involved the solicitation of business or either of the Clients.

3. The recipient of the Contribution was Jeffrey McCormick (the ''Recipient''), an independent candidate for Massachusetts Governor. The investment providers and options of Client 1 (including the mutual funds to be offered as investment options to employees) are directly selected by a board that includes a majority of gubernatorial appointees. The investment decisions of Client 2 (including the selection of mutual funds to be offered as investment options to employees) are directly made by the Treasurer of Client 2 under oversight of the President of Client 2. The board of Client 2, which includes a majority of gubernatorial appointees, has authority to appoint the Treasurer and President of Client 2. As a result of these appointment powers with respect to the Clients, the Governor of Massachusetts and any candidate for that office (including the Recipient) is an ''official'' as that term is defined by rule 206(4)–5(f)(6)(ii).

4. On December 21, 2013 (the ''Contribution Date''), the Contributor made a contribution in the amount of $500 to the Recipient's campaign. Because the Contributor was a ''covered associate'' of Applicants, the Clients were ''government entities'' and the Recipient was an ''official'' as those terms are defined in rule 206(4)–5(f), the Contribution triggered Rule 206(4)–5's prohibition against receiving compensation for advisory services provided to the Clients during the two years following the Contribution Date. At the time of the Contribution, Applicants were not discussing or anticipating any new arrangements with the Clients. No material changes in the relationship between any of the funds managed by Applicants and any participant-directed plans sponsored by the Clients or any other material changes in relevant investment patterns occurred after the Contribution.

5. The Contributor lives and works in Massachusetts and has made prior donations to Massachusetts candidates for federal offices. The Contribution was consistent in size and motivation with those prior contributions. The Contributor decided to make the Contribution upon receiving an email solicitation form the Recipient's campaign. The Contributor's decision was based entirely on the personal friendship he maintained with the Recipient and the fact that he supported the Recipient in his efforts to run for Governor of Massachusetts. The reason for the Contribution was wholly unrelated to the investment advisory services provided to the Clients by the Applicants. The Contributor did not discuss the Contribution with the Recipient or with any of his staff, or with the Applicants or their other covered associates.

6. Applicants implemented pay-to-play policies and procedures (the ''Policies'') on March 8, 2011. In accordance with the Policies, the Contributor was required to pre-clear all contributions to federal, state or local candidates or organizations. The Contributor annually received training on the Policies. On January 6, 2014, the Contributor promptly self-reported the Contribution to the Applicants' Compliance Department upon completing his certification questionnaire in accordance with the Policies and realizing that he had failed to pre-clear the Contribution. On January 7, 2014, the Contributor requested a full refund of the Contribution from the Recipient's campaign. The Contributor received a full refund on January 14, 2014.

7. Applicants established an escrow account for the Clients and are currently segregating all compensation for advisory services paid to the Applicants attributable to the Clients' assets under management of the Applicants for the two-year period beginning on the Contribution Date.

8. After learning of the Contribution, the Applicants took steps to limit the Contributor's contact with any representative of a Client for the duration of the two-year period beginning on the Contribution Date, including informing the Contributor that he could have no contact with any representative of a Client other than making substantive presentations to the Client's representatives and consultants about the investment strategies that the Applicants manage for the Clients.

Applicants' Legal Analysis:

1. Rule 206(4)–5(a)(1) under the Advisers Act prohibits a registered investment adviser from providing investment advisory services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the investment adviser or any covered associate of the investment adviser. Each Client is a ''government entity,'' as defined in rule 206(4)–5(f)(5), the Contributor is a ''covered associate'' as defined in rule 206(4)–5(f)(2), and the Official is an ''official'' as defined in rule 206(4)–5(f)(6).

2. Section 206A of the Advisers Act grants the Commission the authority to

''conditionally or unconditionally exempt any person or transaction . . . from any provision or provisions of [the Advisers Act] or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of [the Advisers Act].''

3. Rule 206(4)–5(e) provides that the Commission may exempt an investment adviser from the prohibition under rule 206(4)–5(a)(1) upon consideration of the factors listed below, among others:

(1) Whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Advisers Act;

(2) Whether the investment adviser: (i) Before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the rule; and (ii) prior to or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (iii) after learning of the contribution: (A) Has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution; and (B) has taken such other remedial or preventive measures as may be appropriate under the circumstances;

(3) Whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment;

(4) The timing and amount of the contribution which resulted in the prohibition;

(5) The nature of the election (*e.g.,* federal, state or local); and

(6) The contributor's apparent intent or motive in making the contribution which resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution.

4. Applicants request an order pursuant to section 206A and rule 206(4)–5(e), exempting them from the two-year prohibition on compensation imposed by rule 206(4)–5(a)(1) with respect to investment advisory services provided to the Clients within the two-year period following the Contribution (the ''Order'').

5. Applicants submit that the exemption is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

6. Applicants represent that the Clients determined to invest with Applicants and established those advisory relationships on an arm's length basis free from any improper influence as a result of the Contribution, and there was no connection between the Contribution and any past or potential business between the Clients and the Applicants.

7. Applicants note that causing the Applicants to provide advisory services without compensation for a two-year period would result in a financial loss to the Applicants of approximately $2.7 million—an amount that is 5,400 times the amount of the Contribution. Applicants contend that such a result is greatly disproportionate to the violation and is not consistent with the protection of investors or a purpose fairly intended by the policies and provisions of the Act.

8. Applicants note that they had adopted and implemented the Policies at the time of the Contribution and had the Policies in place at all times since the adoption of rule 205(4)–5. Applicants represent that they perform compliance testing and they have a rigorous and robust screening of prospective hires and internal employees being considered for covered associate positions.

9. Applicants represent that at no time did any employees or covered associates of the Applicants, or any executive or employee of the Applicants' affiliates, other than the Contributor, know of the Contribution prior to the Contributor's self-report to Applicants' compliance personnel.

10. Applicants represent that the Applicants and the Contributor took all available steps to promptly obtain a return of the Contribution after the Contributor's self-report to Applicants' compliance personnel, and the full amount of the Contribution was fully refunded within one week of the refund request. Applicants established an escrow account for all compensation for advisory services attributable to the Clients' assets under management of the Applicants for the two-year period beginning on the Contribution Date.

Applicants' Conditions:

Applicants agree that the Order will be subject to the following conditions:

1. The Contributor will be prohibited from soliciting investments from any ''government entity'' client or prospective ''government entity'' client for which the Recipient is an ''official'' as defined in rule 206(4)–5(f)(6) until December 21, 2015 (the ''Restricted Period'').

2. Notwithstanding Condition 1, the Contributor will be (i) permitted to respond to inquiries from, and make presentations to, any government entity client described in Condition 1 regarding accounts already managed by the Applicants as of December 21, 2013 and (ii) permitted to respond to inquiries from any government entity client regarding an account established with the Applicants by such government entity client after December 21, 2013. The Applicants will maintain a log of such interactions, which will be maintained and presented in an easily accessible place for a period of not less than five years, the first two years in an appropriate office of the Applicants, and will be available for inspection by the staff of the Commission.

3. The Contributor will receive written notification of these conditions and will provide a quarterly certification of compliance through the Restricted Period. Copies of the certifications will be maintained and preserved by the Applicants in an easily accessible place for a period of not less than five years, the first two years in an appropriate office of the Applicants and will be available for inspection by the Staff of the Commission.

4. The Applicants will conduct testing reasonably designed to prevent violations of the conditions of the Order and maintain records regarding such testing, which will be maintained and preserved in an easily accessible place for a period of not less than five years, the first two years in an appropriate office of the Applicants, and will be available for inspection by staff of the Commission.

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

Robert W. Errett,

Deputy Secretary.

[FR Doc. 2015–26146 Filed 10–14–15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–76106; File No. SR–CBOE–2015–081]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Complex Orders

October 8, 2015.

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