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FEDERAL REGISTER

Vol. 91 Monday,

No. 191 October 5, 2026

Pages 63133–63474

OFFICE OF THE FEDERAL REGISTER

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Contents

Federal Register

Vol. 91, No. 191

Monday, October 5, 2026

Agency for Healthcare Research and Quality
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals, 63278–63282

Bureau of Safety and Environmental Enforcement
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals, 63303–63305
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Oil and Gas Production Requirements, 63305–63306

Census Bureau
PROPOSED RULES
Decennial Census of the Population of Americans; Proposed Residence Criteria and Proposed Regulations for Demographic Questions, 63207
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Qualitative Research to Improve 2030 Census Communications, 63259–63260

Centers for Disease Control and Prevention
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals, 63282–63289

Centers for Medicare & Medicaid Services
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals, 63289–63291
Medicare Program:
Alternative Payment Model (APM) Incentive Payment Advisory for Clinicians—Request for Current Billing Information for Qualifying APM Participants; Correction, 63290

Children and Families Administration
PROPOSED RULES
Reforming Federal Reporting and Assessments in Child Welfare, 63226–63243
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Federal Case Registry, 63291–63292
Mental Health Assessment Form and Onsite Health Intervention Form, 63292–63294

Coast Guard
RULES
Special Local Regulation:
Allegheny River Mile Marker 20.5–21, Creighton, PA, 63147–63149

Commerce Department
See Census Bureau
See International Trade Administration
See National Oceanic and Atmospheric Administration

Consumer Product Safety Commission
PROPOSED RULES
Safety Standard:
Lithium-Ion Batteries Used in Micromobility Products and Electrical Systems of Micromobility Products Containing Such Batteries, 63208
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Safety Standard for Button Cell or Coin Batteries and Consumer Products Containing Such Batteries, 63275–63276

Education Department
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Consolidated State Plan, 63276–63277

Equal Employment Opportunity Commission
NOTICES
Performance Review Board Members, 63277

Federal Aviation Administration
PROPOSED RULES
Airspace Designations and Reporting Points:
Eastern United States, 63178–63180
Airworthiness Directives:
Airbus Helicopters, 63172–63175
DG Aviation GmbH (Type Certificate Previously Held by DG Flugzeugbau GmbH) Gliders, 63175–63177
Digital Modernization for Licensing Electronic Application Submissions, 63180–63185
Lightning Hazard Mitigation Burden-Reducing Exception, 63199–63204
Overpressure Blast Effects Analysis Burden Reducing Clarification, 63204–63207
Simplifying Physical Containment Requirements, 63185–63190
Special Conditions:
Honda Aircraft Company LLC Model HA-480 Airplane; High Altitude Operation, 63170–63172
Streamlining Flight Safety Analysis Methodology Means of Compliance, 63190–63199
NOTICES
Advisory Circular:
187–1V: Schedule of Charges Outside the United States, 63381–63382
Airport Property:
Liberal Mid-America Regional Airport, Liberal, KS, 63381
Intent to Designate as Abandoned:
VanDyke Russell Supplemental Type Certificate, 63380–63381

Federal Communications Commission
RULES
2026 Mandatory Data Collection for Incarcerated People's Communications Services, 63149–63156

Federal Deposit Insurance Corporation
NOTICES
Termination of Receivership, 63277

Federal Maritime Commission
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
FMC Assistance Center, 63277–63278

Federal Motor Carrier Safety Administration
RULES
Petitions for Reconsideration:
Clarification to the Applicability of Emergency Exemptions, 63156–63160

Federal Reserve System
NOTICES
Change in Bank Control:
Acquisitions of Shares of a Bank or Bank Holding Company, 63278

Federal Transit Administration
NOTICES
Buy America Waiver:
North County Transit District Diesel Multiple Unit Replacement Parts, 63383–63384
Charter Amendments, Establishments, Renewals and Terminations:
Transit Advisory Committee for Safety, 63382–63383

Financial Crimes Enforcement Network
PROPOSED RULES
Special Measure Prohibiting the Transmittal of Funds Regarding Transactions Involving the A7 Network's Sub-Agents, 63208–63226

Fish and Wildlife Service
PROPOSED RULES
Endangered and Threatened Species:
Four Species Not Warranted for Listing as Endangered or Threatened Species, 63250–63258

General Services Administration
PROPOSED RULES
General Services Administration Acquisition Regulation:
Implementation of Executive Order 14275, Acquisition of Utility Services, 63243–63250

Health and Human Services Department
See Agency for Healthcare Research and Quality
See Centers for Disease Control and Prevention
See Centers for Medicare & Medicaid Services
See Children and Families Administration
See National Institutes of Health
NOTICES
Hearings, Meetings, Proceedings, etc.:
Advisory Council on Alzheimer's Research, Care, and Services, 63294–63295

Homeland Security Department
See Coast Guard
See U.S. Customs and Border Protection
See U.S. Immigration and Customs Enforcement

Housing and Urban Development Department
RULES
Section 3 Benchmarks for Creating Economic Opportunities for Low- and Very Low-Income Persons and Eligible Businesses, 63146–63147

Interior Department
See Bureau of Safety and Environmental Enforcement
See Fish and Wildlife Service
See Surface Mining Reclamation and Enforcement Office
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Private Rental Survey, 63302–63303

International Trade Administration
NOTICES
Antidumping or Countervailing Duty Investigations, Orders, or Reviews:
Certain Corrosion Inhibitors from the People's Republic of China, 63260–63261
Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China and the Russian Federation, 63265–63266
Certain Potassium Phosphate Salts from the People's Republic of China, 63264–63265
Large Diameter Welded Pipe from the Republic of Turkiye; Correction, 63268–63269
Mattresses from Poland, 63266–63268
Melamine from the People's Republic of China, 63272–63273
Methionine from France, Japan, and Spain, 63273–63274
Oil Country Tubular Goods from Ukraine, 63262–63264
Passenger Vehicle and Light Truck Tires from the Socialist Republic of Vietnam, 63261–63262
Potassium Phosphate Salts from the People's Republic of China, 63269–63270
Steel Concrete Reinforcing Bar from the Republic of Turkiye, 63270–63272

International Trade Commission
NOTICES
Antidumping or Countervailing Duty Investigations, Orders, or Reviews:
Amine Compounds from China, 63307–63308
Investigations; Determinations, Modifications, and Rulings, etc.:
Railway Tank Cars and Parts Thereof from Mexico, 63308–63309

Justice Department
NOTICES
Proposed Consent Decree:
CERCLA, 63309

National Drug Control Policy Office
NOTICES
Performance Review Board Members, 63310

National Institutes of Health
NOTICES
Hearings, Meetings, Proceedings, etc.:
Center for Scientific Review, 63295–63299
Center for Scientific Review; Amended, 63296, 63298

National Oceanic and Atmospheric Administration
RULES
Fisheries of the Caribbean, Gulf of America, and South Atlantic:
Puerto Rico Fishery Management Plan; Amendment 4, 63160–63166
Fisheries of the Exclusive Economic Zone off Alaska:
Pacific Ocean Perch in the Western Regulatory Area of the Gulf of Alaska, 63166–63167
Fisheries of the Northeastern United States:
Summer Flounder Fishery; Quota Transfer from North Carolina to Massachusetts, 63166

NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Reporting Requirements for Commercial Fisheries Authorization under Section 118 of the Marine Mammal Protection Act, 63274–63275

National Science Foundation
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals, 63310–63311
Proposal Review Committee Name Changes, 63310

Nuclear Regulatory Commission
RULES
Exemptions from Materials Licensing, 63133–63146
PROPOSED RULES
Exemptions from Materials Licensing, 63168–63170
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Sunset Rule, 63312–63313
Meetings; Sunshine Act, 63313–63314
Permits; Applications, Issuances, etc.:
Tennessee Valley Authority, Clinch River Nuclear Unit 1; Construction Permit and Record of Decision, 63311–63312

Postal Regulatory Commission
NOTICES
New Postal Products, 63314

Presidential Documents
ADMINISTRATIVE ORDERS
Lebanon; Presidential Determination on Revocation of Prior Presidential Determinations (Presidential Determination No. 2026–25 of September 30, 2026), 63471–63473

Securities and Exchange Commission
PROPOSED RULES
Interval Fund Modernization:
Expansion of Multiple Share Class to Registered Closed-End Management Investment Companies and Business Development Companies, 63388–63470
NOTICES
Application:
SLR Secured Lending Partners, LLC and SLR Secured Specialty Lending Fund, 63323–63324
Meetings; Sunshine Act, 63344–63345
Potential Designation of Certified Financial Planner Certification as Qualifying Natural Persons for Accredited Investor Status, 63345–63352
Potential Designation of Chartered Financial Analyst Designation as Qualifying Natural Persons for Accredited Investor Status, 63314–63322
Potential Designation of Passage of an Accredited Investor Exam to Be Developed by FINRA as Qualifying Natural Persons for Accredited Investor Status, 63335–63344
Potential Designation of U.S. Certified Public Accountant License as Qualifying Natural Persons for Accredited Investor Status, 63368–63376
Potential Designations of the Investment Banking Representative License (Series 79) and the Research Analyst License (Series 86 and Series 87) as Qualifying Natural Persons for Accredited Investor Status, 63357–63365
Self-Regulatory Organizations; Proposed Rule Changes:
Long-Term Stock Exchange, Inc., 63352–63354
MIAX PEARL, LLC, 63365–63368
Nasdaq GEMX, LLC, 63356–63357
Nasdaq ISE, LLC, 63324–63325
Nasdaq MRX, LLC, 63354–63356
Nasdaq PHLX LLC, 63325–63327
The Depository Trust Co., 63327–63333
The Nasdaq Stock Market LLC, 63322–63323, 63333–63335

Small Business Administration
NOTICES
Disaster Declaration:
United States and U.S. Territories; Military Reservist Economic Injury Disaster Loan Program, 63376–63377

State Department
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Media Inquiry System, 63377

Surface Mining Reclamation and Enforcement Office
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Technical Evaluation Surveys, 63306–63307

Surface Transportation Board
NOTICES
Hearings, Meetings, Proceedings, etc.:
Rail Energy Transportation Advisory Committee, 63377–63378

Susquehanna River Basin Commission
NOTICES
Hearings, Meetings, Proceedings, etc., 63378–63379

Trade Representative, Office of United States
NOTICES
Hearings, Meetings, Proceedings, etc.:
Operation of the Agreement between the United States of America, the United Mexican States, and Canada, 63379–63380

Transportation Department
See Federal Aviation Administration
See Federal Motor Carrier Safety Administration
See Federal Transit Administration
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Public Charters, 63384

Treasury Department
See Financial Crimes Enforcement Network
NOTICES
Interest Rate Paid on Cash Deposited to Secure U.S. Immigration and Customs Enforcement Immigration Bonds, 63385

U.S. Customs and Border Protection
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Court-Ordered Refunds under the International Emergency Economic Powers Act Worksheet, 63299–63301

U.S. Immigration and Customs Enforcement
NOTICES
Agency Information Collection Activities; Proposals, Submissions, and Approvals:
Suspicious/Criminal Activity Tip Reporting, 63301–63302

Separate Parts In This Issue

Part II
Securities and Exchange Commission, 63388–63470

Part III
Presidential Documents, 63471–63473

Reader Aids

Consult the Reader Aids section at the end of this issue for phone numbers, online resources, finding aids, and notice of recently enacted public laws.

To subscribe to the Federal Register Table of Contents electronic mailing list, go to https://public.govdelivery.com/accounts/USGPOOFR/subscriber/new, enter your e-mail address, then follow the instructions to join, leave, or manage your subscription.

CFR PARTS AFFECTED IN THIS ISSUE

A cumulative list of the parts affected this month can be found in the Reader Aids section at the end of this issue.

10 CFR
20.....63133
30.....63133
40.....63133
70.....63133
Proposed Rules:
20.....63168
30.....63168
40.....63168
70.....63168

14 CFR
Proposed Rules:
23.....63170
39 (2 documents) 63172, 63175
71.....63178
401 (2 documents) 63180, 63185
404.....63180
413.....63180
414.....63180
450 (4 documents) 63185, 63190, 63199, 63204

15 CFR
Proposed Rules:
60.....63207
70.....63207

16 CFR
Proposed Rules:
1112.....63208
1265.....63208

17 CFR
Proposed Rules:
239.....63388
249.....63388
270.....63388
274.....63388

24 CFR
75.....63146

31 CFR
Proposed Rules:
1010.....63208

33 CFR
100.....63147

45 CFR
Proposed Rules:
1355.....63226
1357.....63226

47 CFR
64.....63149

48 CFR
Proposed Rules:
541.....63243
552.....63243

49 CFR
390.....63156

50 CFR
622.....63160
648.....63166
679.....63166
Proposed Rules:
17.....63250

Rules and Regulations

Federal Register
Vol. 91, No. 191
Monday, October 5, 2026

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents.

NUCLEAR REGULATORY COMMISSION

10 CFR Parts 20, 30, 40, and 70

[NRC–2025–1568]

RIN 3150–AL61

Exemptions From Materials Licensing

AGENCY: Nuclear Regulatory Commission.

ACTION: Direct final rule.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is amending several regulations for byproduct, source, and special nuclear material by expanding how certain nuclear material can be safely used without a license. This action is responsive to the NRC's mission to enable safe, efficient, and reliable licensing and consistent with several Executive orders. These changes are deregulatory in nature, eliminating the need to obtain licenses for certain materials uses and quantities.

DATES: This direct final rule is effective December 21, 2026, unless significant adverse comments are received by November 4, 2026. If this direct final rule is withdrawn as a result of such comments, timely notice of the withdrawal will be published in the **Federal Register**. Comments received on this direct final rule will also be considered to be comments on a companion proposed rule published in the Proposed Rules section of this issue of the **Federal Register**.

ADDRESSES: Please refer to Docket ID NRC–2025–1568 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- *Federal Rulemaking Website:* Electronically at *https://www.regulations.gov.* Search for Docket ID NRC–2025–1568. Address questions about NRC dockets to Helen Chang; telephone: 301–415–3228; email: *Helen.Chang@nrc.gov*. For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.
- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at *https://www.nrc.gov/reading-rm/adams.html.* To begin the search, select ''Begin ADAMS Public Search.'' For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, at 301–415–4737, or by email to *PDR.Resource@nrc.gov.* For the convenience of the reader, instructions about obtaining materials referenced in this document are provided in the ''Availability of Documents'' section.
- *NRC's PDR:* The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to *PDR.Resource@nrc.gov* or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time, Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Denise Edwards, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone: 301–415–7204, email: *Denise.Edwards@nrc.gov.*

SUPPLEMENTARY INFORMATION:

Table of Contents

I. Obtaining Information and Submitting Comments
A. Obtaining Information
B. Submitting Comments
II. Executive Order 14300: Ordering the Reform of the Nuclear Regulatory Commission
III. Rulemaking Procedure
IV. Background
V. Discussion
A. Expanding Exemptions for Byproduct Material
B. Expanding Exemptions for Department of Energy (DOE) Contractors
VI. Regulatory Flexibility Certification
VII. Regulatory Analysis
A. Need for the Rule
B. Analytical Framework
C. Estimated Costs and Savings of the Direct Final Rule
VIII. Backfitting and Issue Finality
IX. Plain Writing
X. National Environmental Policy Act
XI. Paperwork Reduction Act
XII. Executive Orders
A. Executive Order 12866: Regulatory Planning and Review (as Amended by Executive Order 14215, Ensuring Accountability for All Agencies)
B. Executive Order 14192: Unleashing Prosperity Through Deregulation
C. Executive Order 14267: Reducing Anti-Competitive Regulatory Barriers
XIII. Congressional Review Act
XIV. Coordination With NRC Agreement States
XV. Compatibility of Agreement State Regulations
XVI. Voluntary Consensus Standards
XVII. Availability of Guidance
XVIII. Availability of Documents

I. Obtaining Information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID NRC–2025–1568 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- *Federal Rulemaking Website:* Go to *https://www.regulations.gov* and search for Docket ID NRC–2025–1568.
- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at *https://www.nrc.gov/reading-rm/adams.html.* To begin the search, select ''Begin ADAMS Public Search.'' For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, 301–415–4737, or by email to *pdr.resource@nrc.gov.* For the convenience of the reader, instructions about obtaining materials referenced in this document are provided in the ''Availability of Documents'' section.
- *NRC's PDR:* The NRC Public Document Room (PDR), where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to *PDR.Resource@nrc.gov* or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time, Monday through Friday, except Federal holidays.

B. Submitting Comments

Comments must be submitted electronically using *https://www.regulations.gov* no later than 11:59 p.m. eastern time on November 4, 2026. Please include Docket ID NRC–2025–1568 in your comment submission.

The NRC cautions you not to include identifying or contact information that you do not want to be publicly disclosed in your comment submission. The NRC will post all comment submissions at *https://www.regulations.gov* as well as enter the comment submissions into ADAMS. The NRC does not routinely edit comment submissions to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the NRC, then you should inform those persons not to include identifying or contact information that they do not want to be publicly disclosed in their comment submission. Your request should state that the NRC does not routinely edit comment submissions to remove such information before making the comment submissions available to the public or entering the comment into ADAMS.

II. Executive Order 14300: Ordering the Reform of the Nuclear Regulatory Commission

On May 23, 2025, President Donald J. Trump signed Executive Order (E.O.) 14300, ''Ordering the Reform of the Nuclear Regulatory Commission.'' Section 5, ''Reforming and Modernizing the NRC's Regulations,'' directs the NRC to undertake a review and wholesale revision of its regulations and guidance documents as guided by the policies set forth in section 2 of the E.O. This rulemaking is part of the NRC's response to the direction in Section 5 of the E.O. because in conducing the wholesale review of its regulation, the NRC reexamined the regulations pertaining to the use of certain nuclear material without a license.

III. Rulemaking Procedure

Because the NRC considers this action to be noncontroversial, the NRC is using the ''direct final rule procedure'' for this rule. This amendment is effective on December 21, 2026. However, if the NRC receives significant adverse comments on this direct final rule by November 4, 2026, then the NRC will publish a document that withdraws this action and will address the comments received in a subsequent final rule as a response to the companion proposed rule published in the Proposed Rules section of this issue of the **Federal Register**. Absent significant modifications to the proposed revisions requiring republication, the NRC will not initiate a second comment period on this action.

A significant adverse comment is a comment where the commenter explains why the rule would be inappropriate, including challenges to the rule's underlying premise or approach, or would be ineffective or unacceptable without a change. A comment is adverse and significant if:

(1) The comment opposes the rule and provides a reason sufficient to require a substantive response in a notice-and-comment process. For example, a substantive response is required when:

(a) The comment causes the NRC to reevaluate (or reconsider) its position or conduct additional analysis;

(b) The comment raises an issue serious enough to warrant a substantive response to clarify or complete the record; or

(c) The comment raises a relevant issue that was not previously addressed or considered by the NRC.

(2) The comment proposes a change or an addition to the rule, and it is apparent that the rule would be ineffective or unacceptable without incorporation of the change or addition.

(3) The comment causes the NRC to make a change (other than editorial) to the rule.

For detailed instructions on filing comments, please see the **ADDRESSES** section of this document.

IV. Background

This rulemaking (1) amends the regulations pertaining to quantities of byproduct material that are exempt from licensing in title 10 of the *Code of Federal Regulations* (10 CFR) part 30, ''Rules of General Applicability to Domestic Licensing of Byproduct Material,'' specifically § 30.71 (''Schedule B''); and (2) expands the exemptions from licensing for Department of Energy (DOE) contractors. Exemptions for DOE contractors are in part 30, and also in 10 CFR part 40, ''Domestic Licensing of Source Material''; and 10 CFR part 70, ''Domestic Licensing of Special Nuclear Material,'' specifically §§ 30.12, 40.11, and 70.11. The NRC has authority to issue licenses to persons for the use of radioactive material under the Atomic Energy Act of 1954, as amended (AEA). With respect to the revision to Schedule B, the exempt quantities of byproduct material, under section 81 of the AEA, the NRC also has authority to exempt certain classes or quantities of byproduct material from the requirements for a license. In considering its exemptions from licensing, the NRC is directed by the AEA to make a finding that the exemption of such classes or quantities of such material or such kinds of uses or users will not constitute an unreasonable risk to the common defense and security and to the health and safety of the public. Consistent with this direction, the NRC has defined limits for such material by quantity (mass), radioactivity (activity), the material's use, the person using the material, or a combination thereof.

The NRC has identified its regulations for exempt quantities in Schedule B as an area for regulatory improvement. Exempt quantity limits for exempt use in Schedule B were identical to other quantity limits in the NRC's radiation protection regulations in 10 CFR part 20 until it was revised in 1991 (56 FR 23360; May 21, 1991). The NRC published changes to 10 CFR part 20 to reflect the adoption of recommendations of the International Commission on Radiation Protection (ICRP) Publication Nos. 26 and 30. At the time, the values in Schedule B were not revised because conformity was not considered essential when 10 CFR part 20 was updated. In June 2001, the NRC conducted a technical evaluation of its exemptions, published in NUREG–1717, ''Systematic Radiological Assessment of Exemptions for Source and Byproduct Materials.'' This evaluation concluded that providing a cross-reference to appendix C to 10 CFR part 20 continues to ensure reasonable assurance of adequate protection of public health and safety. Further changes were made due to the Energy Policy Act of 2005, which added additional byproduct material to the NRC's jurisdiction. Schedule B was partially updated in a final rule, ''Requirements for Expanded Definition of Byproduct Material; Final Rule'' (72 FR 55864; October 1, 2007) to include radionuclides that were commonly used at that time. More recently, the NRC has received information that expanding the use of byproduct material under exemption should be pursued, following a comment letter from National Institutes of Health, dated December 15, 2020.

Next, based on licensing experience, the NRC also has identified its regulations granting exemptions to DOE contractors as an area for regulatory improvement. These regulations for byproduct, source, and special nuclear material are addressed in §§ 30.12, 40.11, and 70.11, respectively. Almost identical versions of these regulations have been in place since the existence of the Atomic Energy Commission (AEC), when the AEC reviewed its contractor activities for exemption (see *e.g.,* 16 FR 3251; April 13, 1951; 21 FR 213; January 11, 1956; 29 FR 14401; October 20, 1964). When the AEC was reorganized in 1975, the NRC retained the responsibility to perform the review of the exemption requests for DOE

contractors working in areas subject to the jurisdiction of the NRC.

V. Discussion

The NRC is amending its regulations in this rule to expand how byproduct material can be safely used without a license and expand exemptions from licensing for certain activities of DOE contractors.

As discussed in the ''Background'' section, these long-standing exemptions both for exempt quantities of byproduct material in Schedule B and the exemptions for DOE contractors have only been slightly changed in the past decades. Since their promulgation, from time to time the NRC has evaluated exempt material use to ensure that the limits are still protective of health and safety. On its own initiative, the NRC has also performed technical evaluations of Schedule B, examining if higher quantity or activity limits would still provide adequate protection of health and safety, common defense and security, and the environment. A comprehensive technical evaluation was published in ''Systematic Radiological Assessment of Exemptions for Source and Byproduct Materials'' (NUREG–1717, June 2001), which supports the quantity and activity limits established in revised Schedule B. That evaluation demonstrated that the quantity and activity limits in revised Schedule B present such low risk, even in conservative misuse scenarios, that regulation would not meaningfully improve safety. Further, the revised Schedule B more closely aligns the NRC's labeling and licensing requirements by matching the quantities of materials that are exempt from licensing under 10 CFR part 30 with those that are exempt from labelling under 10 CFR part 20 with limited exceptions.

With respect to the exemptions for DOE contractors, the NRC has reviewed exemption requests it has received and approved from its licensees and from the DOE in order to assess what limits would ensure safe use of radioactive material exempt from the licensing process.

Overall, these amendments will provide greater regulatory flexibility, thereby accomplishing the goals of E.O. 14300 while ensuring safety. The following discussion elaborates on these points, organized by subject area.

A. Expanding Exemptions for Byproduct Material

This rule amends the NRC's regulations in Schedule B to include all the radionuclides that are widely used by researchers and in academic, industrial, and medical settings. Without this update, individuals who use and possess radionuclides not included in the existing Schedule B list must continue to apply for a specific license where one is not needed to ensure reasonable assurance of adequate protection of public health and safety. Therefore, the NRC is replacing the current Schedule B with a reference to appendix C to 10 CFR part 20 and a clarifying footnote that the quantities listed are also used in 10 CFR part 30 to define quantities exempt from licensing. The limits in Schedule B are referred to elsewhere in regulations as ''exempt quantities''; however, Schedule B limits are published in terms of activity, as are the values in appendix C to part 20. The majority of the exempt quantity thresholds specifically listed in the current Schedule B match values contained in appendix C to 10 CFR part 20. This will expand radionuclides that are currently not listed in Schedule B, will update the quantities of existing radionuclides on the table based on the latest safety data, and will ensure that persons currently exempt from requiring a license continue to be exempt.

This change updates the activities of byproduct material for which possession is exempt from the requirement for a specific license. This rulemaking ensures exempt quantity thresholds are tied to risks associated with the radionuclide as appendix C to 10 CFR part 20 is developed based on NRC risk modules. The change saves resources for individuals who use low-risk quantities of certain radionuclides identified in appendix C to 10 CFR part 20 as it removes the need to get a specific license. It also saves resources for NRC and Agreement States to review specific license applications and conduct inspections.

The quantities for three radionuclides specifically listed in § 30.71 (cadmium-109, iridium-192, and zirconium-93) have lower values (1 μCi, 37 kilobecquerel) in appendix C to 10 CFR part 20 than currently contained in 10 CFR 30.71 (10 μCi). If the values for these radionuclides are replaced by the values in appendix C to 10 CFR part 20, the exempt quantity threshold for these radionuclides will decrease. Additionally, the current exempt quantity of any byproduct materials other than alpha emitting byproduct material not listed in § 30.71 is 0.1 μCi, which is equal to the smallest exempt quantity listed. Since the smallest quantity in appendix C to 10 CFR part 20 is 0.001 μCi and the quantity for any radionuclide other than alpha emitting radionuclides not listed in appendix C to 10 CFR part 20 is 0.01 μCi, radionuclides not listed in § 30.71 could have their exempt quantity reduced if not listed in appendix C to 10 CFR part 20 or if they are listed in appendix C to 10 CFR part 20 with a quantity lower than 0.1 μCi. These situations could require individuals to obtain a specific license when they are currently exempt from that requirement. To avoid this the NRC is including in the rule language exceptions retaining the current exempt quantities for the three specified radionuclides and any byproduct material other than alpha emitting byproduct material for which the quantity in appendix C to 10 CFR part 20 is lower than 0.1 μCi.

This rulemaking modernizes the exempt quantity thresholds by effectively adding values for widely used radionuclides in medical, academic, and industrial applications not previously exempted and updating certain thresholds based on updated scientific and safety information. This rulemaking also reduces the number of specific licenses that nuclear materials users must apply for due to the exempt quantities in the current Schedule B.

B. Expanding Exemptions for Department of Energy (DOE) Contractors

Since September 11, 2001, DOE contractors have routinely provided training involving radioactive materials to law enforcement personnel and first responders at the Federal, state, and local levels. Whenever these training activities take place outside a Federal government-owned or controlled site, the DOE contractor must obtain an exemption from the NRC (and Agreement State, if applicable) to perform the activity. This rule updates the NRC's regulations in §§ 30.12, 40.11, and 70.11 so that DOE contractors will no longer need to request specific exemptions individually. Instead, the rule would grant a standing exemption for temporary training activities involving law enforcement emergency response, and similar personnel, provided the radioactive materials used fall below specified quantity limits. Once Agreement States adopt the rule, these exemptions would apply within their jurisdictions as well. The rule establishes explicit quantity thresholds, confines the exemptions to temporary training activities, and ensures the continued use of appropriate safety procedures. This approach increases efficiency and reduces administrative workload for NRC, Agreement States, and DOE contractors by eliminating repeated reviews of training activities that have already demonstrated a consistent safety record under DOE oversight.

These radioactive materials are used in accordance with DOE's occupational radiation protection program in 10 CFR part 835, which is similar to the NRC's radiation protection program in 10 CFR part 20 and provides protection of public health and safety and security controls. The DOE contractors typically conduct multiple training activities and exercises each year, submitting multiple, nearly identical, exemption requests. These training activities generally involve quantities of radioactive material which do not require additional security controls beyond 10 CFR part 20 requirements. In limited cases, the NRC has approved exemptions involving quantities that fall under security requirements under 10 CFR part 37, ''Physical Protection of Category 1 and Category 2 Quantities of Radioactive Material.''

In assessing how to structure the new exemptions, the NRC staff reviewed years of past case-by-case exemption approvals. Since 2001, the NRC has consistently evaluated these exemption requests without identifying any safety issues. The DOE already regulates similar radioactive materials under its jurisdiction and typically only seeks NRC and Agreement State exemptions when training occurs outside DOE controlled sites. The DOE also maintains emergency response procedures that address work performed in NRC or Agreement State jurisdictions and includes processes for notification in the event of abnormal conditions. Historically, the NRC has considered these procedures when reviewing exemption requests.

Therefore, considering DOE's history of safe oversight of these activities and the continued involvement of the NRC or Agreement States in the event of an abnormal condition, the NRC staff believe there is a low safety risk associated with providing the exemptions for certain quantities of material that are typically used in these training exercises. Additionally, the NRC staff do not believe additional notification is required outside of existing notifications during abnormal conditions.

When DOE training is conducted in Agreement States, the NRC has performed the review and provided the Agreement State opportunity to comment. The quantity limits now being codified reflect these past approvals and were validated with DOE during this rule's development. To ensure consistency across the National Materials Program, Agreement States need to adopt compatible regulations so that DOE contractors receive the same exemptions nationwide.

In addition to the changes made to the regulations for byproduct, source, and special nuclear material exemptions, the NRC is making administrative clarifications to §§ 30.12, 40.11, and 70.11. These revisions enumerate the DOE contractor exemptions more clearly, replacing language that was previously ambiguous and could cause confusion once the expanded exemptions take effect. These administrative edits do not change any existing exemptions. They improve clarity so the expanded rule can be implemented without misinterpretation.

VI. Regulatory Flexibility Analysis

The Regulatory Flexibility Act, as amended at 5 U.S.C. 601 *et seq.,* requires that agencies consider the impact of their rulemakings on small entities and, consistent with applicable statutes, consider alternatives to minimize these impacts on the businesses, organizations, and government jurisdictions to which they apply.

The NRC has established standards for determining which of its licensees qualify as small entities pursuant to 10 CFR 2.810, ''NRC size standards.'' These standards are based on the Small Business Administration's most common receipt-based size standards and provide for business concerns that are manufacturing entities, with the use of a criteria of less than 500 employees.

The Small Business Regulatory Enforcement Fairness Act requires that the NRC prepare a written compliance guide to assist small entities in complying with each rule for which a regulatory flexibility analysis is prepared. Because this direct final rule is deregulatory and does not impose new requirements on small entities, the NRC does not expect to prepare a compliance guide under this Act.

This direct final rule reduces regulatory burden and results in cost savings compared to maintaining the current requirements. Aligning § 30.71 (Schedule B) with appendix C to 10 CFR part 20 will increase the number of radionuclides eligible for exemption and will raise quantity thresholds for certain radionuclides. These changes allow small entities, such as universities, research institutions, and small businesses, to use a broader range of radionuclides without a specific license, provided the quantities remain below the quantity limits.

This rule also updates §§ 30.12, 40.11, and 70.11 to add exemptions for DOE contractors conducting temporary training activities with byproduct, source, and special nuclear material under specific, previously approved quantities. Under the current regulations, DOE must request case-by-case exemptions from the NRC and Agreement States for these activities when performed in NRC and Agreement State jurisdiction. These exemptions eliminate the need for repeated exemption requests on a case-by-case basis, provided DOE contractors meet the conditions specified in these sections. This change reduces administrative burden for DOE, NRC, and Agreement States while maintaining oversight and public protection.

Overall, this rule benefits small entities and DOE contractors by streamlining licensing and exemption processes, saving time and costs, and improving efficiency without compromising health and safety. The Commission certifies that this deregulatory rule does not have a significant impact on a substantial number of small entities.

VII. Regulatory Analysis

This regulatory analysis is prepared in accordance with E.O. 12866, ''Regulatory Planning and Review,'' and E.O. 14215, ''Ensuring Accountability for All Agencies.'' E.O. 14215 requires all federal agencies, including the NRC, to comply with E.O. 12866 and submit significant actions for Office of Information and Regulatory Affairs (OIRA) review. The analysis assesses the costs and savings of the alternatives considered by the NRC and concludes that the deregulatory actions in this rule are expected to reduce regulatory burden and generate cost savings for licensees, the NRC, the Agreement States, and the DOE contractors when compared to the no-action baseline. The regulatory analysis is detailed in the following paragraphs of this document. Comments on the analysis may be submitted to the NRC as indicated under the **ADDRESSES** section of this document.

A. Need for the Rule

The NRC was created by Congress in 1974 to ensure the safe use of radioactive materials for beneficial civilian purposes while protecting people and the environment. The NRC protects public health and safety and advances the nation's common defense and security by enabling the safe and secure use and deployment of civilian nuclear energy technologies and radioactive materials through efficient and reliable licensing, oversight, and regulation for the benefit of society and the environment. From an economic perspective, common defense and national security are public goods for

which the markets cannot maximize net benefits, and markets alone can sometimes create unintended impacts to public health and safety. Consistent with its statutory authority, NRC provides reasonable assurance of adequate protection of public health and safety.

Section 5 of E.O. 14300 directs the NRC to undertake a review and wholesale revision of its regulations and guidance documents as guided by the policies set forth in section 2 of the E.O. This rulemaking is part of the NRC's response to the direction in Section 5 of the E.O. because in conducting the wholesale review of its regulation, the NRC reexamined the regulations pertaining to the use of certain nuclear material without a license and determined—based on past experience and practice—such uses can be expanded. Rulemaking is the most effective way to achieve this. Licensees may amend their current license for additional radionuclides; however, such amendments impose a cost on licensees and regulators without a proportionate benefit to public health and safety. Expanding the use of certain nuclear material without the need for a license also cannot be accomplished through guidance, as such guidance would conflict with the existing regulatory text. Therefore, amending the NRC's regulations is the most effective way to make this deregulatory change for all intended exempt uses.

B. Analytical Framework

This analysis uses the current regulations under 10 CFR parts 30, 40, and 70 as the no-action baseline (Alternative 1), evaluates the changes in this direct final rule as the regulatory alternative (Alternative 2), and estimates the costs and savings associated with implementing the rule.

Alternative 2 will revise 10 CFR parts 30, 40, and 70 to modernize exempt quantity thresholds and add exemptions for DOE contractors conducting temporary training activities under specified quantities of radioactive material. Specifically, these amendments include aligning § 30.71 (Schedule B) with appendix C to 10 CFR part 20, adding radionuclides widely used in research, industry, and medicine, and updating quantity thresholds based on current scientific and safety information. These changes will allow a broader range of radionuclides to be used without a specific license, provided the quantities remain below the updated exempt limits.

The rule also will add exemptions for DOE contractors under §§ 30.12, 40.11, and 70.11 to eliminate repeated case-by-case exemption requests for temporary training activities performed in NRC and Agreement State jurisdiction. These training activities have historically been completed safely under DOE oversight. Additionally, the DOE has routinely requested similar quantities of byproduct, source, and special nuclear material often resulting in nearly repetitive reviews and approvals by the NRC and Agreement States. This rule identifies maximum quantities of byproduct, source, and special nuclear material that qualify for exemptions based on the robust past history of approval and safe use. By removing unnecessary regulatory burden, these changes will improve efficiency, predictability, and flexibility while maintaining the NRC's mission of protecting public health and safety.

The amendments include administrative updates, clarifications, and streamlined requirements that improve consistency and support regulatory efficiency. Overall, these changes address E.O. 14300, Section 5, by reducing administrative burdens for the NRC, Agreement States, licensees, and applicants while ensuring continued oversight and safety.

To estimate the regulatory impact of this direct final rule, the NRC used input from NRC staff, internal data sources, and information provided by stakeholders. Where possible, the NRC provides quantitative estimates based on available data; where data are not available, the NRC relies on staff judgment to approximate the impact and level of effort involved.

The analysis then monetizes the estimated time savings for NRC staff, Agreement State staff, licensees, and DOE contractors resulting from activities that will no longer be required under this rule. These savings include (1) avoided license applications and amendments for exempt quantities of radioactive material due to updates to § 30.71 (Schedule B) and (2) avoided case-by-case exemption requests for DOE contractors. Monetized savings are calculated by multiplying the estimated labor hours avoided by (1) licensees for preparing and submitting license applications and amendments, (2) DOE contractors for preparing exemption requests, and (3) NRC and Agreement State staff for reviewing these submissions, by the applicable wage rates.

For NRC staff, the NRC uses its internal labor rate of $158 per hour.[1] Wage rates for licensees and Agreement State staff are derived from U.S. Bureau of Labor Statistics (BLS) [2] data and adjusted using the NRC's standard 2.4 multiplier to account for fringe benefits and overhead costs. Wage rates for DOE contractors are based on DOE-provided data and reflect costs specific to DOE operations rather than BLS blended averages.

TABLE 1—WAGE RATES USED IN THE ANALYSIS

[2024 U.S. dollars]

Standard occupational classification	Position title	Weighting (%)	Hourly mean wage	NRC loaded multipliers	Fully loaded hourly mean wage
Licensees/Applicants Labor Rates (National Cross-industry, Private Ownership)					
17–2081	Environmental Engineers	33	$54.44	2.4	$43.55
19–5010	Occupational Health and Safety Specialists and Technicians	33	40.25	2.4	32.20
23–1011	Lawyers	33	93.72	2.4	74.98

[1] This NRC labor rate differs from those developed under the agency's license fee recovery program (10 CFR part 170, ''Fees for Facilities, Materials, Import and Export Licenses, and Other Regulatory Services under the Atomic Energy Act of 1954, as Amended''). NRC labor rates for fee recovery purposes are appropriately designed for full-cost recovery of the services rendered and thus include nonincremental costs (*e.g.,* overhead, administrative, and logistical support costs). *https://www.nrc.gov/about-nrc/regulatory/rulemaking/regulatory-analysis.*

[2] U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics, National Industry-Specific Occupational Employment and Wage Statistics, May 2024.

TABLE 1—WAGE RATES USED IN THE ANALYSIS—Continued

[2024 U.S. dollars]

Standard occupational classification	Position title	Weighting (%)	Hourly mean wage	NRC loaded multipliers	Fully loaded hourly mean wage
Blended mean wage					150.73
Agreement States Wage Rates (State Government, including Schools and Hospitals)					
17–2081	Environmental Engineers	33	48.66	2.4	38.93
19–5010	Occupational Health and Safety Specialists and Technicians	33	37.24	2.4	29.79
23–1011	Lawyers	33	57.44	2.4	45.95
Blended mean wage					114.67
	NRC wage rate				158.00
	Contractor Labor Rates				
	Radiological Engineering	69	273.70		188.17
	Principal Researcher	13	331.30		41.41
	Supervisor/Manager	9	273.70		25.66
	Administrative	9	154.95		14.53
Blended mean wage					269.77

All costs and cost savings are expressed in 2024 dollars. The analysis covers a 5-year period, which provides a reasonable basis for projecting licensee activities. In accordance with Office of Management and Budget (OMB) Circular A–4 and the NRC's internal guidance document, NUREG/BR–0058, Revision 5, the staff used net present value (NPV) calculations to estimate the value of future cost savings in constant 2024 dollars, the most recent year for which complete annual data are available. NPV analysis allows for the comparison of costs and benefits that occur at different points in time by discounting them to a common base year. Consistent with OMB guidance, the analysis applies real discount rates of 3 percent and 7 percent. The 3-percent rate reflects the social rate of time preference and approximates the real return on long-term government debt. The 7-percent rate reflects the opportunity cost of capital and approximates the average pretax real rate of return on private-sector investments.

The resulting estimates and underlying calculations are presented in the subsequent sections.

C. Estimated Costs and Savings of the Direct Final Rule

This section analyzes the estimated costs and savings associated with revisions to § 30.71 (Schedule B) to align with appendix C to 10 CFR part 20, as well as exemptions for DOE contractors under §§ 30.12, 40.11, and 70.11. The analysis concludes with a summary of implementation costs, anticipated cost savings, and net cost savings.

1. Expanding Exemptions for Byproduct Material

As discussed in Section IV.A, ''Expanding Exemptions for Byproduct Material'' of this document, this direct final rule will replace the current § 30.71 (Schedule B) table with a reference to appendix C to 10 CFR part 20, which includes a broader range of radionuclides. It will also retain the current exempt quantities for cadmium-109, iridium-192, and zirconium-93 because their thresholds in § 30.71 (Schedule B) are already higher than those in appendix C to 10 CFR part 20. The rule will add a blanket provision stating that the exempt quantity limit for any byproduct material other than alpha emitting radionuclides is 0.1 microcuries. This change reduces the need for specific licenses for very small quantities of certain radionuclides, eliminating associated application, review, and compliance costs for both applicants and regulators. Agreement States will be required to adopt compatible regulations; however, the scope of changes is limited, and the associated revisions are expected to be minimal. The estimated savings apply only to reduced licensing requirements for possession of exempt quantities and do not include any changes for manufacturers or distributors, because distribution requirements under § 32.18 remain unchanged.

By aligning § 30.71 (Schedule B) with appendix C to 10 CFR part 20, this rule will reduce the need for specific licenses for certain radionuclides without compromising public health and safety. Based on NRC experience, at least 10 specific license applications or amendment requests are submitted to the NRC each year, and approximately 70 similar applications are submitted to Agreement States. Each licensee/applicant spends about 40 hours per license on compliance activities. NRC staff spend an average of 50 hours reviewing each application. Agreement State staff spend 50 hours reviewing each application. As shown in table 2, eliminating the specific licenses requirement for certain radionuclides will reduce burden for licensees, the NRC, and Agreement States. These activities represent approximately 7,200 hours of effort and $962,682 in annual costs that will be eliminated under this rule.

TABLE 2—ANNUAL COST SAVINGS FROM ELIMINATION OF EXEMPTION REQUESTS

[NRC, agreement states and licensees]

Entity	Reduction in number of exemption requests	Burden hours per request	Total burden hours reduced	Fully loaded wage rate	Annual cost savings
Licensees/Applicants	80	40	3,200	$150.73	$482,330
NRC	10	50	500	158.00	79,000
Agreement States	70	50	3,500	114.67	401,352
Total	.....	.....	7,200	.....	962,682

Over the 5-year analysis period (2027–2031), these changes are projected to generate cumulative undiscounted savings of $4.8 million. Using 2024 as the base year, the net present value of these savings is estimated at $4.4 million using a 3 percent discount rate or $3.9 million using a 7 percent discount rate.

TABLE 3—TOTAL 5-YEAR COST SAVINGS

[NRC, agreement states and licensees]

Year	Cost of exemption requests with existing regulations	Cost of exemption requests with this final rule	Cost savings due to this rule ($)	3% NPV ($)	7% NPV ($)
	Undiscounted				
1	962,682	0	962,682	934,642	899,702
2	962,682	0	962,682	907,420	840,843
3	962,682	0	962,682	880,990	785,835
4	962,682	0	962,682	855,330	734,425
5	962,682	0	962,682	830,418	686,379
Total	4,813,408	0	4,813,408	4,408,800	3,947,185

The NRC and industry stakeholders may incur minimal implementation costs associated with updating internal procedures. These costs are expected to be minimal and have not been quantified.

2. Expanding Exemptions for DOE Contractors

As discussed in Section IV.B ''Expanding Exemptions for DOE Contractors'' of this document, this direct final rule will revise the exemption provisions under §§ 30.12, 40.11, and 70.11 to add exemption approvals for DOE contractors conducting temporary training activities under specified quantities of radioactive material. Under the current regulations, DOE contractors must request case-by-case exemptions from the NRC when training occurs in NRC and Agreement State jurisdiction. The NRC first reviews these requests to confirm that the material poses a low risk to public health and safety. Agreement States conduct confirmatory reviews of the exemption requests that fall within their jurisdiction.

Preparing and reviewing exemption requests imposes a recurring administrative burden. Each request requires DOE contractors to prepare documentation describing the material involved, outline applicable safety controls, and demonstrate that the training activity is authorized and consistent with applicable regulatory requirements. NRC staff then review the exemption request, verify compliance, and document their findings. The NRC then forwards its findings and the exemption decision to the Agreement States for confirmatory review. As shown in table 4, eliminating the exemption requirement will reduce burden for DOE contractors, NRC, and Agreement States. DOE contractors currently submit about 29 exemption requests annually, based on the 3-year average. The NRC reviews all exemption requests, while Agreement States review only those within their jurisdictions, which account for approximately 90 percent of the total requests. These activities represent approximately 1,390 hours of effort and $266,921 in annual costs that will be eliminated under this rule.

TABLE 4—ANNUAL COST SAVINGS FROM ELIMINATION OF EXEMPTION REQUESTS

[DOE contractors, NRC, agreement states and licensees]

Entity	Reduction in number of exemption requests	Burden hours per request	Total burden hours reduced	Fully loaded wage rate	Annual cost savings
DOE Contractors	29	16	464	$269.77	$125,172
NRC	29	28	822	158.00	129,823
Agreement States	26	4	104	114.67	11,926

TABLE 4—ANNUAL COST SAVINGS FROM ELIMINATION OF EXEMPTION REQUESTS—Continued

[DOE contractors, NRC, agreement states and licensees]

Entity	Reduction in number of exemption requests	Burden hours per request	Total burden hours reduced	Fully loaded wage rate	Annual cost savings
Total	.....	.....	1,390	.....	266,921

The rule will eliminate the need for these case-by-case exemption requests by adding exemptions for specified quantity limits, provided the activity is a temporary training of law enforcement, emergency response, or other similar personnel and appropriate procedures are in place. This change will reduce administrative burden for DOE contractors, NRC, and Agreement States while maintaining oversight and public protection.

As shown in table 5, over the 5-year analysis period (2027–2031), these changes are projected to generate cumulative undiscounted savings of approximately $1.3 million. Using 2024 as the base year, the NPV of these savings is estimated at $1.2 million using a 3 percent discount rate or $1.1 million using a 7 percent discount rate. NRC and industry stakeholders may incur minimal implementation costs associated with eliminating the exemption process and updating internal procedures. These costs are expected to be minimal and have not been quantified.

TABLE 5—TOTAL 5-YEAR COST SAVINGS

[DOE contractors, NRC, agreement states and licensees]

Year	Cost of exemption requests with existing regulations($)	Cost of exemption requests with this final rule	Cost savings due to this rule ($)	3% NPV ($)	7% NPV ($)
	Undiscounted				
2027	266,921	0	266,921	259,147	249,459
2028	266,921	0	266,921	251,599	233,139
2029	266,921	0	266,921	244,271	217,887
2030	266,921	0	266,921	237,156	203,633
2031	266,921	0	266,921	230,249	190,311
Total	1,334,606	0	1,334,606	1,222,421	1,094,430

3. Summary of Costs, Cost Savings, and Net Cost Savings

Overall, this direct final rule is considered a deregulatory action and is expected to reduce administrative burden by streamlining exemption provisions, improving efficiency and predictability, and increasing flexibility for the NRC, Agreement States, licensees, and DOE contractors. These changes include aligning exempt quantity thresholds in § 30.71 (Schedule B) with appendix C to 10 CFR part 20 and adding exemption approvals for DOE contractors conducting temporary training activities under specified quantities of radioactive material under §§ 30.12, 40.11, and 70.11.

Over the 5-year analysis period (2027–2031), the revisions are estimated to generate net savings of $6.1 million (savings minus costs), undiscounted. As shown in table 6, the NPV of these net savings will be $5.6 million, discounted at 3 percent, or $5.0 million, discounted at 7 percent. The projected annualized cost savings will be $1.2 million, discounted at 3 percent, or $1.1 million, discounted at 7 percent. Although the rule will generate savings, NRC and industry stakeholders may incur minimal implementation costs associated with eliminating the exemption process and updating internal procedures. These costs are expected to be minimal and have not been quantified.

Licensees account for the largest share of net savings, with about 2.4 million over 5 years, undiscounted, and 2.2 million discounted at 3 percent, or 2.0 million discounted at 7 percent. Agreement States will realize about 2.1 million over 5 years, undiscounted, and 1.9 million discounted at 3 percent, or 1.7 million discounted at 7 percent. NRC savings are estimated at 1.0 million over 5 years, undiscounted, and 956,000 discounted at 3 percent, or 856,000 discounted at 7 percent. DOE contractor savings are estimated at 626,000 over 5 years, undiscounted, and 573,000 discounted at 3 percent, or 513,000 discounted at 7 percent.

TABLE 6—TOTAL 5-YEAR COSTS, SAVINGS, AND NET SAVINGS

[NRC, agreement states, licensees, and DOE contractors] [3]

Attribute	Undiscounted	3% NPV	7% NPV
Licensees' Savings from Rule	$2,412,000	$2,209,000	$1,978,000
NRC Staff's Savings from Rule	1,044,000	956,000	856,000
Agreement States' Savings from Rule	2,066,000	1,893,000	1,695,000

TABLE 6—TOTAL 5-YEAR COSTS, SAVINGS, AND NET SAVINGS—Continued

[NRC, agreement states, licensees, and DOE contractors] [3]

Attribute	Undiscounted	3% NPV	7% NPV
DOE Contractors' Savings from Rule	626,000	573,000	513,000
Implementation Costs	Minimal cost, not quantified		
Total Net Savings	6,148,000	5,631,000	5,042,000
Annualized Savings		1,159,000	1,074,000

In addition to the quantified analysis, this direct final rule provides qualitative benefits by improving regulatory clarity and predictability. Aligning exempt quantity thresholds in § 30.71 (Schedule B) with appendix C to 10 CFR part 20 and codifying exemptions for DOE contractors reduces ambiguity and minimizes the need for case-by-case reviews. These changes streamline processes, support broader use of radionuclides in research, industry, and medicine, and enhance efficiency while maintaining safety. The exemptions for DOE contractors further reduces administrative burden and improves coordination among NRC, Agreement States, and DOE contractors.

In addition to this analysis, OIRA requires agencies to report results as a perpetual stream (perpetuity) once a rule is implemented. The perpetual stream has annualized savings of about 1.1 million.

VIII. Backfitting and Issue Finality

This final rule amends the NRC's byproduct, source, and special nuclear material regulations to expand how nuclear material can be safely used without a license. The final rule does not meet the definition of backfitting in § 50.109, 70.76, 72.62, or 76.76, or affect issue finality of an approval issued under 10 CFR part 52. Therefore, the NRC has determined that this final rule does not constitute a backfit or affect issue finality for any approvals issued under 10 CFR part 52.

IX. Plain Writing

The Plain Writing Act of 2010 (Pub. L. 111–274) requires Federal agencies to write documents in a clear, concise, and well-organized manner. The NRC has written this document to be consistent with the Plain Writing Act as well as the Presidential Memorandum, ''Plain Language in Government Writing,'' published June 10, 1998 (63 FR 31885).

X. National Environmental Policy Act

A. Introduction

The NRC has prepared this environmental assessment (EA) of the direct final rule amending byproduct, source, and special nuclear material regulations to determine the significance of the environmental effects of the agency action in accordance with the National Environmental Policy Act of 1969, as amended (NEPA) and NRC's NEPA implementing regulations in 10 CFR part 51, ''Environmental Protection Regulations for Domestic Licensing and Related Regulatory Functions.'' As explained in this EA, the NRC has determined that the agency action to amend these regulations to expand which radionuclides are exempt from the requirement for a specific license, update the quantity thresholds for certain radionuclides exempt from a specific license, and expand exemptions for certain DOE contractor activities would have no significant effect on the quality of the human environment. The direct final rule amends regulations in 10 CFR parts 30.12, 30.71, 40.11, and 70.11.

B. Rule Amendments Requiring Environmental Assessment

The NRC evaluated the direct final rule amendments for the potential to affect the human environment and determined that the agency action (rulemaking) does not have a significant environmental effect. Environmental effects were determined to be the same for a given facility regardless of the amendment. However, these amendments also involve safety requirements that differ from those under the existing regulatory framework. Therefore, the environmental effects analysis focuses on whether changes in safety requirements would lead to significantly different environmental effects than those experienced under existing NRC regulations. As explained in Table B–1, these rule amendments update NRC regulations, continue to provide reasonable assurance of adequate protection of public health and safety, and therefore, result in no new or different environmental effects. Table B–1 presents the basis for why these rule amendments have no significant environmental effects.

[3] Values rounded to the nearest 1,000 dollars.

TABLE B–1—BASIS FOR NO SIGNIFICANT ENVIRONMENTAL EFFECTS DETERMINATION FOR RULE AMENDMENTS NOT COVERED BY A CATEGORICAL EXCLUSION

Rule amendments	Basis for no significant environmental effects
30.71	The direct final rule amendment aligns exempt quantity thresholds in 10 CFR 30.71 (Schedule B) with appendix C to 10 CFR part 20 to reduce the need for specific licenses for certain radionuclides without compromising public health and safety. The direct final rule amendment replaces the 10 CFR 30.71 (Schedule B) table with a reference to appendix C to 10 CFR part 20, except for cadmium-109, iridium-192, and zirconium-93, for which current exempt quantities are retained. Retention of current quantities for these radionuclides avoids creating a requirement for a specific license where one is not currently required. The amendment also adds a provision stating that the exempt quantity limit for any byproduct material other than alpha emitting radionuclides is 0.1 microcuries. This eliminates the need for specific licenses for very small quantities of certain radionuclides that would not be harmful. Licensing requirements for possession of exempt quantities do not include any changes for manufacturers or distributors. Distribution requirements under 10 CFR 32.18 remain unchanged. The NRC has reviewed updated scientific and safety information, as discussed in the rule preamble, and determined that higher exempt quantity and activity limits for certain radionuclides continue to provide reasonable assurance of adequate protection of public health and safety and would not result in any physical changes in the environment. Therefore, the NRC has determined that the rulemaking action results in no significant environmental effects.
30.12; 40.11; 70.11	Based on licensing experience, NRC staff identified byproduct, source, and special nuclear material regulations granting exemptions to DOE contractors as an area for regulatory improvement. This direct final rule updates §§ 30.12, 40.11, and 70.11 to add exemptions for DOE contractors conducting temporary training activities with byproduct, source, and special nuclear material under specific, previously approved quantities. Under current regulations, DOE contractors must request on a case-by-case basis exemptions for these activities when performed in NRC and Agreement State jurisdictions. The amendments eliminate the need for repeated exemption requests on a case-by-case basis, provided DOE contractors meet the conditions specified in these sections. This change reduces administrative burden for DOE, NRC, and Agreement States by eliminating repeated reviews of training activities that have already demonstrated a consistent safety record, while maintaining oversight and public protection. In addition, radioactive materials are used in accordance with DOE's occupational radiation protection program in 10 CFR part 835, which is similar to the NRC's radiation protection program in 10 CFR part 20, providing continued public health and safety protection and security controls. The NRC reviewed years of past approvals, as discussed in the rule preamble, and determined that a standing exemption for temporary training activities involving law enforcement emergency response and similar personnel, provided the radioactive materials used fall below the specified quantity limits, has a low safety risk and continues to provide reasonable assurance of adequate protection of public health and safety and would not result in any physical changes in the environment. Therefore, the NRC has determined that the rulemaking action will result in no significant environmental effects.

The rule amendments listed in Table B–1 would modernize existing NRC byproduct, source, and special nuclear material regulations to expand which radionuclides are exempt from the requirement for a specific license, update the quantity thresholds for certain radionuclides exempt from a specific license, and expand exemptions for certain temporary DOE contractor training activities while ensuring these regulations continue to be safe, effective, and efficient and continue to provide reasonable assurance of adequate protection of public health and safety and the environment. As noted in Table B–1, the amendments consist of administrative and procedural changes for license exemptions and do not authorize any site-specific action on the part of the NRC or licensee and would have no significantly different environmental effects than those from the current regulatory framework.

C. Environmental Impacts of the Agency Action

Implementation of the direct final rule would result in no physical changes to the environment, and, therefore, the NRC has determined that this agency action does not have a significant effect on the quality of the human environment. The rule amendments are administrative in application, maintain ample margins of safety for public exposure, and would provide an equivalent level of safety and security as current NRC regulations.

Since no physical changes would occur in the human environment, the agency action (direct final rule) would not affect any threatened or endangered species or historic properties. Accordingly, the NRC finds that implementing the direct final rule would have no significant environmental impact.

D. Environmental Impacts of the Alternative to the Agency Action

Under the no-action alternative (*i.e.,* the status quo), NRC regulations would remain unchanged. As explained in section B, the direct final rule does not have a significant effect on the quality of the human environment. Therefore, the no action alternative and the agency action (direct final rule) would have the same environmental effect, although there would be costs attributable to reviewing the environmental effects of exemption requests under the no action alternative. Licensees would continue to comply with existing NRC regulations or request regulatory relief (exemption) from the regulations. The NRC would continue to evaluate the environmental effects of exemption requests. The averted costs (benefits) of the rulemaking would not occur. The Regulatory Analysis for the direct final rule in Section VII provides information about the costs and benefits of the no action alternative and the agency action (direct final rule).

E. Finding of No Significant Impact

The NRC has prepared this EA to determine the environmental effects of the agency action (direct final rule). As explained in the EA, the NRC has determined the direct final rule does not change radiation protection and emergency preparedness requirements or overall risk, continues to provide reasonable assurance of adequate protection of public health and safety, and results in no new or different environmental effects. Therefore, the

NRC concludes that these regulatory changes do not have a significant effect on the quality of the human environment. Based on this conclusion, the NRC has determined there is no need to prepare an environmental impact statement. Accordingly, the NRC finds the agency action to amend its regulations to expand which radionuclides are exempt from needing a specific license, update the quantity thresholds for certain radionuclides exempt from a specific license, and to expand exemptions for certain DOE contractor activities has no significant environmental impact.

F. References

- 10 CFR Part 30. Code of Federal Regulations, Chapter I, Title 10, Energy, Part 30, ''Rules of General Applicability to Domestic Licensing of Byproduct Material.''
- 10 CFR Part 40. *Code of Federal Regulations,* Chapter I, Title 10, *Energy,* Part 40, ''Domestic Licensing of Source Material.''
- 10 CFR Part 70. *Code of Federal Regulations,* Chapter I, Title 10, *Energy,* Part 70, ''Domestic Licensing of Special Nuclear Material.''
- Endangered Species Act of 1973, as amended. Pub. L. 93–205, 87 Stat. 884 (1973).
- National Environmental Policy Act of 1969, as amended. Pub. L. 91–190, 83 Stat. 852 (1969).
- National Historic Preservation Act of 1966, as amended. Pub. L. 89–665, 80 Stat. 915 (1966).

XI. Paperwork Reduction Act

This direct final rule does not contain any new or amended collections of information subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). Existing collections of information were approved by the Office of Management and Budget, approval numbers 3150–0017, 3150–0020, and 3150–0009.

Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the document requesting or requiring the collection displays a currently valid OMB control number.

XII. Executive Orders

The following are Executive orders (E.O.) that are related to this direct final rule:

A. Executive Order 12866: Regulatory Planning and Review (as Amended by Executive Order 14215, Ensuring Accountability for All Agencies)

The Office of Information and Regulatory Affairs (OIRA) has determined that this direct final rule is a significant regulatory action under section 3(f) of E.O. 12866, though not economically significant under section 3(f)(1). Accordingly, the NRC submitted this direct final rule to OIRA for review. The NRC is required to conduct an economic analysis in accordance with section 6(a)(3)(B) of E.O. 12866. More can be found in Section VII of this document, ''Regulatory Analysis.''

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

This action is determined to be a deregulatory action as defined by E.O. 14192. Details on the estimated costs of this direct final rule can be found in Section VII of this document, ''Regulatory Analysis.''

C. Executive Order 14267: Reducing Anti-Competitive Regulatory Barriers

E.O. 14267 requires the NRC to identify anti-competitive regulations for rescission or modification. The NRC identified § 30.71 because of section 3(a)(iv) of the Executive order. The modification of the regulation supports the objectives of E.O. 14267 by removing regulatory requirements that could create or facilitate licensure or accreditation requirements that unduly limit competition.

XIII. Congressional Review Act

This final rule is a rule as defined in the Congressional Review Act (5 U.S.C. 801–808). However, the Office of Management and Budget has found that it does not meet the criteria at 5 U.S.C. 804(2).

XIV. Coordination With NRC Agreement States

On September 3, 2025, the NRC held a government-to-government meeting with the Agreement States regarding E.O. 14300, ''Ordering the Reform of the Nuclear Regulatory Commission.'' In this meeting, the NRC presented its goals and objectives for future rulemakings, including this rule, to be done in response to the E.O. At the time of the meeting, the rule text was not available. Additionally, throughout the development of the rule, the NRC interacted with Agreement State representatives to hear their perspectives on the rule where early rule language was shared. On February 5, 2026, the NRC met with certain Agreement State representatives to discuss the rule text and to resolve the compatibility of Agreement State regulations.

XV. Compatibility of Agreement State Regulations

On the basis of the ''Agreement State Program Policy Statement'' approved by the Commission on October 2, 2017, and published in the **Federal Register** (82 FR 48535; October 18, 2017), NRC program elements can be placed into six categories (A, B, C, D, NRC, or health and safety (H&S)) to form the basis for evaluating and classifying the program elements. Under the Policy Statement, a program element means any component or function of a radiation control regulatory program, including regulations and other legally binding requirements imposed on regulated persons, which contributes to implementation of that program. This rule only modifies regulations that are of Compatibility Category B.

Compatibility Category B pertains to a limited number of program elements that cross jurisdictional boundaries and should be addressed to ensure uniformity of regulation on a nationwide basis. For Compatibility Category B, the Agreement State program element shall be essentially identical to that of NRC.

The rule is a matter of compatibility between the NRC and the Agreement States, thereby providing consistency among Agreement State and NRC requirements. The compatibility (A, B, C, D, and NRC) and adequacy (H&S) categories are designated in the following table:

ADEQUACY AND COMPATIBILITY TABLE

Section	Change	Subject	Adequacy or compatibility	
			Existing	New
30.12	Amend	Byproduct material exempt persons under DOE contract.	B	B
30.71	Amend	Byproduct material exempt limits	B	B

ADEQUACY AND COMPATIBILITY TABLE—Continued

Section	Change	Subject	Adequacy or compatibility	
			Existing	New
40.11	Amend	Source material exempt persons under DOE contract.	B	B
70.11	Amend	Special Nuclear Material exempt persons under DOE contract.	B	B

XVI. Voluntary Consensus Standards

The National Technology Transfer and Advancement Act of 1995, Public Law 104–113, requires that Federal agencies use technical standards that are developed or adopted by voluntary consensus standards bodies unless the use of such a standard is inconsistent with applicable law or otherwise impractical. In this direct final rule, the NRC will revise regulations exempting users from regulatory requirements. This action does not constitute the establishment of a standard that contains generally applicable requirements.

XVII. Availability of Guidance

The NRC will not be issuing guidance for this rulemaking. The NRC and Agreement States do not license exempt users of byproduct, source, and special nuclear material. This rule only amends regulations for such exemptions; therefore there is no applicable guidance for this rulemaking.

XVIII. Availability of Documents

The documents identified in the following table are available to interested persons through one or more of the following methods, as indicated.

Document	ADAMS accession No./web link/ **Federal Register** citation
Related Documents	
Requirements for Expanded Definition of Byproduct Material, Final Rule, October 1, 2007	72 FR 55864.
Standards for Protection Against Radiation, Final Rule, May 21, 1991	56 FR 23360.
NUREG–1717, ''Systematic Radiological Assessment of Exemptions for Source and Byproduct Materials,'' June 2001.	ML011980433 (package).
Letter from Catherine A. Ribaudo, National Institutes of Health, December 15, 2020	ML20353A268 (package).
Licensing Requirements, Exemptions for Certain AEC Contractors, Final Rule, October 20, 1964	29 FR 14401.
Licensing of Byproduct Material, Final Rule; January 11, 1956	21 FR 213.
Radioisotope Distribution, Final Rule, April 13, 1951	16 FR 3251.
Agreement State Program Policy Statement, October 18, 2017	82 FR 48535.
Presidential Memorandum, ''Plain Language in Government Writing,'' June 10, 1998	63 FR 31885.
NRC Regulatory Analysis, Public Website	*https://www.nrc.gov/about-nrc/regulatory/rulemaking/regulatory-analysis*.
Executive Orders	
Executive Order 12866, ''Regulatory Planning and Review,'' October 4, 1993	58 FR 51735.
Executive Order 14192, ''Unleashing Prosperity Through Deregulation,'' February 6, 2025	90 FR 9065.
Executive Order 14215, ''Ensuring Accountability for All Agencies,'' February 24, 2025	90 FR 10447.
Executive Order 14300, ''Ordering the Reform of the Nuclear Regulatory Commission,'' May 29, 2025	90 FR 22587.

The NRC may post materials related to this document, including public comments, on the Federal rulemaking website at *https://www.regulations.gov* under Docket ID NRC–2025–1568. In addition, the Federal rulemaking website allows members of the public to receive alerts when changes or additions occur in a docket folder. To subscribe: (1) navigate to the docket folder (NRC–2025–1568); (2) click the ''Subscribe'' button; and (3) enter an email address and click on the ''Subscribe'' button.

List of Subjects

10 CFR Part 20

Byproduct material, Criminal penalties, Fusion, Hazardous waste, Licensed material, Nuclear energy, Nuclear materials, Nuclear power plants and reactors, Occupational safety and health, Packaging and containers, Penalties, Radiation protection, Reporting and recordkeeping requirements, Source material, Special nuclear material, Waste treatment and disposal.

10 CFR Part 30

Byproduct material, Criminal penalties, Government contracts, Intergovernmental relations, Isotopes, Nuclear energy, Nuclear materials, Penalties, Radiation protection, Reporting and recordkeeping requirements, Whistleblowing.

10 CFR Part 40

Criminal penalties, Exports, Government contracts, Hazardous materials transportation, Hazardous waste, Nuclear energy, Nuclear materials, Penalties, Reporting and recordkeeping requirements, Source material, Uranium, Whistleblowing.

10 CFR Part 70

Classified information, Criminal penalties, Emergency medical services, Hazardous materials transportation, Material control and accounting, Nuclear energy, Nuclear materials, Packaging and containers, Penalties, Radiation protection, Reporting and recordkeeping requirements, Scientific equipment, Security measures, Special nuclear material, Whistleblowing.

For the reasons set out in the preamble and under the authority of the Atomic Energy Act of 1954, as amended; the Energy Reorganization Act of 1974,

as amended; and 5 U.S.C. 552 and 553, the NRC adopts the following amendments to 10 CFR parts 20, 30, 40, and 70:

PART 20—STANDARDS FOR PROTECTION AGAINST RADIATION

■ 1. The authority citation for part 20 continues to read as follows:

Authority: Atomic Energy Act of 1954, secs. 11, 53, 63, 65, 81, 103, 104, 161, 170H, 182, 186, 223, 234, 274, 1701 (42 U.S.C. 2014, 2073, 2093, 2095, 2111, 2133, 2134, 2201, 2210h, 2232, 2236, 2273, 2282, 2021, 2297f); Energy Reorganization Act of 1974, secs. 201, 202 (42 U.S.C. 5841, 5842); Low-Level Radioactive Waste Policy Amendments Act of 1985, sec. 2 (42 U.S.C. 2021b); 44 U.S.C. 3504 note.

■ 2. Amend appendix C to part 20 by adding footnote 2 to the heading and the corresponding footnote entry at the end of the appendix to read as follows:

APPENDIX C TO PART 20—QUANTITIES[1] [2] OF LICENSED MATERIAL REQUIRING LABELING

Radionuclide	Quantity (μCi).

* * * * *

[1] The quantities listed above were derived by taking 1/10th of the most restrictive ALI listed in table 1, columns 1 and 2, of appendix B to §§ 20.1001–20.2401 of this part, rounding to the nearest factor of 10, and arbitrarily constraining the values listed between 0.001 and 1,000 μCi. Values of 100 μCi have been assigned for radionuclides having a radioactive half-life in excess of 10^9 years (except rhenium, 1000 μCi) to take into account their low specific activity.

[2] The quantities listed in this table are also used in 10 CFR part 30 to define quantities exempt from licensing.

* * * * *

PART 30—RULES OF GENERAL APPLICABILITY TO DOMESTIC LICENSING OF BYPRODUCT MATERIAL

■ 3. The authority citation for part 30 continues to read as follows:

Authority: Atomic Energy Act of 1954, secs. 11, 81, 161, 181, 182, 183, 184, 186, 187, 223, 234, 274 (42 U.S.C. 2014, 2111, 2201, 2231, 2232, 2233, 2234, 2236, 2237, 2273, 2282, 2021); Energy Reorganization Act of 1974, secs. 201, 202, 206, 211 (42 U.S.C. 5841, 5842, 5846, 5851); 44 U.S.C. 3504 note.

■ 4. Revise § 30.12 to read as follows:

§ 30.12 Persons using byproduct material under certain Department of Energy and Nuclear Regulatory Commission contracts.

(a) Except to the extent that Department facilities or activities of the types subject to licensing pursuant to section 202 of the Energy Reorganization Act of 1974 are involved, any prime contractor of the Department is exempt from the requirements for a license set forth in sections 81 and 82 of the Act and from the regulations in this part to the extent that such contractor, under his prime contract with the Department manufactures, produces, transfers, receives, acquires, owns, possesses, or uses byproduct material for:

(1) The performance of work for the Department at a United States Government-owned or controlled site, including the transportation of byproduct material to or from such site and the performance of contract services during temporary interruptions of such transportation;

(2) Research in, or development, manufacture, storage, testing or transportation of, atomic weapons or components thereof; or

(3) The use or operation of nuclear reactors or other nuclear devices in a United States Government-owned vehicle or vessel.

(b)(1) In addition to the foregoing exemptions and subject to the requirement for licensing of Department facilities and activities pursuant to section 202 of the Energy Reorganization Act of 1974, any prime contractor or subcontractor of the Department or the Commission is exempt from the requirements for a license set forth in sections 81 and 82 of the Act and from the regulations in this part to the extent that such prime contractor or subcontractor manufacturers, produces, transfers, receives, acquires, owns, possesses, or uses byproduct material under his prime contract or subcontract when:

(i) The Commission determines that the exemption of the prime contractor or subcontractor is authorized by law; and

(ii) Under the terms of the contract or subcontract, there is adequate assurance that the work thereunder can be accomplished without undue risk to the public health and safety.

(2) A Department or Commission prime contractor or subcontractor does not need to obtain the Commission approval described in paragraph (b)(1) of this section where:

(i) The prime contractor or subcontractor is performing temporary activities involving the training of law enforcement, emergency response, or other similar personnel;

(ii) The contract specifies the applicable leak testing, operating, emergency, and security procedures consistent with any 10 CFR part 37 requirements that the contractor or subcontractor is to follow during the temporary activities; and

(iii) The byproduct material is less than the following quantities:

(A) Category 2 sealed sources listed in table 1 of appendix A to 10 CFR part 37, excluding Ir-192.

(B) Sealed sources containing Ir-192: 150 Ci.

(C) Sealed sources not listed in table 1 of appendix A to 10 CFR part 37: 20 millicuries per source and 100 millicuries aggregate.

(D) Unsealed sources: with a half-life less than or equal to 8 hours: 50 millicuries.

(E) Unsealed sources with a half-life less than or equal to 2 weeks: 5 millicuries.

■ 5. Revise § 30.71 to read as follows:

§ 30.71 Schedule B.

(a) Except as provided in paragraph (b) of this section, appendix C to part 20 of this chapter will be used as Schedule B for byproduct materials.

(b) The following specified quantities of byproduct material will be used in place of those in appendix C to part 20 of this chapter:

(1) Cadmium-109: 10 microcuries;

(2) Iridium-192: 10 microcuries;

(3) Zirconium-93: 10 microcuries; and

(4) Any byproduct material other than alpha emitting byproduct material for which the quantity in appendix C to part 20 of this chapter is less than this amount: 0.1 microcuries.

PART 40—DOMESTIC LICENSING OF SOURCE MATERIAL

■ 6. The authority citation for part 40 continues to read as follows:

Authority: Atomic Energy Act of 1954, secs. 62, 63, 64, 65, 69, 81, 83, 84, 122, 161, 181, 182, 183, 184, 186, 187, 193, 223, 234, 274, 275 (42 U.S.C. 2092, 2093, 2094, 2095, 2099, 2111, 2113, 2114, 2152, 2201, 2231, 2232, 2233, 2234, 2236, 2237, 2243, 2273, 2282, 2021, 2022); Energy Reorganization Act of 1974, secs. 201, 202, 206, 211 (42 U.S.C. 5841, 5842, 5846, 5851); Uranium Mill Tailings Radiation Control Act of 1978, sec. 104 (42 U.S.C. 7914); 44 U.S.C. 3504 note.

■ 7. Revise § 40.11 to read as follows:

§ 40.11 Persons using source material under certain Department of Energy and Nuclear Regulatory Commission contracts.

(a) Except to the extent that Department facilities or activities of the types subject to licensing pursuant to section 202 of the Energy Reorganization Act of 1974 or the Uranium Mill Tailings Radiation Control Act of 1978 are involved, any prime contractor of the Department is exempt from the requirements for a license set forth in sections 62, 63, and 64 of the Act and from the regulations in this part to the extent that such

contractor, under his prime contract with the Department, receives, possesses, uses, transfers or delivers source material for:

(1) The performance of work for the Department at a United States Government-owned or controlled site, including the transportation of source material to or from such site and the performance of contract services during temporary interruptions of such transportation;

(2) Research in, or development, manufacture, storage, testing or transportation of, atomic weapons or components thereof; or

(3) The use or operation of nuclear reactors or other nuclear devices in a United States Government-owned vehicle or vessel.

(b)(1) In addition to the foregoing exemptions, and subject to the requirement for licensing of Department facilities and activities pursuant to section 202 of the Energy Reorganization Act of 1974 or the Uranium Mill Tailings Radiation Control Act of 1978, any prime contractor or subcontractor of the Department or the Commission is exempt from the requirements for a license set forth in sections 62, 63, and 64 of the Act and from the regulations in this part to the extent that such prime contractor or subcontractor receives, possesses, uses, transfers or delivers source material under his prime contract or subcontract when:

(i) The Commission determines that the exemption of the prime contractor or subcontractor is authorized by law; and

(ii) Under the terms of the contract or subcontract, there is adequate assurance that the work thereunder can be accomplished without undue risk to the public health and safety.

(2) A Department or Commission prime contractor or subcontractor does not need to obtain the Commission approval described in paragraph (b)(1) of this section where:

(i) The prime contractor or subcontractor is performing temporary activities involving the training of law enforcement, emergency response, or other similar personnel;

(ii) The contract specifies the applicable leak testing, operating, emergency, and security procedures that the contractor or subcontractor is to follow during the temporary activities; and

(iii) The source material does not exceed the following aggregate quantities:

(A) Sealed sources: 100 millicuries.

(B) Unsealed sources: 10 millicuries.

PART 70—DOMESTIC LICENSING OF SPECIAL NUCLEAR MATERIAL

■ 8. The authority citation for part 70 is revised to read as follows:

Authority: Atomic Energy Act of 1954, secs. 51, 53, 57(d), 108, 122, 161, 182, 183, 184, 186, 187, 193, 223, 234, 274, 1701 (42 U.S.C. 2071, 2073, 2077(d), 2138, 2152, 2201, 2232, 2233, 2234, 2236, 2237, 2243, 2273, 2282, 2021, 2297f); Energy Reorganization Act of 1974, secs. 201, 202, 206, 211 (42 U.S.C. 5841, 5842, 5846, 5851); Nuclear Waste Policy Act of 1982, secs. 135, 141 (42 U.S.C. 10155, 10161); 44 U.S.C. 3504 note.

■ 9. Revise § 70.11 to read as follows:

§ 70.11 Persons using special nuclear material under certain Department of Energy and Nuclear Regulatory Commission contracts.

(a) Except to the extent that Department facilities or activities of the types subject to licensing pursuant to section 202 of the Energy Reorganization Act of 1974 are involved, any prime contractor of the Department is exempt from the requirements for a license set forth in section 53 of the Act and from the regulations in this part to the extent that such contractor, under his prime contract with the Department receives title to, owns, acquires, delivers, receives, possesses, uses, or transfers special nuclear material for:

(1) The performance of work for the Department at a United States Government-owned or controlled site, including the transportation of special nuclear material to or from such site and the performance of contract services during temporary interruptions of such transportation;

(2) Research in, or development, manufacture, storage, testing or transportation of, atomic weapons or components thereof; or

(3) The use or operation of nuclear reactors or other nuclear devices in a United States Government-owned vehicle or vessel.

(b)(1) In addition to the foregoing exemptions, and subject to the requirement for licensing of Department facilities and activities pursuant to section 202 of the Energy Reorganization Act of 1974, any prime contractor or subcontractor of the Department or the Commission is exempt from the requirements for a license set forth in section 53 of the Act and from the regulations in this part to the extent that such prime contractor or subcontractor receives title to, owns, acquires, delivers, receives, possesses, uses, or transfers special nuclear material under his prime contract or subcontract when:

(i) The Commission determines that the exemption of the prime contractor or subcontractor is authorized by law; and

(ii) Under the terms of the contract or subcontract there is adequate assurance that the work thereunder can be accomplished without undue risk to the public health and safety.

(2) A Department or Commission prime contractor or subcontractor does not need to obtain the Commission approval described in paragraph (b)(1) of this section where:

(i) The prime contractor or subcontractor is performing temporary activities involving the training of law enforcement, emergency response, or other similar personnel;

(ii) The contract specifies the applicable leak testing, operating, emergency, and security procedures that the contractor or subcontractor is to follow during the temporary activities; and

(iii) The special nuclear material consists exclusively of sealed sources in an aggregate quantity that does not exceed one one-millionth of special nuclear material of low strategic significance.

Dated: October 1, 2026.

For the Nuclear Regulatory Commission.

Jody Martin,

Secretary of the Commission.

[FR Doc. 2026–20336 Filed 10–2–26; 8:45 am]

BILLING CODE 7590–01–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 75

[Docket No. FR–6622–N–01]

Section 3 Benchmarks for Creating Economic Opportunities for Low- and Very Low-Income Persons and Eligible Businesses

AGENCY: Office of the Assistant Deputy Secretary for Field Policy and Management, Department of the Housing and Urban Development (HUD).

ACTION: Notification of benchmark updates and request for comments.

SUMMARY: HUD's regulations require that HUD set Section 3 benchmarks by publishing a notification, subject to public comment, in the **Federal Register** and update the benchmarks no less frequently than once every three years by the same method of notification. This document serves as an update of the 2023 benchmark Notice and requests public comment about the Section 3 benchmark goals.

DATES: Effective November 4, 2026. The public comment period for the Notice published in the **Federal Register** is December 4, 2026.

FOR FURTHER INFORMATION CONTACT: Jasmy Methipara, Management Analyst, Office of Field Policy and Management, Department of Housing and Urban Development, 2415 Eisenhower Avenue, Alexandria, VA 22314–4684; telephone 202–402–2188 (this is not a toll-free number). General email inquiries regarding Section 3 may be sent to: *OfficeofFieldPolicyandManagement@hud.gov.* HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit *www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.*

SUPPLEMENTARY INFORMATION:

I. Background

Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1992 (Section 3), attempts to direct employment and other economic opportunities generated by Federal financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. HUD is statutorily required to implement and enforce Section 3 through regulation, which HUD has done through the Section 3 regulations at 24 CFR part 75.

The Section 3 regulations require HUD to establish Section 3 benchmarks for Section 3 workers and Targeted Section 3 workers through a document published in the **Federal Register**. 24 CFR 75.13(b) and 75.23(b). The regulations require HUD to update the benchmarks through a document published in the **Federal Register**, subject to public comment, not less frequently than once every three years. The first publication related to updating these Section 3 benchmarks, titled *Section 3 Benchmarks for Creating Economic Opportunities for Low- and Very Low-Income Persons and Eligible Businesses,* was published in the **Federal Register** at 85 FR 60907 (Sept. 29, 2020). The second publication related to these Section 3 benchmarks was published in the **Federal Register** at 88 FR 69219. The regulations require HUD to update the benchmarks through a document published in the **Federal Register**, subject to public comment, not less frequently than once every three years.

II. Benchmark Notice

The regulation indicates that alteration of and updates to the established benchmark goals should be made in consideration of Section 3 labor hour data collected during the prior three-year period. After evaluation and consideration of the data collected to date, HUD has determined that the available data is not a sufficiently representative sample to support the alteration of the current published benchmark goals. Therefore, the benchmark goals will continue to be the ratios established in the original Section 3 benchmark Notice, and HUD will continue to support the labor hour goal methodology contained therein.

HUD considered a number of factors in making this decision. Most important of these is the fact that the relevant data is not yet available. Despite being published on September 29, 2020, the rule did not go into effect until November 30, 2020, and compliance only began to be required for Section 3 projects funded on or after July 1, 2021. The count of labor hours and evaluation of achievement of benchmark goals are not determined until a project is completed. Given the varying duration of construction projects, a number of larger Section 3 projects–those with higher numbers of labor hours–funded after July 1, 2021, have not yet completed construction and therefore have not reported final labor hours for Section 3 workers or Targeted Section 3 workers. Additionally, the Section 3 Reporting Application for Public Housing Financial Assistance was launched on January 21, 2026 for recipients with fiscal year end dates of September 30, 2025, and December 31, 2025. The reporting window for the last cohort of public housing authorities closes July 30, 2026. This means that Public Housing Financial Assistance recipients will have only reported their first year of data under the Section 3 regulations by July 30, 2026 as they were not required to report labor hours under 24 CFR part 75 until a reporting system was in place, which does not give HUD a full three years of data to review. factors, among others, have contributed to initial reports containing limited data on a small subset of projects, which HUD believes does not create a large or representative enough sample of data to merit a change to the existing benchmarks.

While HUD has decided not to change the benchmark goals for Public Housing Financial Assistance and Section 3 Projects, the department would like to solicit comments on the overall experience of grantees, contractors, and other stakeholders in achieving the existing benchmark goals along with any challenges faced or recommendations for appropriate benchmarks for future updates.

HUD will publish another update Notice no later than three years after the publication of this Notice, as required by the Section 3 regulations. Also, the department will not be issuing a second Notice subject to public comment unless comments are received that provide basis for additional revision of this Notice.

Joseph DeFelice,

Assistant Deputy Secretary for Field Policy and Management.

[FR Doc. 2026–20374 Filed 10–2–26; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket Number USCG–2026–1260]

RIN 1625–AA08

Special Local Regulation; Allegheny River Mile Marker 20.5–21, Creighton, PA

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary special local regulation (SLR) on the waters of the Allegheny River from mile marker 20.5 to mile marker 21 in Creighton, PA. This action is necessary to provide for the safety of life on these navigable waters from potential hazards during a paddle boat race on October 10, 2026. This regulation prohibits persons and vessels from entering the regulated area unless specifically authorized by the Captain of the Port Pittsburgh or their designated representative.

DATES: This rule is effective from 8 a.m. until 4 p.m. on October 10, 2026.

FOR FURTHER INFORMATION CONTACT: If you have questions about this rule, contact MST3 Jakob Wassler-Beck, Marine Safety Unit Pittsburgh Waterways Management Division, U.S. Coast Guard; telephone 206–815–6624, or email *STL-SMB-MSUPittsburgh-Waterways@uscg.mil.*

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations
COTP Captain of the Port
DHS Department of Homeland Security
FR Federal Register
NPRM Notice of proposed rulemaking
§ Section
SLR Special Local Regulation
U.S.C. United States Code

II. Background and Authority

On September 15, 2026, an organization notified the Coast Guard that from 8 a.m. until 4 p.m. on October 10, 2026, they will sponsor a paddle boat race on the Allegheny River. The Coast Guard received this request under 33 CFR 100.15. The event will be held between Mile Markers 20.5 and 21 in Creighton, PA.

The Captain of the Port Pittsburgh (COTP) is issuing this Special Local Regulation (SLR) under the authority in 46 U.S.C. 70041. The COTP has determined that potential hazards associated with the paddle boat race include increased vessel traffic, congested waterway, and the potential for collisions between vessels. The purpose of this rulemaking is to protect event participants, non-participants, and transiting vessels before, during, and after the scheduled event.

Because of these potential hazards, the Coast Guard is issuing this rule without prior notice and comment. As is authorized by 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because it is impracticable and contrary to the public interest. The Coast Guard was notified of this event on September 15, 2026, but we must establish this SLR by October 10, 2026, to protect personnel, vessels, and the marine environment. Therefore, we do not have enough time to solicit and respond to comments.

For the same reasons, the Coast Guard finds that under 5 U.S.C. 553(d)(3), good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**.

III. Discussion of the Rule

This rule establishes a temporary SLR from 8 a.m. until 4 p.m. on October 10, 2026. The special local regulation will cover all navigable waters of the Alleghany River from mile marker 20.5 to mile marker 21. No vessel or person will be permitted to enter the regulated area without obtaining permission from the COTP or their designated representative.

IV. Regulatory Analyses

We developed this rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders.

A. Impact on Small Entities

The regulatory flexibility analysis provisions of the Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, do not apply to rules that are not subject to notice and comment. Because the Coast Guard has, for good cause, waived the notice and comment requirement that would otherwise apply to this rulemaking, the Regulatory Flexibility Act's flexibility analysis provisions do not apply here.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), if this rule will affect your small business, organization, or governmental jurisdiction and you have questions, contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section. Small businesses may send comments to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards by calling 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

B. Collection of Information

This rule will not call for a new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

C. Federalism and Indian Tribal Governments

We have analyzed this rule under Executive Order 13132, Federalism, and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in that Order.

Also, this rule does not have tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

D. Unfunded Mandates Reform Act

As required by The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538), the Coast Guard certifies that this rule will not result in an annual expenditure of $100,000,000 or more (adjusted for inflation) by a State, local, or tribal government, in the aggregate, or by the private sector.

E. Environment

We have analyzed this rule under Department of Homeland Security Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*), and have determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment.

This rule is a special local regulation. It is categorically excluded from further review under paragraph L61 of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1.

List of Subjects in 33 CFR Part 100

Harbors, Marine safety, Navigation (water), Reporting and recordkeeping requirements, Security Measures, Waterways.

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 100 as follows:

PART 100—SAFETY OF LIFE ON NAVIGABLE WATERS

■ 1. The authority citation for part 100 continues to read as follows:

Authority: 46 U.S.C. 70041; 33 CFR 1.05–1.

■ 2. Add § 100.T899–1260 to read as follows:

§ 100.T899–1260 Special Local Regulation; Allegheny River Mile Marker 20.5–21, Creighton, PA.

(a) *Location.* This special local regulation applies to the following regulated area: All navigable waters on the Allegheny River between mile marker 20.5 and 21.

(b) *Definitions.* As used in this section, *designated representative* means a Coast Guard Patrol Commander, including a Coast Guard coxswain, petty officer, or other officer operating a Coast Guard vessel and a Federal, State, and local officer designated by or assisting the Captain of the Port Sector Pittsburgh (COTP) in the enforcement of the regulated area. *Participant* means all persons and vessels registered with the event sponsor as a participant in the race.

(c) *Regulations.* (1) All non-participants are prohibited from

entering, transiting through, anchoring in, or remaining within the regulated area described in paragraph (a) of this section unless authorized by the COTP or their designated representative.

(2) To seek permission to enter, contact the COTP or the COTP's representative on VHF–FM channel 16 or by telephone at (206) 815–6624. Those in the regulated area must comply with all lawful orders or directions given to them by the COTP or the COTP's designated representative.

(d) *Enforcement period.* This section will be enforced from 8 a.m. until 4 p.m. on October 10, 2026.

Michael W. Metz,

Commander, U.S. Coast Guard, Captain of the Port Sector Pittsburgh.

[FR Doc. 2026–20324 Filed 10–2–26; 8:45 am]

BILLING CODE 9110–04–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 64

[WC Docket Nos. 23–62; 12–375; DA 26–1008; FR ID 369648]

Wireline Competition Bureau and Office of Economics and Analytics Adopt 2026 Mandatory Data Collection for Incarcerated People's Communications Services

AGENCY: Federal Communications Commission.

ACTION: Final action.

SUMMARY: In this Order, the Wireline Competition Bureau (WCB) and the Office of Economics and Analytics (OEA) (collectively, WCB/OEA) adopt instructions, Word and Excel templates, and a certification form to implement the 2026 incarcerated people's communications services (IPCS) Mandatory Data Collection.

DATES: *Compliance date:* Providers must file their submissions by December 21, 2026.

ADDRESSES: Federal Communications Commission, 45 L Street NE, Washington, DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to *fcc504@fcc.gov,* or call the Consumer and Governmental Affairs Bureau at (202) 418–0530 (voice) or (202) 418–0432 (TTY).

FOR FURTHER INFORMATION CONTACT: Wireline Competition Bureau, Pricing Policy Division, at *IPCS@fcc.gov.*

SUPPLEMENTARY INFORMATION: This is a summary of WCB and OEA's Order, DA 26–1008, adopted September 21, 2026 and released September 21, 2026, in WC Docket Nos. 23–62 and 12–375. The full text of this document is available online at *https://docs.fcc.gov/public/attachments/DA-26-1008A1.pdf* or accessing the Commission's Electronic Comment Filing System (ECFS) website at *www.fcc.gov/ecfs.*

Synopsis

I. Introduction

1. By this Order, the Wireline Competition Bureau (WCB) and the Office of Economics and Analytics (OEA) (collectively, WCB/OEA) adopt instructions, Word and Excel templates, and a certification form to implement the *2026 Mandatory Data Collection (2026 MDC)* relating to incarcerated people's communications services (IPCS). Our actions are taken pursuant to the authority delegated to WCB and OEA by the Commission in the *2025 IPCS Order,* 90 FR 56013, December 5, 2025, and implement proposals set forth in the *2026 Mandatory Data Collection Public Notice (2026 MDC PN),* 91 FR 36552, June 17, 2026, with refinements and clarifications responsive to the record.

II. Background

2. Pursuant to this delegation, WCB and OEA released the *2026 MDC PN* on June 8, 2026, 91 FR 36552, June 17, 2026, which sought comment on the contours and specific requirements of the proposed *2026 MDC.* Specifically, in the *2026 MDC PN,* WCB and OEA sought comment on streamlining the 2023 Mandatory Data Collection, while continuing to collect the information necessary to support the Commission's ratemaking efforts. WCB and OEA also sought comment on the proposed instructions, Word and Excel templates, and certification form. Concurrently, in accordance with the Paperwork Reduction Act of 1995 (PRA), the Commission published a notice in the **Federal Register** seeking initial comment on the proposed reporting requirements, 91 FR 38435, June 25, 2026.

III. Discussion

3. Pursuant to our delegated authority, we adopt the *2026 IPCS Mandatory Data Collection* instructions, Word and Excel templates, and certification form as proposed in the *2026 MDC PN,* with limited exceptions as discussed below. We revise the previous *2023 Mandatory Data Collection (2023 MDC),* 88 FR 51240, August 3, 2023 to more narrowly tailor the scope of this collection to appropriately reduce reporting burdens without compromising the Commission's ratemaking efforts. Commenters broadly support the proposal to streamline the data collection and generally support the overall reporting structure and organization, which remains largely consistent with prior iterations. We decline to adopt various suggestions to further streamline the data collection as discussed herein, and find that the collection we adopt will enable the Commission to assess the status of the industry, including the development and deployment of video IPCS.

A. Reporting Period

4. We adopt the proposal to limit the mandatory data collection reporting period to the calendar year 2025. We find that collecting calendar year 2025 data will ''provide the most pertinent and best indicator of relevant costs,'' as it represents the most recent full year of reporting data available. ViaPath recommends the data collection ''should be focused on calendar year 2025 data only'' as those data ''represent the most recent data available, and are therefore likely to be more representative of future operations by IPCS providers than data from prior years.'' It also notes that ''[u]sing one year of data is consistent with the approach in the 2023 MDC.'' And as we have catalogued elsewhere, various parties applaud our efforts to streamline the collection and reduce reporting burdens generally. As we discuss in greater detail below, we decline suggestions to expand the scope of the collection, and instead ''rely on the best data available,'' which we believe strikes the right balance between the benefit of the information collected and the proportionate burden involved in the collection.

5. Securus and the Wright Petitioners advocate for a three-year reporting period to capture industry data from 2023, 2024, and 2025, which they argue would provide the Commission with ''a more nuanced picture of costs and cost trends.'' These commenters also argue that collecting multiple years of reporting data would materially help the Commission identify longer term cost structures, particularly ''for new services such as video calling.'' Similarly, the Brattle Group argues that a single-year collection would leave the Commission ''without the time-series information needed for future rate-setting.''

6. We decline to adopt proposals to expand the reporting period beyond calendar year 2025. We are sensitive to the burdens involved in responding to the collection, and are unpersuaded that the benefits of requiring providers to submit multiple years of data outweigh

the additional burden involved. Our approach is not dissimilar to that suggested by the Wright Petitioners in the context of the previous data collection, where they acknowledged the importance of balancing the value of gathering additional data against the burden of doing so. The Commission previously collected industry cost data for calendar year 2022, which in conjunction with 2025 data will enable the Commission to estimate industry trends and largely moot such concerns. Additionally, our data collection instructions require disaggregated reporting of capital assets, capital expenses and operating expenses, and require providers to fully document and explain their cost allocations. In that way, we capture providers' investment in long-term assets and the recurring expenses they incur to supply IPCS on a continuous basis. In sum, we find that the burdens of expanding the data collection to include multiple years of data outweigh the benefits.

7. For these reasons, we also decline to adopt expanded reporting of specific metrics in other years as suggested by the Brattle Group in lieu of expanding the reporting period. It proposes that if the reporting period is limited to the collection of calendar year 2025 data, providers should additionally be required to submit calendar year 2024 data for ''a limited set of high value metrics,'' and also suggests requiring providers to report data on site commissions and payments to facilities after April 2026, or after the Commission's prohibition of site commissions became effective. We do not agree that these targeted collections are required to supplement calendar year 2025 data, nor do we agree that they would yield benefits commensurate with their burdens. To the contrary, we find that collecting only a select subset of data for certain years would risk a potentially misleading partial view of the industry in that timeframe, which could leave the Commission without a consistent dataset on which to base permanent IPCS rate caps. The Wright Petitioners have previously recognized the value of ''collect[ing sufficient] data to ensure a holistic view of the IPCS industry.'' Additionally, the heightened burden of even a ''targeted'' expansion of the collection may prove substantial—expanding the collection both before and after 2025 could double or triple the records required to inform a provider's response—regardless whether the data sought is narrowly targeted.

8. We likewise decline to delay the data collection as Pay Tel proposes. The Commission has noted ''the importance of conducting a data collection without further delay'' and has clearly stated its intent to establish permanent rates for IPCS in 2027. Pay Tel argues that collecting data for calendar year 2025 would prove inadequate for setting permanent rates because the regulatory environment did not reflect the reforms the Commission adopted in the *2025 IPCS Order.* Instead, Pay Tel argues that the Commission should collect data for a reporting period which begins ''April 6, 2026 at the earliest, and ideally not until . . . several months of operations under the *2025 IPCS Order's* reforms.'' We disagree. As Pay Tel itself identifies, ''[r]egulatory changes in the IPCS industry do not result in instantaneous cost changes.'' Nor do we agree that 2025 data offers ''no practical benefit,'' because that data will enable the Commission's ratemaking efforts, which carry benefits to the public that would otherwise become attenuated with further delay. Pay Tel further argues that at best calendar year 2025 data would ''only burden providers and raise compliance costs for no practical benefit.'' Pay Tel fails to convince us that cost data for the period before the effective date of the *2025 IPCS Order,* are not pertinent or relevant to setting permanent, cost-based IPCS rate caps. Despite Pay Tel's suggestion that any collection be delayed until the industry reaches an ''equilibrium,'' Pay Tel provides no objective or observable basis for the Commission to determine when such an ''equilibrium'' might occur. Consistent with the Commission's determination that ''there is still a reason for urgency,'' we are unwilling to delay action until some speculative future date, nor are we required to do so. The Commission has the regulatory expertise and authority to make necessary adjustments to the data it collects and to its ratemaking approach to ensure that permanent rates are set at levels that are just, reasonable, and fairly compensatory.

B. Definitions

9. Commenters generally support the proposed changes to streamline the data collection, which include proposed changes to the definitions, or do not comment on the proposed definitions. We therefore adopt the definitions as proposed. We have also proposed various administrative revisions to the definitions, including grammatical corrections, edits to ensure consistent use of terms, and other non-substantive edits.

10. *Audio IPCS and Video IPCS.* We adopt the definitions of Audio IPCS and Video IPCS as proposed in the *2026 MDC PN,* and decline to revise these definitions as suggested by Securus. Securus observes that the definition of Audio IPCS includes ''all point-to-point video services made available to incarcerated people for communication in American Sign Language (ASL) with other ASL users'' and raises concerns with ''[i]ncluding a video service within the Audio definition.'' Securus recommends removing this service from the Audio IPCS definition and including it instead in the definition of Video IPCS. We acknowledge the facial logic of Securus' observation but nonetheless decline to adopt its recommended change to avoid creating any potential confusion over the applicable rate caps for ASL services, the rates for which are capped under our rules at the charge for ''a voice telephone call of the same duration, distance, Jurisdiction, and time-of-day placed to or from an individual incarcerated at the same Correctional Facility.'' Because our rules cap the price of point-to-point video service for ''incarcerated individuals with communication disabilities who can use ASL'' at a voice telephone charge, we find that Securus' proposed change might engender more confusion than it resolves.

11. *Consumer and Customer.* We adopt the definitions of Consumer and Customer as proposed in the data collection instructions, but combine them into a single definition for ease of reference. Securus notes that the proposed instructions contain identical definitions for the two terms and suggests we redefine Customer to mean ''the correctional authority with which the IPCS provider has contracted to provide services,'' instead of ''the party paying a Provider of IPCS,'' as we have proposed to define Customer and Consumer. We have used nearly identical versions of both terms in previous data collections, which proved effective, and find that both terms retain useful clarity as implemented throughout the instructions. To simplify our definitional section, however, we combine them into a single definition, which requires no additional conforming modifications of the instructions nor of the templates. Further, we also find that Securus' proposed redefinition of Customer would not increase the clarity of the instructions. The use of the defined terms Contracting Authority and Facility (and synonymous terms) serve the same purpose and cover the same entities as the new definition Securus proposes for the term Customer, and therefore, to make the change which Securus suggests would risk newfound confusion between those terms. Besides

Securus, no provider nor other party has noted any confusion over the meaning of Consumer, Customer, Contracting Authority, or Facility in the context of prior data collections. We find that making the narrow change, to define both terms synonymously in a single definition, will reduce confusion by eliminating two parallel definitions, without risking further confusion by tying either definition to already established terms.

C. Cost Categories and Allocation

1. Cost Categories and Sub-Categories

12. We sought comment on the cost categories and subcategories that we proposed to use to collect investment in capital assets, capital expenses and operating expenses and now adopt those aspects of the data collection as proposed. As noted in the *2026 MDC PN,* those categories and subcategories are consistent with those used in the *2023 MDC,* and adopting them will provide the Commission with comparable datasets on which to base its rate setting analysis. In the *2026 MDC PN,* we also sought comment on Securus' suggestion that we eliminate the collection of subcategory data, including seven subcategories each for the capital assets and capital expenses, and fifteen subcategories for operating expenses, and retain only totals for the major categories. Securus contends that ''[t]he Commission . . . only uses bottom line totals for capital assets and expenditures and for operating expenses.'' Securus' consultant, FTI Consulting, argues that ''[t]his subcategorization bears little to no resemblance to how providers account for and track costs in the real world. . . . [T]he Commission does not use these subcategories in deriving recoverable costs.'' The Wright Petitioners recommend rejection of Securus' ''sweeping proposal to collapse all capital assets, capital expenses, and operating expenses into single totals.'' The Wright Petitioners note that ''subcategory granularity—in both capital and operating cost reporting—is essential in detecting cost inflation, misallocation between IPCS and non-IPCS services, and anomalous shifts in how providers book common costs over time.'' The Wright Petitioners' consultant, the Brattle Group, further notes that consolidating reporting as Securus proposes ''would undermine the Commission's ability to estimate IPCS-related costs.''

13. We find that the reporting structure we adopt provides a necessary level of detail that enables the Commission to understand how IPCS providers incur and attribute costs, the impact of those costs on operations and on the overall health of the company, and the contribution of those costs to the rate-base. The use of categories and subcategories encourages providers to attribute the investments and expenses among services using causality-based allocators that link the various investments and expenses specifically to the activities that drive them (where direct assignment is not possible). We therefore reject Securus' proposals to reduce the required reporting of capital assets and expenses by requiring a single total for gross investment, a single total for accumulated depreciation or amortization for capital assets, and a single annual depreciation/amortization expense total. Likewise, we reject Securus' proposal to reduce operating expenses reporting to a single operating expense total. We decline to adopt Securus' submitted Excel template proposal for the same reasons.

14. The Commission relies on these data subcategories in its IPCS rate-setting calculations. Securus acknowledges that the Commission utilized subcategory data in analyzing IPCS providers' goodwill expenses in the *2024 IPCS Order,* 89 FR 77244, September 20, 2024. The Commission calculated that IPCS providers reported $141 million in goodwill expenses, which represented approximately 15 percent of the relevant providers' total IPCS costs. While the Commission ultimately did not adjust providers' goodwill totals in setting rate caps, it nonetheless incorporated analysis of providers' goodwill data when selecting rate caps within the zones of reasonableness as part of its ratemaking process. The Commission is also likely to utilize providers' reporting of two subcategories of operating expenses (*i.e.,* Billing, Collection, Client Management, and Customer Care expenses and Bad Debt expenses) in determining providers' payment processing services costs, discussed below, when setting permanent IPCS rate caps, because providers argue they will incur increased cost in providing payment processing services to IPCS consumers following the implementation of the Commission's prohibition on ancillary service charges.

15. We decline to adopt recommendations by the Brattle Group to require continued reporting of site commissions, legacy ancillary services, and component-based reporting of other, non-IPCS products and services. The Brattle Group fails to adequately support these proposals in a manner that overcomes the limited utility of such cost data for rate-setting purposes. The Brattle Group's reasons for recommending continued, detailed reporting of these cost categories do not directly support the ultimate purpose of the data collection, and we find that the narrowly-tailored approach to the collection we adopt will gather sufficient cost data to account for these now-prohibited practices. Accordingly, we find the burden of continuing to require the reporting of these cost data outweighs any potential benefit to the Commission's rate setting for audio IPCS or video IPCS. Separately, for similar reasons we also decline to adopt the Brattle Group's recommendation to require additional component-based reporting of other products and services-related cost categories when those costs exceed a percentage of total costs or revenues. We are unpersuaded that requiring that additional detail on IPCS providers' non-regulated offerings would result in information that would be useful to the Commission's IPCS ratemaking efforts. The Brattle Group offers no additional justification or support for this proposal other than transparency, and we are not inclined to develop new reporting requirements on that limited basis.

2. Cost Allocation Instructions

16. We adopt the cost allocation instructions for this data collection as proposed, which as noted in the *2026 MDC PN,* largely mirror those from the *2023 MDC.* ViaPath again proposes the Commission require allocation on a contract basis rather than on a facility basis. The Commission previously found contract-level reporting to be a poor fit for its IPCS ratemaking efforts due to resulting limitations with the dataset. Further, we find that ViaPath has not established how contract-level reporting could satisfy the Martha Wright-Reed Act's direction to consider costs for ''small, medium, or large facilities.'' Securus suggests that we ''adopt more prescriptive and detailed allocation methodologies,'' further suggesting that a consensus methodology or bifurcated methodologies, based on provider size, be developed to direct cost allocations. We disagree. While the aim ''to reduce divergence'' in allocation results across providers may be a laudable goal, developing ''a consensus methodology'' would likely be unnecessarily burdensome and prescriptive. We rely instead upon the current cost allocation approach because it ''provides a necessary and workable framework within which to standardize and compare the data submitted, while . . . affording providers the flexibility to implement the cost allocation

instructions in a manner that reflects their accounting and recordkeeping systems.'' In doing so, we acknowledge that providers differ in their approach to accounting and recordkeeping, and we find that ''more prescriptive and detailed allocation methodologies'' may result in sacrificing accuracy in favor of uniformity without materially improving the results of the data collection. Further, Securus has not proposed a more prescriptive cost allocation methodology to reduce divergence in reported cost data that would also preserve the flexibility offered by the current cost allocation instructions, and we cannot adopt theory. We address other, more specific allocation issues below.

3. Company-Specific WACC

17. In light of the adoption of the instructions as proposed, we decline to revisit the proposed elimination of optional reporting of an alternative weighted average cost of capital (WACC). We find unpersuasive commenters' arguments that we should allow this optional, additional reporting. The Commission's default WACC was the result of a notice and comment rate represcription proceeding which resulted in the adoption of a conservative rate of return for local exchange carrier services subject to rate of return on rate base regulation. Providers' arguments in support of optional reporting for an alternative WACC are based on alleged differences between IPCS and local exchange service, which fail to address the Commission's rejection of the argument that IPCS providers are ''primarily technology and IT service providers,'' or acknowledgement that ''IPCS is a communications service, yet not necessarily the same as local exchange carrier service,'' when applying the default WACC in the *2024 IPCS Order.* Commenters also assail this figure as based on dated information and dependent on ''data from 2012 and 2013.'' This criticism fails, because as we discuss herein, the Commission applied the default WACC in the IPCS context in both the *2024 IPCS Order,* and in the *2025 IPCS Order.* Despite subsequent litigation, that aspect of these decisions has not been appealed. Relatedly, the default figure still used in rate-of return ratemaking is appropriate because when setting the default WACC, the Commission ''added a cushion to account for regulatory lag between recognition of the need to prescribe a different rate of return, as capital markets change significantly over time, and actually prescribing a new rate of return.'' Importantly, out of the entire industry, only two providers elected to report an alternative WACC in their *2023 MDC* submissions, despite having the ability to do so in both of the prior two data collections. In turn, the Commission found that both failed to sufficiently justify their reported estimates, as discussed in the *2024 IPCS Order.* Given the inherent imprecision and difficulty of estimating the cost of equity, the Commission found if it were to estimate the WACC for those two providers, the margin of error would produce ranges that would encompass the 9.75% default WACC. Taking these points together, we are unconvinced that preserving this option would produce more reliable results. Commission staff have substantial experience with analyzing provider-submitted alternative WACCs and supporting justifications, and we find no benefit to the Commission's rate-setting efforts of entertaining optional reporting of this figure, particularly on a provider-by-provider basis. Should an IPCS provider choose to attempt to demonstrate that the Commission's permanent IPCS rate caps do not ensure fair compensation, it has recourse through the IPCS-specific waiver process provided for in the Commission's rules.

4. Tablet Usage

18. We adopt our proposal to require providers to report minutes of use for tablets, divided between regulated and non-regulated services. We find that collecting usage data for tablets and the reporting of those minutes of use between IPCS and non-IPCS uses will enable the Commission to analyze IPCS cost allocations and aid the Commission in setting permanent rates. Various commenters urge the Commission to adopt rules to allocate tablet costs between IPCS and other products and services based on reported minutes of use. How tablet usage data is utilized is a matter for the Commission to determine as it analyzes providers' data, and is beyond the scope of the Commission's delegation to WCB and OEA. Additionally, given the broad support in the record for collecting data on tablet usage as proposed, we find the Brattle Group's suggestion to require reporting on more granular cost drivers for tablets to be both unnecessary and overly burdensome. Similarly, we find that our proposed cost allocation instructions provide the necessary flexibility to allow providers to report their tablet costs in a manner that best reflects their operations, whereas a more prescriptive approach might render reported costs inaccurate or unrepresentative.

D. Ancillary Service Charge Cost Reporting and Payment Processing Services Reporting

19. Following the prohibition of ancillary service charges in the *2024 IPCS Order,* and in light of the record, we adopt our proposal to eliminate separate reporting for the categories of ancillary services previously included in the *2023 MDC.* As a general matter, the majority of commenters support this revision to further streamline reporting. Eliminating separate reporting of former ancillary service costs will reduce reporting burdens by allowing providers to include those costs in their general, company-wide cost reporting. We agree that, given this prohibition, ''there is no need to report costs for each of the previously allowed, separately charged ancillary services.'' The Wright Petitioners concede that retaining these reporting requirements would add to the reporting burden for providers, but allege that any additional burden will not be significant, particularly because they claim that providers ''already track ancillary services costs.'' However, the record is unclear about the difficulty of continuing to require the reporting of ancillary service costs, particularly after the Commission prohibited the ability to charge for such legacy services. We further find that the burden of requiring separate reporting of ancillary service charge cost data is not offset by any benefit since doing so would not produce information of ''material value'' for rate-setting purposes.

20. The Wright Petitioners caution that providers may ''indirectly recreat[e] prohibited ancillary charges through accounting reallocations or bundled service offerings,'' or might ''shift costs'' into ''surviving [cost] categories that remain recoverable in rate caps.'' We find such concerns speculative and hypothetical. The Wright Petitioners cite no evidence of any such action, nor of bundled service offerings of this type. Further, as Securus correctly observes, ''the Commission has not barred cost recovery for ancillary services, it has only barred assessing [these] charges separately.'' As the Commission stated in the *2024 IPCS Order,* ''we include providers' reported ancillary services costs . . . in the used and useful IPCS costs that we use to set the rate caps.'' Thus, these costs remain recoverable and providers are without the purported incentive to shift them to separate recoverable cost categories. It is likewise incorrect to say these costs have been ''removed'' from rate-setting, as the Wright Petitioners allege; the fact that ancillary services costs are no longer segregable from IPCS-related costs

reflects the Commission's observation that ancillary services ''are inherent in the provision of IPCS.''

21. *Payment Processing Services.* We adopt our proposal to require separate reporting of fees IPCS providers pay for payment processing services, defined as ''any service, including fraud detection, provided by a third party to process a Customer's financial transaction for which the Provider pays a fee.'' As our proposed instructions stipulate, the fees for these services include ''fees associated with chargeback amounts,'' but exclude ''the chargeback amounts themselves.'' IPCS providers and public interest parties agree that the collection of this information is appropriate. Further, the record suggests that the burden of reporting this information may be minimal, ''because providers should ordinarily maintain records of payment-processing vendors and related payments in the normal course of business.'' We find that information on ''the fees providers incur to process financial transactions,'' will enable the Commission to evaluate and determine policy about these services. Regardless of whether the speculation around increased costs proves accurate, the collection of this cost information will nonetheless be informative as to the size of any related expenses.

22. As the Wright Petitioners and others highlight, we acknowledge that there may be internal costs associated with payment processing, in addition to and beyond those fees IPCS providers pay for third party services. To the extent that IPCS providers incur internal costs to provide payment processing services, those costs, whether related to IPCS or non-IPCS, should be included in providers' reporting and allocated among audio IPCS, video IPCS, safety and security measures, and other products and services as prescribed by the data collection. Moreover, as Securus argues, ''[t]his level of reporting is sufficient to incorporate those costs into the rate.''

23. By contrast, we decline Securus' suggestion to broaden the data collection by inviting submission of ''data on funding trends and related costs.'' Securus proposes that providers elect to report: ''(a) the total number of payment transactions processed, (b) the total amount of dollars deposited, (c) the total number of fees paid to third-parties for IPCS providers to process these transactions, and (d) the total allocated costs incurred by the facility in setting up, maintaining, and administering payment services to customers.'' Securus does not identify how this information would contribute to the Commission's rate-setting efforts, nor does it estimate the increase in burdens involved for providers to supply this information. Without more, we are unwilling to increase the reporting burden, but we remind all providers that, to the extent they believe additional information may be valuable to the Commission, they are welcome to supplement their responses to the mandatory data collection or to file that information using the Commission's *ex parte* process.

24. We likewise decline to broaden the collection to include data on ''payment processing fees collected by an affiliate of an IPCS provider related to deposit accounts that may be used to pay for IPCS.'' Pay Tel claims that because the current definition of ''Provider'' fails to ''include the affiliates of the provider,'' our rules prohibit only providers from imposing ancillary service fees. Thus, Pay Tel claims that there has been an increase in ''the use of affiliates to manage deposit accounts (and therefore collect ancillary fees without regulatory oversight or restriction.'' We agree that such concerns are noteworthy, but this is not the appropriate forum in which to revise the Commission's IPCS rules. If such fees are being assessed by affiliates, providers are already obligated to report them.

E. Provider Payments to Facilities

25. We adopt our proposal to require providers to report total monetary and total in-kind payments to correctional facilities for used and useful IPCS costs during the reporting period. Record comments are unanimous in their support for the collection of data on providers' correctional facility payments, ''whether under the reimbursement scheme adopted in the *2024 IPCS Order* or the rate additive approach adopted in the *2025 IPCS Order.*''

26. The record is divided on whether we should collect additional data concerning facility payments. On the one hand, ViaPath and others contend that there is ''no additional information available to IPCS providers regarding how facilities use those payments.'' On the other, the Wright Petitioners argue that the Commission should ''collect more detailed data on provider payments to facilities.'' Arguments that information on provider payments to facilities ''should not be treated as a sufficient basis for a permanent facility cost additive'' are premature, and beyond the scope of this Order. They suggest that the Commission require providers to ''identify the payment type, amount, contractual basis, associated activity, and rationale for treating the payment as used and useful,'' and argue that these data will ''preserve[ ] useful information for future proceedings.'' While more detailed information is often helpful, there is no showing that the value of such information would outweigh the burden of collecting it, nor is there adequate information to estimate the burden of providing these additional data on facility payments. We likewise reject the Wright Petitioners' recommendation to the extent it urges the Commission to collect these data on a facility-by-facility basis, as that would substantially heighten the burdens involved. Further, we acknowledge that providers are not typically in possession of this type of detailed information about facilities' costs. On balance, we decline to expand this collection to include additional data on facility payments beyond those proposed in the *2026 MDC PN.*

F. Safety and Security Measures

27. We adopt our proposal for measure-based safety and security cost reporting. We require providers to identify each discrete safety and security measures they provided in 2025, estimate the percentage of total safety and security expenses attributable to each measure, and then associate each measure to one or more of the safety and security categories previously utilized by the Commission. Adoption of this measure-based approach to cost allocation is based in the relevant language of the Martha Wright-Reed Act and will allow the Commission to collect more granular data, while giving providers increased flexibility to report and allocate their safety and security measure costs as they supply them instead of allocating them based on predetermined categories. This approach retains the seven safety and security categories the Commission previously used to allow for comparisons with previous data collections but stops short of requiring providers to allocate costs based on those categories. We also eliminate the requirement to further allocate those costs to the facility level, finding it unnecessary and unnecessarily burdensome. Collecting these data at the total company level will be sufficient for the Commission's rate-making purposes. While requiring measure-based, company-wide reporting does not resolve all issues regarding the collection of providers' safety and security data, we find that on balance it is best-suited to produce reliable data for the Commission's IPCS rate-setting purposes without creating undue reporting burdens.

28. Commenters were generally supportive of using measure-based safety and security cost reporting. ViaPath stated that it ''endorses an approach that requires providers to report on the discrete measures they actually use.'' Pay Tel indicated that measure-based reporting ''will enable providers to report their safety and security measures as they offer them rather than requiring them to allocate the costs of those measures to predetermined categories.'' It further observed that collecting measure-based data ''is both more granular and less arbitrary than the category approach.'' Some commenters expressed conditional support for measure-based reporting. For example, the Brattle Group noted that ''[m]easure-based reporting has the potential to improve transparency'' but also cautioned that the ''Commission should not assume that measure-based reporting will automatically produce better data.''

29. *Reporting Discrete Safety and Security Measures.* We adopt a measure-based approach to the reporting of safety and security costs, which entails both the reporting of each discrete safety and security measure offered and the allocation of specific costs to each measure reported. Some commenters urge the Commission to more clearly define what a discrete measure is, and to provide clearer directions for the allocation of costs between measures to ensure that safety and security measure-based data is reported consistently by different providers. For example, Securus asserts that ''neither the Notice nor the proposed instructions supplies a principled basis for determining what constitutes a single discrete 'measure.' '' The Brattle Group similarly recommends the Commission ''define a 'discrete safety and security measure' '' and states that ''the value of the [measure-based] approach depends on standardized definitions.''

30. We find rigorous, standardized definitions which differentiate various safety and security measures, as recommended by Securus and the Brattle Group, to be less central to measure-based reporting than the Commission's previous category-based reporting. The benefit of collecting measure-based data is that it relies on the responding provider to identify and define each separate safety and security measure it provides, and to allocate the costs associated with each discrete measure. This approach grants providers the autonomy to report and allocate costs in a manner best befitting their internal organization and accounting policies. While providers may take different approaches to reporting their safety and security measures, the data collection we adopt consists of several layers of reporting to ensure the Commission obtains a reliable and comparable dataset that is well-suited to rate-setting. That includes: (1) identification of individual measures in the Excel template; (2) assigning a percentage of total safety and security measure costs to each of those measures; (3) assigning a percentage of the costs assigned to each measure to audio IPCS, video IPCS, and other products and services; (4) designation of the category or categories with which the measure is associated; (5) the narrative description of each measure in the Word template; and (6) additional follow up or discussion as may be required to provide clarity to the Commission and assist providers with compliance. These complementary reporting requirements will position the Commission to ensure a reasonably consistent allocation of costs among discrete measures, and are sufficient for the Commission to discharge its statutory duty to consider costs associated with safety and security measures necessary to provide IPCS.

31. We clarify that under measure-based reporting, providers are required to report each separately identifiable safety and security measure they offer. To the extent that a measure provides a distinguishable safety and security functionality, it should be treated as a discrete measure for reporting purposes. We note that aggregating multiple functionalities into a single or a smaller number of generalized reporting categories is contrary to measure-based reporting and would tend to revert to the category-based reporting required by the previous data collection. Securus argues that ''safety and security measures are largely integrated into IPCS service provider platforms,'' which ''renders any attempt at allocating safety and security costs into pre-defined categories a highly problematic exercise.'' We disagree that the largely platform-based nature of these measures effectively precludes the allocation of costs to individual safety and security measures. Allowing providers to estimate percentages of total safety and security costs attributable to different measures is based on approximation by design. Such an approach not only simplifies the reporting process but also gives providers an important margin of flexibility in allocating platform-based costs to individual safety and security measures. Additionally, while providers may take varying approaches to the allocation process, requiring them to associate each measure with one or more broader category will help minimize any differences that their varying approaches may involve.

32. *Allocation of Safety and Security Measure Costs.* Securus raises concerns about the feasibility of allocating costs across the wide range of safety and security measures that it provides. It asserts that ''attempting to allocate to each of these functions some percentage of overall safety and security costs and then further allocate those costs across services would be impracticable and highly imprecise.''

33. While we agree that IPCS platforms pose a challenge to allocating costs, we disagree that such platforms represent an insuperable barrier to the reasonable allocation of safety and security costs for the purpose of this data collection. As Securus notes, delivering IPCS via a multi-functional service platform is standard practice in the IPCS industry. But it is also a reasonable presumption that providers maintain internal accounting systems that are capable of tracking the costs of different aspects of providers' platform investments with a reasonable degree of precision. For example, Securus' filings related to its waiver petition seeking extension of the Commission's deadline for per minute charges for video IPCS provide ample evidence of its ability to track costs for the billing portion of its platform. Further, larger providers like Securus are likely to have more robust internal accounting systems that would enable a reasonable allocation of costs to different functionalities. As such, we preclude providers from reporting their safety and security measure costs as a single item, and the instructions make clear that providers may not simply report costs as a single platform-based measure and thereby avoid attempting a reasonable allocation of those costs to individual measures pursuant to our cost allocation instructions.

34. *Continued Use of Safety and Security Categories.* We retain the use of seven safety and security categories used in the 2023 Mandatory Data Collection but repurpose them and no longer require providers to allocate any costs to these categories. Instead, as discussed, providers must allocate costs to the discrete safety and security measures they report. By contrast, providers are only nominally required to associate the individual measures they report with one or more related categories, and the attribution of costs to each category is now unnecessary. Pay Tel asserts that retaining the categories ''serves no practical purpose'' and is ''irrelevant for ratemaking purposes.'' But repurposing the seven categories to reduce reporting burdens on providers

does not eliminate their role in rate-setting. The seven categories continue to allow the Commission to evaluate safety and security measures categorically and additionally ensure a significant degree of comparability with the previous data collection, as urged by another commenter.

35. Worth Rises advocates in favor of collecting additional safety and security data by subdividing the Commission's seven categories into multiple subcategories. Other commenters oppose doing so. We find that our newly-adopted measure-based collection will result in more detailed safety and security data than that of previous collections, while requiring providers to allocate costs to new subcategories would add significant reporting burden without ensuring the resulting data will be consistent and comparable and therefore usable for rate-setting purposes.

36. Finally, Securus suggests that ''the Commission may be better served by engaging in the initial exercise of identifying safety and security measures it finds unnecessary, if any, an exercise that does not depend on the costs of those measures.'' Limiting the mandatory data collection to a subset of safety and security measures or categories, however, would require WCB and OEA to prejudge which measures are ''necessary,'' a determination that would exceed our delegated authority. We do not, however, foreclose such an exercise; to the contrary, retaining a categorical association of safety and security measures provides the Commission more information in support of a similar analysis in the future.

G. Site Commissions Reporting

37. We adopt the proposal in the *2026 MDC PN,* to significantly reduce reporting of site commission data. We eliminate most reporting of site commission data at the company-wide and facility levels and eliminate the need to distinguish between fixed and variable site commissions. To ensure the exclusion of certain 2025 site commission payments from the Commission's ratemaking process, however, we continue to require the reporting of summary IPCS- and non-IPCS-related site commission payments at the company-wide level, including total IPCS-related monetary and total IPCS-related in-kind site commissions.

38. Commenters were generally supportive of streamlining the collection of site commission data. FTI states that the ''proposal to report site commissions at the company-wide level is a vast improvement over previous reporting requirements.'' Pay Tel supports ''the collection of monetary and in-kind payments to correctional facilities,'' citing the need to ''monitor[ ] and enforce[ ]'' the Commission's site commission prohibition.

39. We decline the Wright Petitioners' suggestion to increase the scope of the mandatory data collection to include 2026 site commission data to ensure providers have complied with the Commission's site commission prohibition that became effective on April 6, 2026. The Wright Petitioners assert that the effective date of the site commission prohibition ''gives 2025 cost data on site commissions a unique value, as it may be used as a comparison in the future to assess whether providers may have shifted any improper site commission costs into a different category.'' The Brattle Group states that ''2025 [site commission] data remain necessary to identify any site-commission amounts incurred before the prohibition and ensure that those amounts are excluded from ratemaking calculations.'' IPCS providers generally opposed this suggestion. We find that collecting an additional year of site commission data in 2026 will not contribute directly to the Commission's ratemaking process, which will be based on calendar year 2025 data. The marginal benefit of enabling the Commission to monitor compliance with its site commission prohibition does not warrant the additional burden of collecting another year of data from all providers, particularly since the Commission retains its ability to monitor its rules in a more targeted, less burdensome manner.

H. Other Suggestions in the Record

40. The record contains a variety of additional suggestions, comments, or requests for changes to the data collection as proposed in the *2026 MDC PN,* which we review here. We decline to provide additional guidance on material acceptable for redaction, as Securus suggests. The Commission's confidential filing rules and the *Protective Order* adopted in this proceeding provide ample protection for sensitive, confidential data, and we do not revisit them here. While we generally encourage the disclosure of public information, particularly given the ''strong public interest in transparency surrounding rates, charges, terms, and fees for [incarcerated people's communications] services,'' we also recognize the need for companies to protect their trade secrets and sensitive financial information from disclosure. Broadly, under the FOIA and the Commission's implementing rules, the following records are not routinely available for public inspection: records pertaining to national defense or foreign policy, materials related solely to the internal personnel rules and practices of the Commission, materials exempted from disclosure by statute; trade secrets and commercial or financial information; interagency and intra-agency memoranda or letters; personnel, medical and similar files, disclosure of which would constitute a clearly unwarranted invasion of personal privacy, and records compiled for law enforcement purposes. That said, we clarify that ''information regarding how [most providers] collected and allocated costs'' should be redacted. The data collection instructions include detailed cost allocation procedures for providers to follow, and idiosyncratic cost allocation by one company may well reflect the manner in which that company analyzes its own financials. The same holds true for how a given company reported cost data, which might conceivably expose confidential aspects of internal management processes. Without a developed record on the nature of that information, and on whether its publication would expose sensitive financial information or trade secrets, we are reluctant to require it be provided publicly.

41. We also reject a proposal to require IPCS providers to submit additional documentation to serve as independent verification of their self-reported data. As additional oversight measures, Worth Rises proposes we require IPCS providers to submit copies of all financial statements provided to lenders and investors during the preceding year, and submit copies of usage and revenue reports for each reported facility for the preceding year. However, we find that our current instructions, which require providers to submit audited financial statements for 2025, are sufficient for the Commission's rate-setting needs. Requiring the submission of usage and revenue reports for each reported facility, other than audio and video IPCS demand and revenue reports, would exceed our previous data collections and, as ViaPath observed, ''would place a significant burden on both the Commission and IPCS providers'' without much corresponding benefit. Worth Rises provides a selection of reports tracking monthly usage and revenue for certain facilities. While we welcome the addition of these materials into the record, insofar as they provide useful information and data regarding the type and variety of information which IPCS providers

routinely track, we are cognizant of the burden requiring all providers file such detailed, monthly data for each facility they serve would entail. Again, granular facility-level reporting is already included in the data collection, and, accordingly, we decline to impose further reporting burdens without a clear showing of need and benefit. Similarly, as part of the mandatory data collection, we require certification by an officer of the company of the truthfulness, accuracy, and completeness of the information submitted, which provides the Commission with adequate assurance of the reliability of providers' submissions.

I. Timeframe for Provider Responses

42. In the *2026 MDC PN,* we sought comment on our proposal to require IPCS providers to file their responses to this data collection within 90 days of the release of this Order. In weighing the importance of conducting this data collection ''as soon as practicable'', the Commission previously found ''that requiring IPCS providers to submit data collection responses within 90 days of the release of an order approving the collection would not be unduly burdensome, particularly considering [the] proposals to streamline and simplify certain reporting requirements'' and we find no reason to disturb that finding today. We also sought comment on either longer or shorter response timeframes and received one comment opposing a shorter period to respond. We note that no commenters in the record opposed this proposal. ViaPath, in supporting the 90-day response timeframe, states that ''a significant delay in the completion of the [data collection] will undermine'' the Commission's goal to adopt permanent rate caps for IPCS. We agree and adopt our proposal to require responses to this data collection 90 days following release of this Order. Accordingly, we establish December 21, 2026 as the date on which provider responses will be due, unless the Office of Management and Budget (OMB) has not completed its review of this collection under the Paperwork Reduction Act prior to then.

IV. Procedural Matters

43. *Final Paperwork Reduction Act Analysis.* This Order contains new or modified information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104–13. It will be submitted to OMB for review under section 3507(d) of the PRA. OMB, the general public, and other Federal agencies will be invited to submit additional comment on the new or modified information collection requirements contained in this proceeding. In addition, we note that pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107–198; *see* 44 U.S.C. 3506(c)(4), we previously sought specific comment on how the Commission might further reduce the information collection burden for small business concerns with fewer than 25 employees. We have assessed the effects of the data collection on small business concerns, including those having fewer than 25 employees, and find that to the extent such entities are subject to the collection, any further reduction in the burden of the collection would be inconsistent with the objectives behind the collection.

44. *Congressional Review Act.* The Commission will not send a copy of this Order to Congress and the Government Accountability Office pursuant to the Congressional Review Act (CRA), *see* 5 U.S.C. 801(a)(1)(A), because it does not adopt any rule as defined in the CRA, 5 U.S.C. 804(3).

VI. 2026 Mandatory Data Collection Instructions, Templates, and Certification Form

45. The instructions, template, and certification form for the 2026 Mandatory Data Collection are available through this link: *https://www.fcc.gov/document/2026-ipcs-mandatory-data-collection-order.*

VII. Ordering Clauses

46. Accordingly, *It is ordered* that, pursuant to the authority contained in sections 1, 2, 4(i)–(j), 155(c), 201(b), 218, 220, 255, 276, 403, and 716 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 152, 154(i)–(j), 155(c), 201(b), 218, 220, 255, 276, 403, and 617 and the authority delegated in § 0.21, 0.91, 0.201(d), 0.271, and 0.291 of the Commission's rules, 47 CFR 0.21, 0.91, 0.201(d), 0.271, 0.291 and paragraph 81 of the *2025 IPCS Order,* this Order *Is adopted.*

Federal Communications Commission.

Lynne Engledow,

Chief, Pricing Policy Division, Wireline Competition Bureau.

[FR Doc. 2026–20362 Filed 10–2–26; 8:45 am]

BILLING CODE 6712–01–P

DEPARTMENT OF TRANSPORTATION

Federal Motor Carrier Safety Administration

49 CFR Part 390

[Docket No. FMCSA–2025–0124]

RIN 2126–AC77

Clarification to the Applicability of Emergency Exemptions; Response to Petitions for Reconsideration

AGENCY: Federal Motor Carrier Safety Administration (FMCSA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: FMCSA amends its emergency declaration regulations to revise from 14 days to 30 days the length of the relief automatically triggered subsequent to a regional declaration of emergency by a Governor of a State, the Governor's authorized representative, or FMCSA. This action is in response to several petitions for reconsideration received after publication of a final rule in October 2023.

DATES: Effective October 5, 2026.

Petitions for reconsideration of this final rule must be submitted to the FMCSA Administrator no later than November 4, 2026.

FOR FURTHER INFORMATION CONTACT: Ms. Kathryn Sinniger, Regulatory and Legislative Affairs Division, Office of the Chief Counsel, FMCSA, 1200 New Jersey Avenue SE, Washington, DC 20590–0001; *kathryn.sinniger@dot.gov.*

SUPPLEMENTARY INFORMATION:

I. Availability of Rulemaking Documents

To view any documents mentioned as being available in the docket, go to *https://www.regulations.gov/docket/FMCSA-2025-0124/document* and choose the document to review. To view comments, go to *https://www.regulations.gov/document/FMCSA-2025-0124-0008* then click ''Document Comments.'' If you do not have access to the internet, you may view the docket online by visiting Dockets Operations in room W58–213 of the DOT West Building, 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

II. Abbreviations

CE Categorical exclusion
CVSA Commercial Vehicle Safety Alliance
DOT Department of Transportation
EMA Energy Marketers of America

FMCSA Federal Motor Carrier Safety Administration
FMCSR Federal Motor Carrier Safety Regulations
GAWDA Gases and Welding Distributors Association
HOS Hours of service
NEFI National Energy & Fuels Institute
NEPA National Environmental Policy Act
NPGA National Propane Gas Association
NPRM Notice of proposed rulemaking
NRECA National Rural Electric Cooperative Association
NTTC National Tank Truck Carriers
OMB Office of Management and Budget
OOIDA Owner-Operator Independent Drivers Association
PIA Privacy Impact Assessment
PII Personally identifiable information
PTA Privacy Threshold Assessment
Secretary The Secretary of Transportation
UMRA The Unfunded Mandates Reform Act of 1995

III. Legal Basis

This final rule is issued under the authority of 49 U.S.C. 31136(a) and 31133(a)(10). The Secretary of Transportation (the Secretary) has authority under 49 U.S.C. 31136(a) to ''prescribe regulations on commercial motor vehicle safety. The regulations shall prescribe minimum safety standards for commercial motor vehicles.'' Where appropriate, the Secretary may provide exceptions to the applicability and scope of such regulations.

Authority to ''perform other acts the Secretary considers appropriate'' is conferred by 49 U.S.C. 31133(a)(10). The Secretary, acting through FMCSA, finds the use of emergency relief in the wake of an emergency to be appropriate and in the public interest.

The Secretary delegated this authority to the FMCSA Administrator at 49 CFR 1.87.

Because this final rule relieves a restriction in response to petitions for reconsideration on a prior final rule, the Administrative Procedure Act requirement that a rule be made effective at least 30 days after its publication in the **Federal Register** does not apply (5 U.S.C. 553(d)(1)). Delaying the effective date by 30 or more days would unnecessarily delay the relief granted by this final rule.

IV. Discussion of Proposed Rulemaking and Comments

A. Proposed Rulemaking

On January 9, 2026, FMCSA published in the **Federal Register** (Docket No. FMCSA–2025–0124, 91 FR 940) an NPRM titled ''Clarification to the Applicability of Emergency Exemptions; Response to Petitions for Reconsideration.'' The NPRM proposed revising from 14 days to 30 days the length of the emergency relief automatically triggered subsequent to a regional declaration of emergency by a Governor of a State, the Governor's authorized representative, or FMCSA. This action was taken in response to several petitions for reconsideration received after publication of a final rule in October 2023 (''Clarification to the Applicability of Emergency Exemptions,'' 88 FR 70897). A full discussion of the regulatory history and petitions for reconsideration can be found in the NPRM for this final rule (91 FR 940, 941–2).

B. Comments and Responses

FMCSA solicited comments concerning the NPRM for 60 days ending March 10, 2026. By that date, 17 comments were received; four of which were not responsive to the NPRM and will not be discussed further. The remaining 13 comments were received from the following parties: Commercial Vehicle Safety Alliance (CVSA), Energy Marketers of America (EMA), Gases and Welding Distributors Association (GAWDA), Montana Department of Transportation, National Energy & Fuels Institute (NEFI), National Propane Gas Association (NPGA), the National Rural Electric Cooperative Association (NRECA), National Tank Truck Carriers (NTTC), the Shippers Coalition, Owner-Operator Independent Drivers Association (OOIDA), a joint comment from the Departments of Transportation of Idaho, Montana, North Dakota, South Dakota and Wyoming (''joint State comment''), and two private citizens.

The Shippers Coalition, Montana Department of Transportation, OOIDA, CVSA, NPGA, GAWDA, NEFI, and the joint State comment all supported the NPRM. NTTC neither supported nor opposed the NPRM, noting that the change would likely have limited practical effect on the tank truck industry.

EMA supported the proposal, making additional recommendations. EMA requested that FMCSA take a proactive approach to declarations of emergency by issuing guidance outlining when certain meteorological events warrant advance (or preemptive) declarations of emergency. EMA also requested that FMCSA be more proactive in using its authority to declare regional emergencies, to ensure consistency in the emergency relief available among neighboring States. EMA noted that ''[w]hen covered supplies, effective dates, and conditions vary from one jurisdiction to another, even well-intentioned enforcement personnel may misinterpret the scope of relief.'' [1] FMCSA appreciates EMA's support for the NPRM and will evaluate the additional suggestions as appropriate but declines to make changes in this rulemaking.

NRECA also supported the proposal and made additional recommendations. NRECA requested a change to the residential heating fuel exemption found in 49 CFR 390.23(b)(1) to clarify that it applies to electricity. NRECA pointed out that electric lines are maintained by drivers of commercial motor vehicles and that electricity can be a home heating source. However, this provision comes directly from statute (49 U.S.C. 31136 (note)), and residential heating fuel is defined to include heating oil, natural gas, and propane. FMCSA declines to expand on the statutory language. NRECA also recommended that FMCSA consider suspension of the registration requirements in subpart E (Unified Registration System) of 49 CFR part 390 during times of disaster, to provide intrastate carriers with greater flexibility to operate interstate. This authority already exists under the current rule and no regulatory change is needed to implement the suggestion should FMCSA determine that doing so is appropriate. Suspending registration rules found in subpart E of 49 CFR part 390 is not routinely needed in response to emergencies, so FMCSA determined it is not appropriate to include it as part of the automatic exemption for all emergency declarations.

The final two comments came from private citizens, who disagreed with the proposed change. One commenter opposed the proposal to return the automatic exemption to 30 days, noting that leaving the automatic exemption at 14 days ensures there will be a continuous ongoing review to determine if the exemption is still needed. This commenter also argued that 14 days is enough time to allow for verification of the need for an exemption and granting the exemption. However, this commenter did not address the numerous examples of instances where the 14-day period were found to be troublesome, cited both by those who filed petitions for reconsideration of the October 2023 final rule and by FMCSA in the NPRM. FMCSA expects that returning the automatic exemption period to 30 days will alleviate the administrative burdens the October 2023 final rule created, while still

[1] EMA, Comment, FMCSA–2025–0124–0023, at 3 (Mar. 9, 2026), available at *https://www.regulations.gov/comment/FMCSA-2025-0124-0023.*

ensuring safe operations during an emergency period.[2] The joint State comment observed that ''there is no record of adverse safety effects from regulatory relief provided on an emergency basis from FMCSA's hours of service (HOS) regulations.'' [3]

The second individual commenter objected to the change made by the October 2023 final rule and to the change proposed in the NPRM, arguing instead that the automatic exemption period should be extended to 90 days, citing the Stafford Act at 42 U.S.C. 5170. FMCSA does not agree with this suggested change. The automatic emergency exemption triggered by an emergency declaration is designed to be limited, exempting only those commercial motor vehicles that are acting in direct assistance in response to a declared emergency from the HOS regulations found in 49 CFR 395.3 and 395.5. It is aimed at restoring essential services and supplies only. As such, these emergency periods tend to be shorter and cover a much narrower range of activities than an emergency declaration under the Stafford Act, which is primarily designed to maximize the flow of Federal relief funds to a State or local government that needs assistance. In addition, FMCSA retains the ability to extend the emergency exemptions beyond 30 days under 49 CFR 390.25. FMCSA's experience is that regional emergency exemptions rarely require more than 30 days to restore essential services and supplies. To the extent that the October 2023 final rule's change from a 30-day to a 14-day automatic exemption period introduced additional filing burdens, this final rule will alleviate those burdens by returning to the pre-October 2023 baseline.

V. Changes From the NPRM

This final rule makes no changes to the regulatory text proposed in the NPRM. It adopts a single amendment, as proposed.

VI. International Impacts

Motor carriers and drivers are subject to the laws and regulations of the countries in which they operate, unless an international agreement states otherwise. Non-U.S. domiciled carriers and drivers would be able to provide direct assistance in some scenarios, under the terms of the exemption provisions found in 49 CFR 390.23.

VII. Section-by-Section Analysis

This final rule makes one change. In 49 CFR 390.23, in paragraph (b), the number ''14'' is changed to ''30,'' thereby increasing the length of time for an emergency exemption based on a regional declaration of an emergency.

VIII. Regulatory Analyses

A. Executive Order (E.O.) 12866 (Regulatory Planning and Review) and DOT Rulemaking Procedures

FMCSA has considered the impact of this final rule under E.O. 12866 (58 FR 51735, Oct. 4, 1993), Regulatory Planning and Review, and DOT Rulemaking Procedures, 49 CFR part 5, subpart B. The Office of Management and Budget (OMB) determined that this final rule is not a significant regulatory action under section 3(f) of E.O. 12866 and has not reviewed it under that E.O.

In the October 2023 final rule, FMCSA stated that it did not expect the final rule to result in substantive incremental impacts relative to the baseline established in the Federal Motor Carrier Safety Regulations (FMCSR) (88 FR 70897, 70903). The final rule included an analysis of costs and benefits. One cost cited was the increase in the number of extension requests from motor carriers and drivers, resulting from the reduction in the automatic exemption from 30 days to 14 days. FMCSA reported this extension request cost as part of its Paperwork Reduction Act (44 U.S.C. 3501–3520) compliance, where the Agency estimated a total cost of $1,011 for the submission of the extension requests and a total Federal Government cost of $1,589 to review and approve the requests (see 88 FR 70897, 70904). FMCSA assumed that 50 individuals would submit requests for extensions each year based on input from the FMCSA Crisis Management Center, and that extension requests would take 15 minutes to complete, for a total of 12.5 hours of labor (50 respondents × 15 minutes). FMCSA also assumed that a motor carrier employee equivalent to General and Operations Managers with a loaded hourly wage of $80.88 will submit the extension request. As such, there would have been an annual cost of $1,011 ($80.88 × 12.5 hours) to submit extension requests. For the estimate of government costs, FMCSA assumed that requests for extensions would take 15 minutes each to review by a GS–13, step 5 in the Washington, DC area with a loaded hourly wage of $127.13. The annual cost to review these extension requests would have been $1,589 ($127.13 × 12.5 hours).

This final rule reverts one change from the October 2023 final rule in 49 CFR 390.23, in paragraph (b), to what it was prior to the final rule—30 days. FMCSA does not expect that making this change will result in substantive incremental impacts relative to the baseline established in the FMCSR, nor will it result in substantive incremental impacts relative to the baseline established by the October 2023 final rule. Generally, emergency exemptions are issued and extended to cover whatever period of time is needed for CMV operators to provide direct assistance to restore essential supplies and services. This was the case before the October 2023 final rule, has been the case since the October 2023 final rule came into effect, and will continue to be the case under this final rule. The only expected impact from this final rule is a reduction in the number of extension requests needed, as more emergencies will be initially scheduled to be concluded within 30 days than were concluded in the 14-day period.

FMCSA has updated the cost figures previously referenced to reflect inflation and wage growth. A General and Operations Manager has a loaded hourly wage of $85.25 and a GS–13, step 5 in the Washington, DC area currently has a loaded hourly wage of $143.33. By reverting to the 30-day timeframe for regional emergency declarations, the Agency estimates that 25 extension requests will be submitted annually. This reduction brings the projected annual industry burden down to 6.25 hours (25 requests × 0.25 hours) at a cost of $533 ($85.25 × 6.25 hours). The government review cost for extension requests is now $896 ($143.33 × 6.25 hours). Accounting for these updated wages and the reduction in paperwork, FMCSA anticipates a total annual cost savings of approximately $1,429 (25 requests eliminated × 0.25 hours) × ($85.25 + $143.33), representing the saved labor time for both motor carriers and the Federal government.

B. E.O. 14192 (Unleashing Prosperity Through Deregulation)

E.O. 14192, Unleashing Prosperity Through Deregulation, issued on January 31, 2025 (90 FR 9065), requires that, for every new regulation issued by an agency, at least 10 prior regulations be identified for elimination, and that the cost of planned regulations be prudently managed and controlled through a budgeting process. This rulemaking is expected to have total

[2] Under this final rule, the applicable time limit for an automatic emergency exemption will be 30 days, as it was prior to the effective date of the October 2023 final rule. However, the terms of the exemption will require that it not continue after the emergency period if that period is less than 30 days.

[3] Transportation Departments of Idaho, Montana, North Dakota, South Dakota, and Wyoming, Comment, FMCSA–2025–0124–0020, at 2 (Mar. 2, 2026), available at *https://www.regulations.gov/comment/FMCSA-2025-0124-0020*.

costs less than zero and therefore is considered an E.O. 14192 deregulatory action.

C. Congressional Review Act

This rule is not a *major rule* as defined under the Congressional Review Act (5 U.S.C. 801–808).[4]

D. Regulatory Flexibility Act (Small Entities)

The Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 requires Federal agencies to consider the effects of the regulatory action on small business and other small entities and to minimize any significant economic impact. The term *small entities* comprises small businesses and not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000 (5 U.S.C. 601(6)). Accordingly, DOT policy requires an analysis of the impact of all regulations on small entities, and mandates that agencies strive to lessen any adverse effects on these businesses. As noted elsewhere in this final rule, FMCSA does not expect the change in this final rule will result in substantive incremental impacts relative to the baseline established in the FMCSR, nor will it result in substantive incremental impacts relative to the baseline established by the October 2023 final rule.

Consequently, I certify that this action will not have a significant economic impact on a substantial number of small entities.

E. Assistance for Small Entities

In accordance with section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121, 110 Stat. 857), FMCSA wants to assist small entities in understanding this final rule so they can better evaluate its effects on themselves and participate in the rulemaking initiative. If the final rule will affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

Small businesses may send comments on the actions of Federal employees who enforce or otherwise determine compliance with Federal regulations to the Small Business Administration's Small Business and Agriculture Regulatory Enforcement Ombudsman (Office of the National Ombudsman, see *https://www.sba.gov/about-sba/oversight-advocacy/office-national-ombudsman*) and the Regional Small Business Regulatory Fairness Boards. The Ombudsman evaluates these actions annually and rates each agency's responsiveness to small businesses. If you wish to comment on actions by employees of FMCSA, call 1–888–REG–FAIR (1–888–734–3247). DOT has a policy regarding the rights of small entities to regulatory enforcement fairness and an explicit policy against retaliation for exercising these rights.

F. Unfunded Mandates Reform Act of 1995

The Unfunded Mandates Reform Act of 1995 (UMRA, 2 U.S.C. 1531–1538) requires Federal agencies to assess the effects of their discretionary regulatory actions. The Act addresses actions that may result in the expenditure by a State, local, or Tribal government, in the aggregate, or by the private sector of $206 million (which is the value equivalent of $100 million in 1995, adjusted for inflation to 2024) or more in any one year. Although this final rule will not result in such an expenditure, and the analytical requirements of UMRA do not apply as a result, the Agency discusses the effects of this rule elsewhere in this preamble.

G. Paperwork Reduction Act

This final rule contains no new information collection requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520). The existing collections of information contained in 49 CFR 390.25 are covered by an approved information collection, OMB Control Number 2126–0077, ''Emergency Declaration Exemption Reporting under 49 CFR 390.25.''

H. E.O. 13132 (Federalism)

A rule has implications for federalism under section 1(a) of E.O. 13132 (64 FR 43255, Aug. 10, 1999), Federalism, if it has ''substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.''

FMCSA has determined that this rule will not have substantial direct costs on or for States, nor will it limit the policymaking discretion of States. Nothing in this document changes any preexisting preemption of State law or regulation. Therefore, this rule does not have sufficient federalism implications to warrant the preparation of a Federalism Impact Statement.

I. Privacy

The Consolidated Appropriations Act, 2005,[5] requires the Agency to assess the privacy impact of a regulation that will affect the privacy of individuals. This rule will not require the collection of personally identifiable information (PII).

The Privacy Act (5 U.S.C. 552a) applies only to Federal agencies and any non-Federal agency that receives records contained in a system of records from a Federal agency for use in a matching program. This rule does not concern a system of records.

The E-Government Act of 2002,[6] requires Federal agencies to conduct a Privacy Impact Assessment (PIA) for new or substantially changed technology that collects, maintains, or disseminates information in an identifiable form. No new or substantially changed technology will collect, maintain, or disseminate information as a result of this rule. Accordingly, FMCSA has not conducted a PIA.

In addition, the Agency submitted a Privacy Threshold Assessment (PTA) to evaluate the risks and effects the rulemaking may have on collecting, storing, and sharing PII. The PTA was adjudicated by DOT's Chief Privacy Officer on April 24, 2026.

J. E.O. 13175 (Indian Tribal Governments)

This rule does not have Tribal implications under E.O. 13175 (65 FR 67249, Nov. 9, 2000), Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

K. National Environmental Policy Act of 1969

FMCSA analyzed this rule pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321, *et seq.*) and determined this action is categorically

[4] A *major rule* means any rule that OMB finds has resulted in or is likely to result in (a) an annual effect on the economy of $100 million or more; (b) a major increase in costs or prices for consumers, individual industries, geographic regions, Federal, State, or local government agencies; or (c) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. *See* 49 CFR 389.3; *see also* 5 U.S.C. 804(2).

[5] Public Law 108–447, 118 Stat. 2809, 3268, note following 5 U.S.C. 552a (Dec. 8, 2004).

[6] Public Law 107–347, sec. 208, 116 Stat. 2899, 2921 (Dec. 17, 2002).

excluded from further analysis and documentation in an environmental assessment or environmental impact statement under DOT Order 5610.1D, Subpart B, paragraph e(6)(y)(4). The categorical exclusion (CE) in paragraph e(6)(y)(4) covers relief during regional and local emergencies. Therefore, this rulemaking is covered by this CE.

List of Subjects in 49 CFR Part 390

Highway safety, Intermodal transportation, Motor carriers, Motor vehicle safety, Reporting and recordkeeping requirements.

Accordingly, FMCSA amends 49 CFR part 390 as follows:

PART 390—FEDERAL MOTOR CARRIER SAFETY REGULATIONS: GENERAL

■ 1. The authority citation continues to read as follows:

Authority: 49 U.S.C. 113, 504, 508, 31132, 31133, 31134, 31136, 31137, 31144, 31149, 31151, 31502; sec. 114, Pub. L. 103–311, 108 Stat. 1673, 1677; secs. 212 and 217, Pub. L. 106–159, 113 Stat. 1748, 1766, 1767; sec. 229, Pub. L. 106–159 (as added and transferred by sec. 4115 and amended by secs. 4130–4132, Pub. L. 109–59, 119 Stat. 1144, 1726, 1743, 1744), 113 Stat. 1748, 1773; sec. 4136, Pub. L. 109–59, 119 Stat. 1144, 1745; secs. 32101(d) and 32934, Pub. L. 112–141, 126 Stat. 405, 778, 830; sec. 2, Pub. L. 113–125, 128 Stat. 1388; secs. 5403, 5518, and 5524, Pub. L. 114–94, 129 Stat. 1312, 1548, 1558, 1560; sec. 2, Pub. L. 115–105, 131 Stat. 2263; and 49 CFR 1.81, 1.81a, 1.87.

§ 390.23 [Amended]

■ 2. Amend § 390.23(b) by removing the number ''14'' and adding, in its place, the number ''30''.

Issued under authority delegated in 49 CFR 1.87.

Derek Barrs,

Administrator.

[FR Doc. 2026–20325 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–EX–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

[Docket No. 260930–0011]

RIN 0648–BN67

Fisheries of the Caribbean, Gulf of America, and South Atlantic; Puerto Rico Fishery Management Plan; Amendment 4

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Final rule.

SUMMARY: NMFS issues regulations to implement Amendment 4 to the Puerto Rico Fishery Management Plan (Puerto Rico FMP), as prepared and submitted by the Caribbean Fishery Management Council (Council). This final rule reclassifies the rainbow runner from a reef fish to a pelagic fish under the Puerto Rico FMP and implements management measures for rainbow runner based on the pelagic fish classification, including sector annual catch targets (ACTs) and accountability measures (AMs). The existing sector-specific annual catch limits (ACLs) for rainbow runner will be retained after the reclassification. The purpose of this final rule and Amendment 4 is to ensure that rainbow runner is managed consistent with its life history characteristics, fishing patterns, and with the Council's management of other pelagic species.

DATES: This final rule is effective October 5, 2026.

ADDRESSES: Electronic copies of Amendment 4, which includes a fishery impact statement, a regulatory impact review, and a Regulatory Flexibility Act analysis, may be obtained from the Southeast Regional Office website at *https://www.fisheries.noaa.gov/action/amendment-4-puerto-rico-fishery-management-plan-reclassification-rainbow-runner-pelagic-fish.*

FOR FURTHER INFORMATION CONTACT: Maria Lopez-Mercer, 727–824–5305, *maria.lopez@noaa.gov.*

SUPPLEMENTARY INFORMATION: Rainbow runner is currently managed under the Puerto Rico FMP as a reef fish. The FMP was prepared by the Council and NMFS, approved by the Secretary of Commerce, and implemented by NMFS through regulations at 50 CFR part 622 under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act).

Background

The Magnuson-Stevens Act requires that NMFS and the regional fishery management councils prevent overfishing and achieve, on a continuing basis, the optimum yield from federally managed fish stocks to ensure that fishery resources are managed for the greatest overall benefit to the Nation, particularly with respect to providing food production and recreational opportunities and protecting marine ecosystems.

This action is taken under the statutory authority of the Magnuson-Stevens Act section 303(a)(1) as necessary and appropriate for the conservation and management of the fishery to prevent overfishing and to promote the long-term health and stability of the fishery.

On May 21, 2026, NMFS published a notice of availability for Amendment 4 and requested public comment (91 FR 29927). On July 8, 2026, NMFS published a proposed rule for Amendment 4 and requested public comment (91 FR 42158). NMFS approved Amendment 4 on August 19, 2026. The proposed rule and notice of availability for Amendment 4 outline the rationale for the actions contained in this final rule. The management measures described in Amendment 4 and implemented by this final rule are described below.

During development of the Puerto Rico FMP, finfish stocks were classified into three descriptive categories: reef fish, pelagic fish, and rays. At that time, the rainbow runner and two other jack species that were new to Federal management under the Puerto Rico FMP (crevalle jack and African pompano) were classified as reef fish. Under the Puerto Rico FMP, each jack species is managed as an individual stock rather than in a stock complex because of differences in the primary location where they are caught. As described in the Puerto Rico FMP, rainbow runner is commonly caught in open water, while crevalle jack is commonly harvested closer to shore and around mangrove channels, and African pompano is commonly caught off the beach. With the implementation of the Puerto Rico FMP in October 2022, rainbow runner became subject to management measures applicable to reef fish in Federal waters around Puerto Rico. Federal waters around Puerto Rico extend seaward from 9 nautical miles or 16.7 kilometers from shore to the offshore boundary of the U.S. Caribbean exclusive economic zone.

Under the Puerto Rico FMP, regulations that apply to all reef fish, including rainbow runner as originally classified, include anchoring restrictions, prohibited fishing gear types, seasonal closures, and a combined recreational bag and possession limit. Also, as a reef fish species, rainbow runner was subject to commercial and recreational ACLs, a total ACL, and sector-specific AMs.

Unless otherwise noted, all weights in this final rule are described in pounds (lb) round weight. Under the Puerto Rico FMP, commercial and recreational data were available to establish sector-specific ACLs for rainbow runner, which were equal to 10.14 percent for

commercial and 89.86 percent for recreational of the total ACL. For rainbow runner, the commercial ACL is 913 lb (414.1 kilograms (kg)), the recreational ACL is 8,091 lb (3,670 kg), and the total ACL is 9,004 lb (4,084.1 kg).

Under the Puerto Rico FMP, at or near the beginning of the fishing year, landings for each stock, stock complex, or indicator stock of reef fish are evaluated relative to the ACL based on a moving multi-year average of landings, as described in the FMP (50 CFR 622.440(a)(4)). When landings for one sector are not available for comparison to that sector's ACL, the ACL for the sector with available landings is the applicable ACL for the stock or stock complex. At this time, recreational landings for rainbow runner are not available; therefore, commercial landings are evaluated relative to the commercial ACL to determine if the AM specified in 50 CFR 622.440(a)(7) applies. If NMFS estimates that available commercial landings for rainbow runner have exceeded the commercial ACL, the Assistant Administrator for NMFS will file a notification with the Office of the Federal Register to reduce the length of the commercial and recreational fishing seasons for rainbow runner within that fishing year by the amount necessary to prevent commercial landings from exceeding the commercial ACL, unless NMFS determines that a reduction is not necessary based on the best scientific information available, or unless the ACL was exceeded because data collection or monitoring improved rather than because landings increased (50 CFR 622.440(a)(7)).

Since implementation of the Puerto Rico FMP in 2022, the status of the rainbow runner stock has not been formally assessed through a stock assessment; as such, the overfished status is unknown. During that time, rainbow runner has been determined to be not undergoing overfishing based on a comparison of landings relative to the overfishing limit proxy.

As described in Amendment 4, no AM-based fishing season reductions for rainbow runner have been applied. In 2024, the most recent commercial landings of rainbow runner (1,177 lb (534 kg) in 2022) exceeded the commercial ACL (913 lb (414.1 kg)) by 264 lb (120 kg). However, the AM was not implemented (*i.e.,* the lengths of the commercial and recreational fishing seasons were not reduced) because NMFS determined that the commercial ACL was exceeded due to improved data collection and monitoring rather than an increase in landings.

At the April 2023 Council meeting, the Council began to discuss reclassifying rainbow runner as a pelagic fish under the Puerto Rico FMP instead of as a reef fish to better reflect the way the species is fished. Methods and techniques used to harvest rainbow runner are consistent with those used for pelagic fishing in Federal waters around Puerto Rico. Around Puerto Rico, rainbow runner are caught in the water column, while reef fish are usually caught off the bottom. The Council requested its Scientific and Statistical Committee (SSC) to evaluate life history information and landings data available for rainbow runner and provide a recommendation on the classification of rainbow runner. The SSC determined that there was sufficient information to support the reclassification of the species as a pelagic fish and recommended that the Council reclassify rainbow runner as a pelagic fish under the Puerto Rico FMP. At the August 2023 Council meeting, the Council accepted the SSC's recommendation and began developing Amendment 4.

Management Measures Contained in This Final Rule

This final rule reclassifies rainbow runner from a reef fish to a pelagic fish under the Puerto Rico FMP definitions. The reclassification subjects rainbow runner to Federal regulations under the FMP applicable to pelagic fish and excludes the species from Federal regulations applicable to reef fish. The current sector ACLs will not change as a result of the reclassification. This final rule also establishes sector ACTs and subjects rainbow runner to AMs consistent with management of pelagic fish.

Reclassification of Rainbow Runner as a Pelagic Fish

Rainbow runner was initially defined as a reef fish species under the Puerto Rico FMP (50 CFR 622.431). As such, regulations that pertain to managed reef fish have applied to rainbow runner. Reef fish-specific regulations include anchoring restrictions, prohibited fishing gear types, seasonal closures, a combined recreational bag and possession limit, a total ACL (*i.e.,* combined commercial and recreational ACLs), and sector-specific AMs. This final rule removes rainbow runner from the definition of ''reef fish'' in table 3 to 50 CFR 622.431 and adds it to the definition of ''pelagic fish'' in table 1 to 50 CFR 622.431.

As a result of the changes to the definitions, reef fish-specific regulations under the FMP will no longer apply to rainbow runner. Specifically, restrictions designed to protect reef fish populations, including a recreational bag and possession limit (50 CFR 622.444(a)(2)) and a seasonal closure in the Bajo de Sico area off western Puerto Rico (50 CFR 622.439(a)(3)), will not apply to rainbow runner as a pelagic fish.

As described in Amendment 4, rainbow runner behaves as a pelagic species and has been historically targeted by Puerto Rico commercial and recreational fishermen consistent with other pelagic species, although catches are infrequent and variable. Reclassifying rainbow runner as a pelagic fish is not expected to change how the species is currently fished in Federal waters around Puerto Rico or increase the risk of overfishing of the stock. Under the Puerto Rico FMP, crevalle jack and African pompano will continue to be classified and managed as reef fish, which is consistent with their life history characteristics and fishing patterns in Federal waters around Puerto Rico.

Annual Catch Limits and Annual Catch Targets

Reclassifying rainbow runner from a reef fish to a pelagic fish under the Puerto Rico FMP will not change the commercial ACL (913 lb (414 kg)) or the recreational ACL (8,091 lb (3,670 kg)). Rather, the reclassification removes rainbow runner commercial, recreational, and total ACLs from the tables for reef fish under 50 CFR 622.440(a) and adds the commercial and recreational ACLs to 50 CFR 622.440(b) for pelagic fish. The sector allocations of 10.14 percent commercial and 89.86 percent recreational that were established under the Puerto Rico FMP will remain unchanged. Because AMs for pelagic fish do not evaluate landings relative to total ACLs (*i.e.,* combined commercial and recreational ACLs), the total ACL value of 9,004 lb (4,084.1 kg) for rainbow runner will be removed from regulations.

Additionally, the reclassification as a pelagic fish requires the establishment of sector-specific ACTs as part of the AMs applicable to pelagic fish. Consistent with management of the other pelagic fish under the Puerto Rico FMP, the sector ACTs will be set at 90 percent of their respective sector ACLs.

Managing pelagic species with sector ACTs and ACLs is intended to serve as a precautionary measure to address harvest uncertainty for pelagic species that are new to Federal management. This final rule sets the commercial ACT of rainbow runner at 822 lb (373 kg) and

the recreational ACT at 7,282 lb (3,303 kg).

Accountability Measures

This final rule also changes the AM applicable to rainbow runner from the AMs described in 50 CFR 622.440(a)(4)–(7) for reef fish and applies the pelagic fish AM described in 50 CFR 622.440(b)(7). Under the pelagic fish AM, if NMFS estimates that landings have exceeded the applicable ACT for a stock or stock complex, NMFS will determine the appropriate corrective action in consultation with the Council. Unlike a season reduction required by the reef fish AM, the pelagic fish AM provides managers with the flexibility to adapt management responses to an overage based on current fishery information and conditions.

By applying the pelagic AM to rainbow runner, the corrective action includes a consultation process to ensure the long-term sustainability of the resource, rather than an automatic season reduction.

Comments and Responses

NMFS received nine comments during the public comment periods on the notice of availability and proposed rule for Amendment 4, which were submitted by individuals in the general public and fishing organizations.

Six comments were in support of reclassifying rainbow runner from a reef fish to a pelagic fish, and NMFS agrees with those comments. Within this group, one commenter urged NMFS to address broader management considerations, such as expanding stock assessments, reassessing ACT buffers for data-limited species, issuing identification guides, and accounting for climate dynamics. Another supporting commenter recommended explicitly listing the rainbow runner on Puerto Rico catch reporting tools. This same commenter called for a localized electronic monitoring pilot project for pelagic vessels in the Bajo de Sico area to quantify incidental reef fish bycatch, paired with a 3-year review of rainbow runner ACLs based on the resulting data. NMFS appreciates the information provided in these comments. However, because these recommendations are outside the scope of this specific regulatory action, they were not considered by NMFS and the Council in development of Amendment 4. NMFS notes that these recommendations could be considered by the Council in the future as suggestions to improve pelagic fishing monitoring and data collection off Puerto Rico.

Two comments fell outside the scope of the action and are not addressed in this final rule. These included opposition to all fishing on animal welfare grounds and recommendations to prohibit all commercial fishing in favor of alternative proteins and subsistence fishing.

One comment was opposed to the proposed actions specific to Amendment 4 and the proposed rule, which is summarized below, along with NMFS' response.

Comment 1: The rainbow runner should not be reclassified as a pelagic fish because the reclassification removes vital reef protections without scientific justification or meaningful local stakeholder consultation.

Response: NMFS disagrees that rainbow runner should not be reclassified as a pelagic species under the Puerto Rico FMP or that the reclassification removes vital protections without scientific justification or meaningful stakeholder consultation. This action directly responds to requests from Puerto Rican fishermen to increase fishing opportunities and is necessary to ensure the species is categorized accurately based on its life history and harvest characteristics. As discussed in Amendment 4, rainbow runner behaves as a pelagic species and has historically been targeted by Puerto Rico commercial and recreational fishermen in a manner consistent with other pelagic species, although catches remain infrequent and variable. In Federal waters off Puerto Rico, rainbow runner are caught in the water column using pelagic gear and methods, whereas reef fish species are targeted and caught off the bottom. Reclassifying rainbow runner as a pelagic fish aligns management with the biological traits of the stock and the operational realities of the fishery, and is not expected to change how the species is currently fished or increase the risk of overfishing the stock. Because pelagic fishing already occurs during the seasonal closure in the Bajo de Sico managed area, incorporating rainbow runner into the pelagic complex is not anticipated to increase overall pelagic fishing effort. The commercial and recreational harvest of rainbow runner will continue to be managed and monitored with ACLs and the newly established ACTs.

While specific reef fish regulations will no longer apply for rainbow runner, existing habitat protections will remain intact. For example, this rule does not alter year-round anchoring restrictions in the Bajo de Sico managed area, nor does it authorize gear types not previously evaluated and approved for harvesting pelagic species in Federal waters off Puerto Rico.

Furthermore, the action is based on scientific evaluation and robust procedural consultation. As discussed in Amendment 4, the Council directed its SSC to evaluate available life history information and landings data for rainbow runner. Following its review, the SSC determined that sufficient information existed to support the reclassification and recommended the change. Subsequently, NMFS certified that the actions in Amendment 4 are based on the best scientific information available. Stakeholder input was solicited and received during open Council meetings and through the Federal notice and comment rulemaking process.

NMFS has not made any changes from the proposed rule to this final rule based on public comment.

Classification

Pursuant to section 304(b)(3) of the Magnuson-Stevens Act, the NMFS Assistant Administrator has determined that this final rule is consistent with Amendment 4 to the Puerto Rico FMP, other provisions of the Magnuson-Stevens Act, and other applicable law.

This final rule has been determined to be not significant for purposes of Executive Order 12866. This final rule is expected to be an Executive Order 14192 deregulatory action.

NMFS has determined that this action would not have a substantial direct effect on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes; therefore, consultation with Tribal officials under Executive Order 13175 is not required, and the requirements of section (5)(b) and (c) of Executive Order 13175 also do not apply. A Tribal summary impact statement under section (5)(b)(2)(B) and (c)(2) of Executive Order 13175 is not required and has not been prepared.

The Magnuson-Stevens Act provides the statutory basis for this final rule. No duplicative, overlapping, or conflicting Federal rules have been identified. A description of this final rule, why it is being implemented, and the purpose of this final rule are contained in the **SUMMARY** and **SUPPLEMENTARY INFORMATION** sections of this final rule.

This final rule contains no information collection requirements under the Paperwork Reduction Act of 1995.

The Senior Lead Counsel for Regulation of the Department of Commerce certified to the Chief Counsel for Advocacy of the Small Business

Administration during the proposed rule stage that this action would not have a significant economic impact on a substantial number of small entities. The factual basis for the certification was published in the proposed rule and is not repeated here. No comments were received regarding this certification. As a result, a final regulatory flexibility analysis was not required and none was prepared.

Pursuant to 5 U.S.C. 553(d)(1), the 30-day delay to the effective date of this rule does not apply because this rule relieves a restriction. Reclassifying rainbow runner from a reef fish to a pelagic fish under the Puerto Rico FMP removes reef fish-specific restrictions, including aggregate recreational bag and possession limits, anchoring prohibitions, and seasonal closures. Commercial and recreational fishermen will now be permitted to harvest rainbow runner year-round in Federal waters of the Bajo de Sico area in western Puerto Rico, including during the previously prohibited period of October 1 through March 31. If there was a 30-day delay in effective date for this rule, fishery participants would remain restricted from fishing for rainbow runner in the Bajo de Sico area after October 1 and would remain subject to the restrictions and prohibitions in place for reef fish under the Puerto Rico FMP.

This final rule provides greater management flexibility and expands fishing opportunities for the harvest of rainbow runner from a reef fish to a pelagic species under the Puerto Rico FMP. Therefore, pursuant to 5 U.S.C. 553(d)(1), the 30-day delay in effective date requirement does not apply to this rule.

List of Subjects in 50 CFR Part 622

Caribbean, Fisheries, Fishing, Puerto Rico, Rainbow runner.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: September 30, 2026.

Samuel D. Rauch III,

Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service.

For the reasons set out in the preamble, NMFS amends 50 CFR part 622 as follows:

PART 622—FISHERIES OF THE CARIBBEAN, GULF OF AMERICA, AND SOUTH ATLANTIC

■ 1. The authority citation for part 622 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

■ 2. In § 622.431, under the definition of *Pelagic fish* revise Table 1 to § 622.431 and under the definition of *Reef fish* revise Table 3 to § 622.431 to read as follows:

§ 622.431 Definitions.

* * * * *

TABLE 1 TO § 622.431

Class or family	Scientific name	English common name
Dolphinfishes—Coryphaenidae	*Coryphaena hippurus*	Dolphinfish.
	Coryphaena equiselis	Pompano dolphinfish.
Barracudas—Sphyraenidae	*Sphyraena barracuda*	Great barracuda.
Jacks—Carangidae	*Elagatis bipinnulata*	Rainbow runner.
Mackerels and tunas—Scombridae	*Thunnus atlanticus*	Blackfin tuna.
	Scomberomorus regalis	Cero.
	Scomberomorus cavalla	King mackerel.
	Euthynnus alletteratus	Little tunny.
	Acanthocybium solandri	Wahoo.
Tripletails—Lobotidae	*Lobotes surinamensis*	Tripletail.

* * * * *

TABLE 3 TO § 622.431

Class or Family	Scientific name	English common name
Angelfishes—Pomacanthidae	*Pomacanthus paru*	French angelfish.
	Pomacanthus arcuatus	Gray angelfish.
	Holacanthus ciliaris	Queen angelfish.
Groupers—Serranidae	*Mycteroperca bonaci*	Black grouper.
	Cephalopholis fulva	Coney.
	Epinephelus itajara	Goliath grouper.
	Cephalopholis cruentata	Graysby.
	Hyporthodus mystacinus	Misty grouper.
	Epinephelus striatus	Nassau grouper.
	Epinephelus morio	Red grouper.
	Epinephelus guttatus	Red hind.
	Epinephelus adscensionis	Rock hind.
	Mycteroperca tigris	Tiger grouper.
	Hyporthodus flavolimbatus	Yellowedge grouper.
	Mycteroperca venenosa	Yellowfin grouper.
	Mycteroperca interstitialis	Yellowmouth grouper.
Grunts—Haemulidae	*Haemulon plumierii*	White grunt.
Jacks—Carangidae	*Alectis ciliaris*	African pompano.
	Caranx hippos	Crevalle jack.
Parrotfishes—Scaridae	*Scarus coeruleus*	Blue parrotfish.
	Scarus coelestinus	Midnight parrotfish.
	Scarus taeniopterus	Princess parrotfish.
	Scarus vetula	Queen parrotfish.
	Scarus guacamaia	Rainbow parrotfish.

TABLE 3 TO § 622.431—Continued

Class or Family	Scientific name	English common name
	Sparisoma aurofrenatum	Redband parrotfish.
	Sparisoma chrysopterum	Redtail parrotfish
	Sparisoma viride	Stoplight parrotfish.
	Scarus iseri	Striped parrotfish.
Snappers—Lutjanidae	*Apsilus dentatus*	Black snapper.
	Lutjanus buccanella	Blackfin snapper.
	Pristipomoides macrophthalmus	Cardinal snapper.
	Lutjanus cyanopterus	Cubera snapper.
	Lutjanus jocu	Dog snapper.
	Lutjanus synagris	Lane snapper.
	Lutjanus analis	Mutton snapper.
	Etelis oculatus	Queen snapper.
	Lutjanus apodus	Schoolmaster.
	Lutjanus vivanus	Silk snapper.
	Rhomboplites aurorubens	Vermilion snapper.
	Pristipomoides aquilonaris	Wenchman.
	Ocyurus chrysurus	Yellowtail snapper.
Surgeonfishes—Acanthuridae	*Acanthurus coeruleus*	Blue tang.
	Acanthurus chirurgus	Doctorfish.
	Acanthurus tractus	Ocean surgeonfish.
Triggerfishes—Balistidae	*Balistes capriscus*	Gray triggerfish.
	Canthidermis sufflamen	Ocean triggerfish.
	Balistes vetula	Queen triggerfish.
Wrasses—Labridae	*Lachnolaimus maximus*	Hogfish.
	Halichoeres radiatus	Puddingwife.
	Bodianus rufus	Spanish hogfish.

* * * * *

■ 3. In § 622.440, revise paragraphs (a)(1) through (a)(3) and paragraph (b) to read as follows:

§ 622.440 Annual catch limits (ACLs), annual catch targets (ACTs), and accountability measures (AMs).

(a) * * *

(1) *Commercial ACLs.* The commercial ACLs are as follows and given in round weight.

TABLE 1 TO § 622.440(a)(1)

Family	Stock or stock complex and species composition	Commercial ACL
Angelfishes	Angelfish—French angelfish, gray angelfish, queen angelfish	137 lb (62.1 kg).
Groupers	Grouper 3—coney[1], graysby	23,890 lb (10,836.3 kg).
	Grouper 4—black grouper, red grouper, tiger grouper, yellowfin grouper, yellowmouth grouper.	2,492 lb (1,130.3 kg).
	Grouper 5—misty grouper, yellowedge grouper	15,327 lb (6,952.2 kg).
	Grouper 6—red hind[1], rock hind	121,729 lb (55,215.3 kg).
Grunts	Grunts—white grunt	177,923 lb (80,704.5 kg).
Jacks	Jacks 1—crevalle jack	46 lb (20.8 kg).
	Jacks 2—African pompano	1,052 lb (477.1 kg).
Parrotfishes	Parrotfish 2—princess parrotfish, queen parrotfish, redband parrotfish, redtail parrotfish, stoplight parrotfish, striped parrotfish.	147,774 lb (67,029.1 kg).
Snappers	Snapper 1—black snapper, blackfin snapper, silk snapper[1], vermilion snapper, wenchman.	424,009 lb (192,327.2 kg).
	Snapper 2—cardinal snapper, queen snapper[1]	257,236 lb (116,680.2 kg).
	Snapper 3—lane snapper	244,376 lb (110,847 kg).
	Snapper 4—dog snapper, mutton snapper[1], schoolmaster	116,434 lb (52,813.5kg).
	Snapper 5—yellowtail snapper	315,806 lb (143,247.1 kg).
	Snapper 6—cubera snapper	119 lb (53.9 kg).
Surgeonfishes	Surgeonfish—blue tang, doctorfish, ocean surgeonfish	147 lb (66.6 kg).
Triggerfishes	Triggerfish—gray triggerfish, ocean triggerfish, queen triggerfish[1]	83,099 lb (37,693 kg).
Wrasses	Wrasses 1—hogfish	70,140 lb (31,814.9 kg).
	Wrasses 2—puddingwife, Spanish hogfish	20,126 lb (9,129 kg)

[1] Indicator stock.

(2) *Recreational ACLs.* The recreational ACLs are as follows and given in round weight.

TABLE 2 TO § 622.440(a)(2)

Family	Stock or stock complex and species composition	Recreational ACL
Angelfishes	Angelfish—French angelfish, gray angelfish, queen angelfish	2,985 lb (1,353.9 kg).
Groupers	Grouper 3—coney[1], graysby	19,634 lb (8,905.8 kg).
	Grouper 4—black grouper, red grouper, tiger grouper, yellowfin grouper, yellowmouth grouper.	5,867 lb (2,661.2 kg).
	Grouper 5—misty grouper, yellowedge grouper	4,225 lb (1,916.4 kg).
	Grouper 6—red hind,[1] rock hind	34,493 lb (15,645.7 kg).
Grunts	Grunts—white grunt	2,461 lb (1,116.2 kg).
Jacks	Jacks 1—crevalle jack	41,894 lb (19,002.7 kg).
	Jacks 2—African pompano	5,719 lb (2,594 kg).
Parrotfishes	Parrotfish 2—princess parrotfish, queen parrotfish, redband parrotfish, redtail parrotfish, stoplight parrotfish, striped parrotfish.	17,052 lb (7,734.6 kg).
Snappers	Snapper 1—black snapper, blackfin snapper, silk snapper[1], vermilion snapper, wenchman.	111,943 lb (50,776.4 kg).
	Snapper 2—cardinal snapper, queen snapper[1]	24,974 lb (11,328 kg).
	Snapper 3—lane snapper	21,603 lb (9,798.9 kg).
	Snapper 4—dog snapper, mutton snapper[1], schoolmaster	76,625 lb (34,756.5 kg).
	Snapper 5—yellowtail snapper	23,988 lb (10,880.7 kg).
	Snapper 6—cubera snapper	6,448 lb (2,924.7 kg).
Surgeonfishes	Surgeonfish—blue tang, doctorfish, ocean surgeonfish	860 lb (390 kg).
Triggerfishes	Triggerfish—gray triggerfish, ocean triggerfish, queen triggerfish [1]	7,453 lb (3,380.6 kg).
Wrasses	Wrasses 1—hogfish	8,263 lb (3,748 kg).
	Wrasses 2—puddingwife, Spanish hogfish	5,372 lb (2,436.6 kg).

[1] Indicator stock.

(3) *Total ACLs.* The total ACLs (combined commercial and recreational ACLs) are as follows and given in round weight.

TABLE 3 TO § 622.440(a)(3)

Family	Stock or stock complex and species composition	Total ACL
Angelfishes	Angelfish—French angelfish, gray angelfish, queen angelfish	3,122 lb (1,416.1 kg).
Groupers	Grouper 3—coney,[1] graysby	43,524 lb (19,742.1 kg).
	Grouper 4—black grouper, red grouper, tiger grouper, yellowfin grouper, yellowmouth grouper.	8,359 lb (3,791.5 kg).
	Grouper 5—misty grouper, yellowedge grouper	19,552 lb (8,868.6 kg).
	Grouper 6—red hind,[1] rock hind	156,222 lb (70,861.1 kg).
Grunts	Grunts—white grunt	180,384 lb (81,820.8 kg).
Jacks	Jacks 1—crevalle jack	41,940 lb (19,023.6 kg).
	Jacks 2—African pompano	6,771 lb (3,071.2 kg).
Parrotfishes	Parrotfish 2—princess parrotfish, queen parrotfish, redband parrotfish, redtail parrotfish, stoplight parrotfish, striped parrotfish.	164,826 lb (74,763.8 kg).
Snappers	Snapper 1—black snapper, blackfin snapper, silk snapper,[1] vermilion snapper, wenchman.	535,952 lb (243,103.7 kg).
	Snapper 2—cardinal snapper, queen snapper [1]	282,210 lb (128,008.3 kg).
	Snapper 3—lane snapper	265,979 lb (120,646 kg).
	Snapper 4—dog snapper, mutton snapper,[1] schoolmaster	193,059 lb (87,570 kg).
	Snapper 5—yellowtail snapper	339,794 lb (154,127.9 kg).
	Snapper 6—cubera snapper	6,567 lb (2,978.7 kg).
Surgeonfishes	Surgeonfish—blue tang, doctorfish, ocean surgeonfish	1,007 lb (456.7 kg).
Triggerfishes	Triggerfish—gray triggerfish, ocean triggerfish, queen triggerfish [1]	90,552 lb (41,073.6 kg).
Wrasses	Wrasses 1—hogfish	78,403 lb (35,563 kg).
	Wrasses 2—puddingwife, Spanish hogfish	25,498 lb (11,565.6 kg).

[1] Indicator stock.

* * * * *

(b) *Pelagic fish.* The ACLs and ACTs are given in round weight. Indicator stocks are noted in the relevant tables to paragraph (a) of this section. For those fishing commercially, the applicable ACL is the commercial ACL and the applicable ACT is the commercial ACT. For those fishing recreationally, the applicable ACL is the recreational ACL and the applicable ACT is the recreational ACT. When landings for one sector are not available for comparison to that sector's ACL and ACT, the ACL and ACT for the sector with available landings are the ACL and ACT for the stock or stock complex.

(1) *Barracuda—great barracuda.*

(i) Commercial ACL—495 lb (224.5 kg).

(ii) Commercial ACT—445 lb (201.8 kg).

(iii) Recreational ACL—167,693 lb (76,064.2 kg).

(iv) Recreational ACT—150,924 lb (68,457.9 kg).

(2) *Dolphinfishes—dolphinfish, pompano dolphinfish.* (i) Commercial ACL—232,173 lb (105,311.9 kg).

(ii) Commercial ACT—208,956 lb (94,780.8 kg).

(iii) Recreational ACL—1,513,873 lb (686,681.2 kg).

(iv) Recreational ACT—1,362,486 lb (618,013.2 kg).

(3) *Jacks—rainbow runner.*

(i) Commercial ACL—913 lb (414.1 kg).

(ii) Commercial ACT—822 lb (373 kg).

(iii) Recreational ACL—8,091 lb (3,670 kg).

(iv) Recreational ACT—7,282 lb (3,303 kg).

(4) *Mackerels—cero, king mackerel.*

(i) Commercial ACL—232,422 lb (105,424.8 kg).

(ii) Commercial ACT—209,180 lb (94,882.4 kg).

(iii) Recreational ACL—129,180 lb (58,595 kg).

(iv) Recreational ACT—116,262 lb (52,735.5 kg).

(5) *Tripletail.*

(i) Commercial ACL—270 lb (122.4 kg).

(ii) Commercial ACT—243 lb (110.2 kg).

(iii) Recreational ACL—39,005 lb (17,692.3 kg).

(iv) Recreational ACT—35,105 lb (15,923.3 kg).

(6) *Tunas—blackfin tuna, little tunny.*

(i) Commercial ACL—82,779 lb (37,547.9 kg).

(ii) Commercial ACT—74,501 lb (33,793 kg).

(iii) Recreational ACL—34,485 lb (15,642.1 kg).

(iv) Recreational ACT—31,037 lb (14,078.1 kg).

(7) *Wahoo.*

(i) Commercial ACL—25,911 lb (11,753 kg).

(ii) Commercial ACT—23,320 lb (10,577.7 kg).

(iii) Recreational ACL—210,737 lb (95,588.6 kg).

(iv) Recreational ACT—189,663 lb (86,029.6 kg).

(8) *Pelagic fish AM application.* At or near the beginning the fishing year, landings for each stock, stock complex, or indicator stock will be evaluated relative to the applicable ACT for the stock or stock complex based on a moving multi-year average of landings, as described in the FMP. If NMFS estimates that landings have exceeded the applicable ACT specified in paragraph (b) of this section for a stock or stock complex, NMFS in consultation with the Caribbean Fishery Management Council will determine appropriate corrective action.

* * * * *

[FR Doc. 2026–20330 Filed 10–2–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 648

[Docket No. 260209–0039; RTID 0648–XG088]

Fisheries of the Northeastern United States; Summer Flounder Fishery; Quota Transfer From North Carolina to Massachusetts

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Temporary rule; quota transfer.

SUMMARY: NMFS announces that the State of North Carolina is transferring a portion of its 2026 commercial summer flounder quota to the Commonwealth of Massachusetts. This adjustment to the 2026 fishing year quota is necessary to comply with the Summer Flounder, Scup, and Black Sea Bass Fishery Management Plan (FMP) quota transfer provisions. This announcement informs the public of the revised 2026 commercial quotas for North Carolina and Massachusetts.

DATES: Effective October 2, 2026, through December 31, 2026.

FOR FURTHER INFORMATION CONTACT: Matthew Rigdon, Fishery Management Specialist, (978) 281–9336.

SUPPLEMENTARY INFORMATION: Regulations governing the summer flounder fishery are found in 50 CFR 648.100 through 648.111. These regulations require annual specification of a commercial quota that is apportioned among the coastal states from Maine through North Carolina. The process to set the annual commercial quota and the percent allocated to each state is described in § 648.102, and the final 2026 allocations were published on February 19, 2026 (91 FR 7896).

The final rule implementing amendment 5 to the FMP, as published in the **Federal Register** on December 17, 1993 (58 FR 65936), provided a mechanism for transferring summer flounder commercial quota from one state to another. Two or more states, under mutual agreement and with the concurrence of the NMFS Greater Atlantic Regional Administrator, can transfer or combine summer flounder commercial quota under § 648.102(c)(2). The Regional Administrator is required to consider three criteria in the evaluation of requests for quota transfers or combinations: (1) the transfers or combinations would not preclude the overall annual quota from being fully harvested; (2) the transfers address an unforeseen variation or contingency in the fishery; and (3) the transfers are consistent with the objectives of the FMP and the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). The Regional Administrator has determined that these three criteria have been met for the transfer approved in this notification.

North Carolina is transferring 6,580 pounds (lb; 2,985 kilograms (kg)) of summer flounder to Massachusetts through a mutual agreement between the states. This transfer was requested to repay landings made by an out-of-state permitted vessel under a safe harbor agreement. The revised summer flounder quotas for 2026 are: North Carolina, 2,892,991 lb (1,312,239 kg); and Massachusetts, 1,055,312 lb (478,681 kg).

Classification

NMFS issues this action pursuant to section 305(d) of the Magnuson-Stevens Act. This action is required by 50 CFR 648.102(c)(2)(i) through (iv), which was issued pursuant to section 304(b) of the Magnuson-Stevens Act, and is exempted from review under Executive Order 12866.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: October 1, 2026.

Shannon Bettridge,

Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2026–20356 Filed 10–2–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 679

[Docket No. 260305–0067; RTID 0648–XF879]

Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Western Regulatory Area of the Gulf of Alaska

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Temporary rule; closure.

SUMMARY: NMFS is prohibiting directed fishing for Pacific ocean perch in the Western Regulatory Area of the Gulf of Alaska (GOA). This action is necessary to prevent exceeding the 2026 total allowable catch of Pacific ocean perch

in the Western Regulatory Area of the GOA.

DATES: Effective 1200 hours, Alaska local time (A.l.t.), October 1, 2026, through 2400 hours, A.l.t., December 31, 2026.

FOR FURTHER INFORMATION CONTACT: Adam Zaleski, 907–586–7228.

SUPPLEMENTARY INFORMATION: NMFS manages the groundfish fishery in the GOA exclusive economic zone according to the Fishery Management Plan for Groundfish of the Gulf of Alaska (FMP) prepared and recommended by the North Pacific Fishery Management Council under authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). Regulations governing fishing by U.S. vessels in accordance with the FMP appear at subpart H of 50 CFR part 600 and 50 CFR part 679.

The 2026 total allowable catch (TAC) of Pacific ocean perch in the Western Regulatory Area of the GOA is 1,688 metric tons (mt) as established by the final 2026 and 2027 harvest specifications for groundfish of the GOA (91 FR 11902, March 11, 2026).

The Regional Administrator, Alaska Region, NMFS (Regional Administrator) has determined that the 2026 TAC of Pacific ocean perch in the Western Regulatory Area of the GOA will be or has been reached. Therefore, in accordance with § 679.20(d)(1)(i) and 679.20(d)(1)(ii)(B), the Regional Administrator is establishing a directed fishing allowance of 1,508 mt, and is setting aside the remaining 180 mt as incidental catch to support other anticipated groundfish fisheries. The Regional Administrator finds that this directed fishing allowance will be or has been reached. Consequently, in accordance with § 679.20(d)(1)(iii), NMFS is prohibiting directed fishing for Pacific ocean perch in the Western Regulatory Area of the GOA to prevent exceeding the Pacific ocean perch TAC in the Western Regulatory Area of the GOA.

While this closure is in effect, the maximum retainable amounts at § 679.20(e) and (f) apply at any time during a trip.

Classification

NMFS issues this action pursuant to section 305(d) of the Magnuson-Stevens Act. This action is required by 50 CFR part 679, which was issued pursuant to section 304(b) of the Magnuson-Stevens Act, and is exempt from review under Executive Order 12866.

Pursuant to 5 U.S.C. 553(b)(B), there is good cause to waive prior notice and an opportunity for public comment on this action, as notice and comment would be impracticable and contrary to the public interest, as it would prevent NMFS from responding to the most recent fisheries data in a timely fashion, and would delay the closure of directed fishing of Pacific ocean perch in the Western Regulatory Area of the GOA. NMFS was unable to publish a notice providing time for public comment because the most recent, relevant data on catch of Pacific ocean perch in the Western Regulatory Area of the GOA only became available as of September 28, 2026.

There is good cause under 5 U.S.C. 553(d)(3) to establish an effective date less than 30 days after date of publication. This finding is based upon the reasons provided above for waiver of prior notice and opportunity for public comment.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: October 1, 2026.

Shannon Bettridge,

Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2026–20338 Filed 10–1–26; 4:15 pm]

BILLING CODE 3510–22–P

Proposed Rules

Federal Register
Vol. 91, No. 191
Monday, October 5, 2026

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

NUCLEAR REGULATORY COMMISSION

10 CFR Parts 20, 30, 40, and 70

[NRC–2025–1568]

RIN 3150–AL61

Exemptions From Materials Licensing

AGENCY: Nuclear Regulatory Commission.

ACTION: Proposed rule.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is proposing to amend several regulations for byproduct, source, and special nuclear material by expanding how certain nuclear material can be safely used without a license. This proposed action would be responsive to the NRC's mission to enable safe, efficient, and reliable licensing and consistent with several Executive orders. These changes would be deregulatory in nature, eliminating the need to obtain licenses for certain materials uses and quantities.

DATES: Comments must be submitted electronically using *https://www.regulations.gov* no later than 11:59 p.m. midnight eastern time on November 4, 2026.

ADDRESSES: Submit your comments, identified by Docket ID NRC–2025–1568, at *https://www.regulations.gov.* If your material cannot be submitted using *https://www.regulations.gov,* call or email the individuals listed in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternative instructions.

You can read a plain language description of this proposed rule at *https://www.regulations.gov/docket/NRC-2025-1538.* For additional direction on obtaining information and submitting comments, see ''Obtaining Information and Submitting Comments'' in the **SUPPLEMENTARY INFORMATION** section of this document.

FOR FURTHER INFORMATION CONTACT: Denise Edwards, U.S. Nuclear Regulatory Commission, Washington DC 20555–0001; telephone: 301–415–7204, email: *Denise.Edwards@nrc.gov.*

SUPPLEMENTARY INFORMATION:

Table of Contents

I. Obtaining Information and Submitting Comments
A. Obtaining Information
B. Submitting Comments
II. Executive Order 14300: Ordering the Reform of the Nuclear Regulatory Commission
III. Rulemaking Procedure
IV. Background
V. Plain Writing
VI. Paperwork Reduction Act
VII. Executive Orders
A. Executive Order 12866: Regulatory Planning and Review (as Amended by Executive Order 14215, Ensuring Accountability for All Agencies)
B. Executive Order 14192: Unleashing Prosperity Through Deregulation
C. Executive Order 14267: Reducing Anti-Competitive Regulatory Barriers
VIII. Availability of Documents

I. Obtaining Information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID NRC–2025–1568 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- *Federal Rulemaking website:* Go to *https://www.regulations.gov* and search for Docket ID NRC–2025–1568.
- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at *https://www.nrc.gov/reading-rm/adams.html.* To begin the search, select ''Begin ADAMS Public Search.'' For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, 301–415–4737, or by email to *pdr.resource@nrc.gov.* For the convenience of the reader, instructions about obtaining materials referenced in this document are provided in the ''Availability of Documents'' section.
- *NRC's PDR:* The NRC Public Document Room (PDR), where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to *PDR.Resource@nrc.gov* or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

B. Submitting Comments

Comments must be submitted electronically using *https://www.regulations.gov* no later than 11:59 p.m. eastern time on November 4, 2026. Please include Docket ID NRC–2025–1568 in your comment submission.

The NRC cautions you not to include identifying or contact information that you do not want to be publicly disclosed in your comment submission. The NRC will post all comment submissions at *https://www.regulations.gov* as well as enter the comment submissions into ADAMS. The NRC does not routinely edit comment submissions to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the NRC, then you should inform those persons not to include identifying or contact information that they do not want to be publicly disclosed in their comment submission. Your request should state that the NRC does not routinely edit comment submissions to remove such information before making the comment submissions available to the public or entering the comment into ADAMS.

II. Executive Order 14300: Ordering the Reform of the Nuclear Regulatory Commission

On May 23, 2025, President Donald J. Trump signed Executive Order (E.O.) 14300, ''Ordering the Reform of the Nuclear Regulatory Commission.'' Section 5, ''Reforming and Modernizing the NRC's Regulations,'' directs the NRC to undertake a review and wholesale revision of its regulations and guidance documents as guided by the policies set forth in section 2 of the E.O. This rulemaking is part of the NRC's response to the direction in Section 5 of the E.O. because in conducing the wholesale review of its regulation, the NRC reexamined the regulations pertaining to the use of certain nuclear material without a license.

III. Rulemaking Procedure

Because the NRC considers this action to be noncontroversial, the NRC is publishing this proposed rule concurrently with a direct final rule in the Rules and Regulations section of this

issue of the **Federal Register**. The direct final rule will become effective on December 21, 2026. However, if the NRC receives significant adverse comments on this direct final rule by November 4, 2026 then the NRC will publish a document that withdraws the direct final rule. If the direct final rule is withdrawn, the NRC will address the comments received in a subsequent final rule or as otherwise appropriate. Absent significant modifications to the proposed revisions requiring republication, the NRC will not initiate a second comment period on this action.

A significant adverse comment is a comment where the commenter explains why the rule would be inappropriate, including challenges to the rule's underlying premise or approach, or would be ineffective or unacceptable without a change. A comment is adverse and significant if:

(1) The comment opposes the rule and provides a reason sufficient to require a substantive response in a notice-and-comment process. For example, a substantive response is required when:

(a) The comment causes the NRC to reevaluate (or reconsider) its position or conduct additional analysis;

(b) The comment raises an issue serious enough to warrant a substantive response to clarify or complete the record; or

(c) The comment raises a relevant issue that was not previously addressed or considered by the NRC.

(2) The comment proposes a change or an addition to the rule, and it is apparent that the rule would be ineffective or unacceptable without incorporation of the change or addition.

(3) The comment causes the NRC to make a change (other than editorial) to the rule.

For procedural information and the regulatory analysis, see the direct final rule published in the Rules and Regulations section of this issue of the **Federal Register**.

IV. Background

This rulemaking (1) proposes to amend the regulations pertaining to quantities of byproduct material that are exempt from licensing in title 10 of the *Code of Federal Regulations* (10 CFR) part 30, ''Rules of General Applicability to Domestic Licensing of Byproduct Material,'' specifically § 30.71 (''Schedule B''); and (2) expands the exemptions from licensing for Department of Energy (DOE) contractors. Exemptions for DOE contractors are in part 30, and also in 10 CFR part 40, ''Domestic Licensing of Source Material''; and 10 CFR part 70, ''Domestic Licensing of Special Nuclear Material,'' specifically §§ 30.12, 40.11, and 70.11. The NRC has authority to issue licenses to persons for the use of radioactive material under the Atomic Energy Act of 1954, as amended (AEA). With respect to the revision to Schedule B, the exempt quantities of byproduct material, under section 81 of the AEA, the NRC also has authority to exempt certain classes or quantities of byproduct material from the requirements for a license. In considering its exemptions from licensing, the NRC is directed by the AEA to make a finding that the exemption of such classes or quantities of such material or such kinds of uses or users will not constitute an unreasonable risk to the common defense and security and to the health and safety of the public. Consistent with this direction, the NRC has defined limits for such material by quantity (mass), radioactivity (activity), the material's use, the person using the material, or a combination thereof.

The NRC has identified its regulations for exempt quantities in Schedule B as an area for regulatory improvement. Exempt quantity limits for exempt use in Schedule B were identical to other quantity limits in the NRC's radiation protection regulations in 10 CFR part 20 until it was revised in 1991 (56 FR 23360; May 21, 1991). The NRC published changes to 10 CFR part 20 to reflect the adoption of recommendations of the International Commission on Radiation Protection (ICRP) Publication Nos. 26 and 30. At the time, the values in Schedule B were not revised because conformity was not considered essential when 10 CFR part 20 was updated. In June 2001, the NRC conducted a technical evaluation of its exemptions, published in NUREG–1717, ''Systematic Radiological Assessment of Exemptions for Source and Byproduct Materials.'' This evaluation concluded that providing a cross-reference to appendix C to 10 CFR part 20 would continue to ensure reasonable assurance of adequate protection of public health and safety. Further changes were made due to the Energy Policy Act of 2005, which added additional byproduct material to the NRC's jurisdiction. Schedule B was partially updated in a final rule, ''Requirements for Expanded Definition of Byproduct Material; Final Rule'' (72 FR 55864; October 1, 2007) to include radionuclides that were commonly used at that time. More recently, the NRC has received information that expanding the use of byproduct material under exemption should be pursued, following a comment letter from National Institutes of Health, dated December 15, 2020.

Next, based on licensing experience, the NRC also has identified its regulations granting exemptions to DOE contractors as an area for regulatory improvement. These regulations for byproduct, source, and special nuclear material are addressed in §§ 30.12, 40.11, and 70.11, respectively. Almost identical versions of these regulations have been in place since the existence of the Atomic Energy Commission (AEC) when the AEC would review its contractor activities for exemption (see *e.g.,* 16 FR 3251; April 13, 1951; 21 FR 213; January 11, 1956; 29 FR 14401; October 20, 1964). When the AEC was reorganized in 1975, the NRC retained the responsibility to perform the review of the exemption requests for DOE contractors working in areas subject to the jurisdiction of the NRC.

V. Plain Writing

The Plain Writing Act of 2010 (Pub. L. 111–274) requires Federal agencies to write documents in a clear, concise, and well-organized manner. The NRC has written this document to be consistent with the Plain Writing Act as well as the Presidential Memorandum, ''Plain Language in Government Writing,'' published June 10, 1998 (63 FR 31885). The NRC requests comment on this proposed rule with respect to clarity and effectiveness of the language used.

VI. Paperwork Reduction Act

This proposed rule does not contain any new or amended collections of information subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). Existing collections of information were approved by the Office of Management and Budget, approval numbers 3150–0017, 3150–0020, and 3150–0009.

Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the document requesting or requiring the collection displays a currently valid OMB control number.

VII. Executive Orders

The following are Executive orders (E.O.) that are related to this proposed rule:

A. Executive Order 12866: Regulatory Planning and Review (as Amended by Executive Order 14215, Ensuring Accountability for All Agencies)

The Office of Information and Regulatory Affairs (OIRA) has determined that this proposed rule is a

significant regulatory action under section 3(f) of E.O. 12866, though not economically significant under section 3(f)(1). Accordingly, the NRC submitted the proposed rule to OIRA for review. The NRC is required to conduct an economic analysis in accordance with section 6(a)(3)(B) of E.O. 12866. More can be found in Section VII of the direct final rule, ''Regulatory Analysis.''

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

This action is tentatively determined to be a deregulatory action as defined by E.O. 14192. Details on the estimated costs of this proposed rule can be found in Section VII of the direct final rule, ''Regulatory Analysis.''

C. Executive Order 14267: Reducing Anti-Competitive Regulatory Barriers

E.O. 14267 requires the NRC to identify anti-competitive regulations for rescission or modification. The NRC identified § 30.71 because of section 3(a)(iv) of the Executive order. The proposed modification of the regulation would support the objectives of E.O. 14267 by removing regulatory requirements that could create or facilitate licensure or accreditation requirements that unduly limit competition.

VIII. Availability of Documents

The documents identified in the following table are available to interested persons through one or more of the following methods, as indicated.

Document	ADAMS accession No./web Link/ **Federal Register** Citation
Related Documents	
Requirements for Expanded Definition of Byproduct Material, Final Rule, October 1, 2007	72 FR 55864.
Standards for Protection Against Radiation, Final Rule, May 21, 1991	56 FR 23360.
NUREG–1717, ''Systematic Radiological Assessment of Exemptions for Source and Byproduct Materials,'' June 2001.	ML011980433 (package).
Letter from Catherine A. Ribaudo, National Institutes of Health, December 15, 2020	ML20353A268 (package).
Licensing Requirements, Exemptions for Certain AEC Contractors, Final Rule, October 20, 1964	29 FR 14401.
Licensing of Byproduct Material, Final Rule; January 11, 1956	21 FR 213.
Radioisotope Distribution, Final Rule, April 13, 1951	16 FR 3251.
Agreement State Program Policy Statement, October 18, 2017	82 FR 48535.
Presidential Memorandum, ''Plain Language in Government Writing,'' June 10, 1998	63 FR 31885.
NRC Regulatory Analysis, Public Website	https://www.nrc.gov/about-nrc/regulatory/rulemaking/regulatory-analysis.
Executive Orders	
Executive Order 12866, ''Regulatory Planning and Review,'' October 4, 1993	58 FR 51735.
Executive Order 14192, ''Unleashing Prosperity Through Deregulation,'' February 6, 2025	90 FR 9065.
Executive Order 14215, ''Ensuring Accountability for All Agencies,'' February 24, 2025	90 FR 10447.
Executive Order 14300, ''Ordering the Reform of the Nuclear Regulatory Commission,'' May 29, 2025	90 FR 22587.

The NRC may post materials related to this document, including public comments, on the Federal rulemaking website at *https://www.regulations.gov* under Docket ID NRC–2025–1568. In addition, the Federal rulemaking website allows members of the public to receive alerts when changes or additions occur in a docket folder. To subscribe: 1) navigate to the docket folder (NRC–2025–1568); 2) click the ''Subscribe'' button; and 3) enter an email address and click on the ''Subscribe'' button.

List of Subjects

10 CFR Part 20

Byproduct material, Criminal penalties, Fusion, Hazardous waste, Licensed material, Nuclear energy, Nuclear materials, Nuclear power plants and reactors, Occupational safety and health, Packaging and containers, Penalties, Radiation protection, Reporting and recordkeeping requirements, Source material, Special nuclear material, Waste treatment and disposal.

10 CFR Part 30

Byproduct material, Criminal penalties, Government contracts, Intergovernmental relations, Isotopes, Nuclear energy, Nuclear materials, Penalties, Radiation protection, Reporting and recordkeeping requirements, Whistleblowing.

10 CFR Part 40

Criminal penalties, Exports, Government contracts, Hazardous materials transportation, Hazardous waste, Nuclear energy, Nuclear materials, Penalties, Reporting and recordkeeping requirements, Source material, Uranium, Whistleblowing.

10 CFR Part 70

Classified information, Criminal penalties, Emergency medical services, Hazardous materials transportation, Material control and accounting, Nuclear energy, Nuclear materials, Packaging and containers, Penalties, Radiation protection, Reporting and recordkeeping requirements, Scientific equipment, Security measures, Special nuclear material, Whistleblowing.

Dated: October 1, 2026.

For the Nuclear Regulatory Commission.

Jody Martin,

Secretary of the Commission.

[FR Doc. 2026–20335 Filed 10–2–26; 8:45 am]

BILLING CODE 7590–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 23

[Docket No. FAA–2025–5730; Notice No. 23–26–01–SC]

Special Conditions: Honda Aircraft Company LLC Model HA–480 Airplane; High Altitude Operation

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed special conditions.

SUMMARY: This action proposes special conditions for the Honda Aircraft Company LLC (Honda) Model HA–480 airplane. This airplane will have a novel or unusual design feature when compared to the state of technology envisioned in the airworthiness standards for normal category airplanes. This airplane will have design features associated with high altitude operations up to 47,000 feet. The applicable airworthiness regulations do not contain adequate or appropriate safety standards for this design feature. These proposed special conditions contain the additional safety standards that the Administrator considers necessary to establish a level of safety equivalent to that established by the existing airworthiness standards.

DATES: Send comments on or before November 19, 2026.

ADDRESSES: Send comments identified by Docket No. FAA–2025–5730 using any of the following methods:

Federal eRegulations Portal: Go to *www.regulations.gov* and follow the online instructions for sending your comments electronically.

Mail: Send comments to Docket Operations, M–30, U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE, Room W12–140, West Building Ground Floor, Washington, DC 20590–0001.

Hand Delivery or Courier: Take comments to Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Fax: Fax comments to Docket Operations at 202–493–2251.

Docket: Background documents or comments received may be read at *www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Kamruz Zaman, Airframe, AIR–622, Technical Policy Branch, Aircraft Certification Service, Federal Aviation Administration, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone (516) 228–7355; email *kamruz.zaman@faa.gov.*

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites interested people to take part in this rulemaking by sending written comments, data, or views. The most helpful comments reference a specific portion of the proposed special conditions, explain the reason for any recommended change, and include supporting data.

The FAA will consider all comments received by the closing date for comments, and will consider comments filed late if it is possible to do so without incurring delay. The FAA may change these special conditions based on the comments received.

Privacy

Except for Confidential Business Information (CBI) as described in the following paragraph, and other information as described in title 14, Code of Federal Regulations (14 CFR) 11.35, the FAA will post all comments received without change to *www.regulations.gov,* including any personal information you provide. The FAA will also post a report summarizing each substantive verbal contact received about these special conditions.

Confidential Business Information

Confidential Business Information (CBI) is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to these special conditions contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to these special conditions, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as ''PROPIN.'' The FAA will treat such marked submissions as confidential under the FOIA, and the indicated comments will not be placed in the public docket of these proposed special conditions. Send submissions containing CBI to the individual listed in the For Further Information Contact section above. Comments the FAA receives, which are not specifically designated as CBI, will be placed in the public docket for these proposed special conditions.

Background

On February 21, 2019, Honda applied for an amendment to Type Certificate No. A00018AT to include the new Model HA–480 airplane. The Honda Model HA–480 airplane, which is a derivative of the Model HA–420 currently approved under Type Certificate No. A00018AT, is a twin-engine, normal category, commuter airplane with a maximum seating for 11 passengers, and a maximum takeoff weight of 17,550 pounds.

Type Certification Basis

Under the provisions of 14 CFR 21.101, Honda must show that the Model HA–480 airplane meets the applicable provisions of the regulations listed in Type Certificate No. A00018AT, or the applicable regulations in effect on the date of application for the change, except for earlier amendments as agreed upon by the FAA.

If the Administrator finds that the applicable airworthiness regulations (*e.g.,* 14 CFR part 23) do not contain adequate or appropriate safety standards for the Honda Model HA–480 airplane because of a novel or unusual design feature, special conditions are prescribed under the provisions of § 21.16.

Special conditions are initially applicable to the model for which they are issued. Should the type certificate for that model be amended later to include any other model that incorporates the same novel or unusual design feature, or should any other model already included on the same type certificate be modified to incorporate the same novel or unusual design feature, these special conditions would also apply to the other model under § 21.101.

In addition to the applicable airworthiness regulations and special conditions, the Honda Model HA–480 airplane must comply with the fuel-vent and exhaust-emission requirements of 14 CFR part 34, and the noise-certification requirements of 14 CFR part 36.

The FAA issues special conditions, as defined in § 11.19, in accordance with § 11.38, and they become part of the type certification basis under § 21.101.

Novel or Unusual Design Features

The Honda Model HA–480 airplane will incorporate the following novel or unusual design feature:

This aircraft will operate at an altitude up to 47,000 feet.

Discussion

The FAA considers certification of normal category airplanes for operations at altitudes greater than 41,000 feet to be a novel or unusual feature because current part 23 does not contain adequate standards to ensure the same level of safety as provided during operations at lower altitudes. Operation at 47,000 feet raises two concerns related to structures: (1) Pressure vessel integrity due to the higher differential

pressures and (2) The potential for depressurization that degrades the amount of breathable air for passengers and crew.

These special conditions are being proposed to address pressure vessel integrity due to the higher differential pressures when operating at 47,000 feet. To ensure adequate pressure vessel strength, the FAA proposes a factor of 1.67 be applied to the maximum relief valve pressure level prescribed in § 23.2225(c)(3), rather than the 1.33 factor currently prescribed in that regulation.

The FAA has previously issued Special Conditions No. 23–ACE–87, Docket No. FAA–2016–3462 (62 FR 58875, October 31, 1997), to another normal category turbojet airplane model for operation at high altitudes, to address the second concern noted above—breathable air and occupant safety. In those special conditions, damage tolerance methods were proposed to be used to assure pressure vessel integrity while operating at higher altitudes. This regulatory approach was also reflected in SC No. 23–102–SC, Docket No. 154 (65 FR 7283, February 14, 2000) and the previously cited SC No. 23–ACE–87. Similar special conditions are not needed on the Honda HA–480 because part 23 requirements have since been upgraded to include specific criteria for depressurization at altitudes above 45,000 feet. See 14 CFR 23.841(d) at Amendment 23–62. Honda has agreed to include these criteria as their means of compliance to § 23.2320, Occupant physical environment.

The proposed special conditions contain the additional safety standards that the Administrator considers necessary to establish a level of safety equivalent to those established by the existing airworthiness standards.

Applicability

As discussed above, these proposed special conditions are applicable to the model for which they are issued. Should the type certificate for that model be amended later to include any other model that incorporates the same novel or unusual design feature, or should any other model already included on the same type certificate be modified to incorporate the same novel or unusual design feature, these special conditions would apply to the other model as well.

Conclusion

This action affects only a certain novel or unusual design feature on one model airplane. It is not a rule of general applicability.

List of Subjects in 14 CFR Part 23

Aircraft, Aviation safety, Reporting and recordkeeping requirements.

Authority Citation

The authority citation for these special conditions is as follows:

Authority: 49 U.S.C. 106(f), 40113, 44701, 44702, and 44704.

The Proposed Special Conditions

Accordingly, the Federal Aviation Administration (FAA) proposes the following special conditions as part of the type certification basis for Honda Aircraft Company LLC Model HA–480 airplanes.

Pressure Vessel Integrity

With regard to the fuselage structure design for cabin pressure capability above 45,000 feet, the pressure vessel structure, including doors and windows, must comply with § 23.2225(c)(3), using a factor of 1.67 instead of the 1.33 factor prescribed.

Issued in Des Moines, Washington, on October 1, 2026.

Paul R. Siegmund,

Branch Manager, Technical Policy Branch, Policy and Standards Division, Aircraft Certification Service.

[FR Doc. 2026–20350 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–11800; Project Identifier MCAI–2026–00538–R]

RIN 2120–AA64

Airworthiness Directives; Airbus Helicopters

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to supersede Airworthiness Directive (AD) 2026–12–09, which applies to all Airbus Helicopters Model AS350B, AS350BA, AS350B1, and AS350D helicopters. AD 2026–12–09 requires revising the airworthiness limitations section (ALS) of the existing maintenance manual (MM) or instructions for continued airworthiness (ICA) and the existing approved maintenance or inspection program, as applicable. Since the FAA issued AD 2026–12–09, a determination was made that new and more restrictive airworthiness limitations and maintenance tasks are necessary. This proposed AD would require incorporating these airworthiness limitations into the ALS of the existing MM or ICA and the existing approved maintenance or inspection program, as applicable. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this NPRM by November 19, 2026.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to *regulations.gov.* Follow the instructions for submitting comments.
- *Fax:* (202) 493–2251.
- *Mail*: U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.
- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

AD Docket: You may examine the AD docket at *regulations.gov*under Docket No. FAA–2026–11800; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information (MCAI) any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

- For European Union Aviation Safety Agency (EASA) material identified in this proposed AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; phone: +49 221 8999 000; email: *ADs@easa.europa.eu;* website: *easa.europa.eu.*
- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110.

FOR FURTHER INFORMATION CONTACT: Raymond Miller, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946–1490; email: *raymond.f.miller@faa.gov.*

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written relevant data, views, or arguments about this proposal. Send your comments using a method listed under **ADDRESSES**. Include ''Docket No.

FAA–2026–11800; Project Identifier MCAI–2026–00538–R'' at the beginning of your comments. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. The FAA will consider all comments received by the closing date and may amend the proposal because of those comments.

Except for Confidential Business Information (CBI) as described in the following paragraph, and other information as described in 14 CFR 11.35, the FAA will post all comments received, without change, to regulations.gov, including any personal information you provide. The agency will also post a report summarizing each substantive verbal contact received about this NPRM.

Confidential Business Information

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as ''PROPIN.'' The FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to Raymond Miller, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590. Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

The FAA issued AD 2026–12–09, Amendment 39–23379 (91 FR 36080, June 16, 2026) (AD 2026–12–09), for all Airbus Helicopters Model AS350B, AS350BA, AS350B1, and AS350D helicopters. AD 2026–12–09 was prompted by an MCAI originated by EASA, which is the Technical Agent for the Member States of the European Union. EASA issued EASA AD 2024–0133R1, dated June 27, 2025 (EASA AD 2024–0133R1).

AD 2026–12–09 requires revising the ALS of the existing MM or ICA and the existing approved maintenance or inspection program, as applicable. The FAA issued AD 2026–12–09 to prevent failure of critical parts and primary structural components, which if not addressed, could result in loss of control of the helicopter.

Actions Since AD 2026–12–09 was Issued

Since the FAA issued AD 2026–12–09, EASA superseded EASA AD 2024–0133R1 and issued EASA AD 2026–0102 (EASA AD 2026–0102) (also referred to as the MCAI). The MCAI states that new or more restrictive airworthiness limitations and requirements have been developed. Additionally, the MCAI states that the airworthiness limitations are identified as mandatory for continued airworthiness and that AH [Airbus Helicopters] has issued applicable ALS revisions to specify new and more restrictive life limits and maintenance tasks.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2026–11800.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2026–0102, which specifies replacing components before exceeding their life limits and accomplishing all applicable maintenance tasks within thresholds and intervals specified in the ALS as defined in EASA AD 2026–0102. Depending on the results of the maintenance tasks, EASA AD 2026–0102 specifies accomplishing corrective action(s) or contacting Airbus Helicopters for approved instructions and accomplishing those instructions.

Additionally, EASA AD 2026–0102 specifies revising the Aircraft Maintenance Programme (AMP) by incorporating the limitations, tasks, and associated thresholds and intervals described in the specified ALS, as applicable. Revising the AMP constitutes terminating action for the requirement to record accomplishment of the actions of replacing components before exceeding their life limits and accomplishing maintenance tasks within thresholds and intervals specified in the applicable ALS as specified in EASA AD 2026–0102 for demonstration of AD compliance on a continued basis.

This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

FAA's Determination

These products have been approved by the civil aviation authority (CAA) of another country and are approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI referenced above. The FAA is issuing this NPRM after determining that the unsafe condition described previously is likely to exist or develop on other products of the same type design.

Proposed AD Requirements in This NPRM

This proposed AD would require accomplishing the actions specified in EASA AD 2026–0102, described previously, as incorporated by reference, except for any differences identified as exceptions in the regulatory text of this proposed AD. See ''Differences Between this Proposed AD and the MCAI'' for a discussion of the general differences included in this proposed AD.

Differences Between This Proposed AD and the MCAI

Where EASA AD 2026–0102 specifies revising the approved AMP within 12 months after the effective date of EASA AD 2026–0102, this proposed AD would require revising the ALS of the existing MM or ICA and the existing approved maintenance or inspection program, as applicable, within 30 days after the effective date of this proposed AD.

EASA AD 2026–0102 applies to Airbus Helicopters Model AS350BB, whereas this proposed AD would not because that model does not have an FAA type certificate.

Explanation of Required Compliance Information

In the FAA's ongoing efforts to improve the efficiency of the AD process, the FAA developed a process to use some CAA ADs as the primary source of information for compliance with requirements for corresponding FAA ADs. The FAA has been coordinating this process with manufacturers and CAAs. As a result, the FAA proposes to incorporate EASA AD 2026–0102 by reference in the FAA final rule. This proposed AD would, therefore, require compliance with EASA AD 2026–0102 in its entirety through that incorporation, except for any differences identified as exceptions in the regulatory text of this proposed AD. Using common terms that are the same as the heading of a particular section in EASA AD 2026–0102 does not mean that operators need comply only with that section. For example, where the AD requirement refers to ''all required actions and compliance times,'' compliance with this AD requirement is

not limited to the section titled ''Required Action(s) and Compliance Time(s)'' in EASA AD 2026–0102. Material required by EASA AD 2026–0102 for compliance will be available at *regulations.gov* under Docket No. FAA–2026–11800 after the FAA final rule is published.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 1,191 helicopters of U.S. registry.

The FAA estimates the following costs to comply with this proposed AD:

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Revise ALS	1 work-hour × $85 per hour = $85	$0	$85	$101,235

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the Agency's authority.

The FAA is issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701: General requirements. Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

The FAA determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD would not have a substantial direct effect on the States, on the relationship between the national Government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify that the proposed regulation:

(1) Is not a ''significant regulatory action'' under Executive Order 12866,

(2) Would not affect intrastate aviation in Alaska, and

(3) Would not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by:

■ a. Removing Airworthiness Directive 2026–12–09, Amendment 39–23379 (91 FR 36080, June 16, 2026); and

■ b. Adding the following new airworthiness directive:

Airbus Helicopters: Docket No. FAA–2026–11800; Project Identifier MCAI–2026–00538–R.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by November 19, 2026.

(b) Affected ADs

This AD replaces AD 2026–12–09, Amendment 39–23379 (91 FR 36080, June 16, 2026).

(c) Applicability

This AD applies to all Airbus Helicopters Model AS350B, AS350BA, AS350B1, and AS350D helicopters, certificated in any category.

(d) Subject

Air Transport Association (ATA) of America Code 05, Time limits/maintenance checks.

(e) Unsafe Condition

This AD was prompted by new or more restrictive airworthiness limitations. The FAA is issuing this AD to prevent failure of critical parts and primary structural components, which if not addressed, could result in loss of control of the helicopter.

(f) Compliance

Comply with this AD within the compliance times specified, unless already done.

(g) Requirements

Except as specified in paragraphs (h) and (i) of this AD: Comply with all required actions and compliance times specified in, and in accordance with, European Union Aviation Safety Agency AD 2026–0102, dated May 26, 2026 (EASA AD 2026–0102).

(h) Exceptions to EASA AD 2026–0102

(1) Where EASA AD 2026–0102 refers to its effective date, this AD requires using the effective date of this AD.

(2) This AD does not adopt paragraphs (1), (2), (4), and (5) of EASA AD 2026–0102.

(3) Where paragraph (3) of EASA AD 2026–0102 specifies ''Within 12 months after the effective date of this AD, revise the approved AMP'', this AD requires replacing that text with ''Within 30 days after the effective date of this AD, revise the airworthiness limitations section of the existing maintenance manual or instructions for continued airworthiness and the existing approved maintenance or inspection program, as applicable''.

(4) The initial compliance time for doing the tasks specified in paragraph (3) of EASA AD 2026–0102 is on or before the applicable ''limitations'' and ''associated thresholds'' as incorporated by the requirements of paragraph (3) of EASA AD 2026–0102 or within 30 days after the effective date of this AD, whichever occurs later.

(5) This AD does not adopt the ''Remarks'' section of EASA AD 2026–0102.

(i) Provisions for Alternative Actions and Intervals

After the action required by paragraph (g) of this AD has been done, no alternative actions and associated thresholds and intervals, including life limits, are allowed unless they are approved as specified in the provisions of the ''Ref. Publications'' section of EASA AD 2026–0102.

(j) Alternative Methods of Compliance (AMOCs):

(1) The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the International Validation Branch, send it to the attention of the person identified in paragraph (k) of this AD and email to: *AMOC@faa.gov.*

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

(k) Additional Information

For more information about this AD, contact Raymond Miller, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946–1490; email: *raymond.f.miller@faa.gov.*

(l) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference of the material listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this material as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(i) European Union Aviation Safety Agency (EASA) AD 2026–0102, dated May 26, 2026.

(ii) [Reserved]

(3) For EASA material identified in this AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; phone: +49 221 8999 000; email: *ADs@easa.europa.eu;* website: *easa.europa.eu.* You may find the EASA material on the EASA website at *ad.easa.europa.eu.*

(4) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110.

(5) You may view this material at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, visit *www.archives.gov/federal-register/cfr/ibr-locations* or email *fr.inspection@nara.gov.*

Issued on October 1, 2026.

Steven W. Thompson,

Acting Deputy Director, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2026–20411 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–11798; Project Identifier MCAI–2025–01608–G]

RIN 2120–AA64

Airworthiness Directives; DG Aviation GmbH (Type Certificate Previously Held by DG Flugzeugbau GmbH) Gliders

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to supersede Airworthiness Directive (AD) 2025–13–08, which applies to all DG Aviation GmbH Model DG–1000T gliders. AD 2025–13–08 requires revising the glider flight manual and installing ''Motor INOP'' placards to prohibit operation with the powerplant. Since issuance of AD 2025–13–08, a design improvement to the propeller adapter ring has been developed that is considered terminating action for the operational prohibition of AD 2025–13–08. This proposed AD would retain the requirement to revise the flight manual, would provide an optional terminating action for the retained actions by incorporating a specified modification, would allow removal of the ''Motor INOP'' placards following accomplishment of that optional terminating action, and would require removal, inspection, and reinstallation of the propeller adapter disk, including installation of safety pins. This proposed AD would also prohibit the installation of affected propeller adapter rings. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this proposed AD by November 19, 2026.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to *regulations.gov*. Follow the instructions for submitting comments.
- *Fax:* (202) 493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–91, West Building Fifth Floor, Room W58–213, 1200 New Jersey Avenue SE, Washington, DC 20590.
- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

AD Docket: You may examine the AD docket at *regulations.gov* under Docket No. FAA–2026–11798; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

- For DG Aviation GmbH material identified in this proposed AD, contact DG Aviation GmbH, Rita Rodrigues, Otto Lilienthal Weg 2/Am Flugplatz, Bruchsal, Germany; phone: +49 (0) 7251 36660–32; email: *rodrigues@dg-aviation.de;* website: *https://www.dg-aviation.de/en/dg-flugzeugbau/contact.*
- You may view this material at the FAA, Operational Safety Branch, 1100 Main, Kansas City, MO 64105. For information on the availability of this material at the FAA, call (817) 222–5110.

FOR FURTHER INFORMATION CONTACT: Aaron T. Nguyen, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (281) 799–3453; email: *aaron.t.nguyen@faa.gov.*

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written relevant data, views, or arguments about this proposal. Send your comments using a method listed under **ADDRESSES**. Include Docket No. FAA–2026–11798; Project Identifier MCAI–2025–01608–G'' at the beginning of your comments. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. The FAA will consider all comments received by the closing date and may amend the proposal because of those comments.

Except for Confidential Business Information (CBI) as described in the following paragraph, and other information as described in 14 CFR 11.35, the FAA will post all comments received, without change, to *regulations.gov,* including any personal information you provide. The agency will also post a report summarizing each substantive verbal contact received about this NPRM.

Confidential Business Information

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as ''PROPIN.'' The FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to Aaron T. Nguyen, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590. Any commentary that the FAA receives which is not specifically

designated as CBI will be placed in the public docket for this rulemaking.

Background

The FAA issued AD 2025–13–08, Amendment 39–23074 (90 FR 30575, July 10, 2025) (AD 2025–13–08), for all DG Aviation GmbH Model DG–1000T gliders. AD 2025–13–08 was prompted by an MCAI originated by the European Union Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Union. EASA issued EASA Emergency AD 2025–0112–E, dated May 14, 2025 (EASA Emergency AD 2025–0112–E), to correct an unsafe condition identified as propeller separation.

AD 2025–13–08 requires revising the glider flight manual and installing ''Motor INOP'' placards to prohibit operation with the powerplant. The FAA issued AD 2025–13–08 to detect and address failure of a propeller.

Actions Since AD 2025–13–08 Was Issued

Since the FAA issued AD 2025–13–08, EASA superseded EASA Emergency AD 2025–0112–E, and issued EASA AD 2025–0220, dated October 10, 2025 (EASA AD 2025–0220) (also referred to as the MCAI), to correct an unsafe condition on all DG Aviation GmbH Model DG–1000T gliders. The MCAI states that propeller separation occurred due to complete failure of the damper element. The design approval holder subsequently developed a modification that introduces a safety mechanism for the propeller adapter ring. The FAA is issuing this AD to detect and address failure of a propeller. The unsafe condition, if not addressed, could lead to separation of the propeller, which could result in reduced or loss of control of the glider or the propeller impacting the glider, passengers in the glider, or people on the ground.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2026–11798.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed DG Aviation GmbH Technical Note No. 1000/52, Issue 01.b, dated October 8, 2025. This material specifies procedures for revising the DG Aviation GmbH Model DG–1000T glider flight manual, and removal, inspection, and reinstallation of the propeller adapter disk, including installation of safety pins.

This proposed AD would also require DG aviation GmbH Service Information No. 116–25, Issue 01.b, dated May 12, 2025, which the Director of the Federal Register approved for incorporation by reference as of July 25, 2025 (90 FR 30575, July 10, 2025).

This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

FAA's Determination

These products have been approved by the civil aviation authority of another country and are approved for operation in the United States. Pursuant to the FAA's bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI and material referenced above. The FAA is issuing this NPRM after determining that the unsafe condition described previously is likely to exist or develop on other products of the same type design.

Proposed AD Requirements in This NPRM

This proposed AD would retain all requirements of AD 2025–13–08, would provide an optional terminating action for the retained actions by incorporating a specified modification, and would allow for the removal of the ''Motor INOP'' placards following accomplishment of that optional terminating action.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect two gliders of U.S. registry.

The FAA estimates the following costs to comply with this proposed AD:

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Revise glider flight manual	1 work-hour × $85 per hour = $85	$0	$85	$170
Fabricate and install placard	1 work-hour × $85 per hour = $85	35	120	240

The following presents the cost of the optional terminating action for this proposed AD:

Action	Labor cost	Parts cost	Cost per product
Replace adapter disk, safety pins, and dynamic balancing weights	1 work-hour × $85 per hour = $85	$1,126	$1,211

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. Subtitle VII: Aviation Programs, describes in more detail the scope of the Agency's authority.

The FAA is issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701: General requirements. Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

The FAA determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD would not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify this proposed regulation:

(1) Is not a ''significant regulatory action'' under Executive Order 12866,

(2) Would not affect intrastate aviation in Alaska, and

(3) Would not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by:

■ a. Removing Airworthiness Directive 2025–13–08, Amendment 39–23074 (90 FR 30575, July 10, 2025); and

■ b. Adding the following new airworthiness directive:

DG Aviation GmbH (Type Certificate Previously Held by DG Flugzeugbau GmbH): Docket No. FAA–2026–11798; Project Identifier MCAI–2025–01608–G.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by November 19, 2026.

(b) Affected ADs

This AD replaces AD 2025–13–08, Amendment 39–23074 (90 FR 30575, July 10, 2025) (AD 2025–13–08).

(c) Applicability

This AD applies to all DG Aviation GmbH (Type Certificate previously held by DG Flugzeugbau GmbH) Model DG–1000T gliders, certificated in any category.

(d) Subject

Joint Aircraft System Component (JASC) Code 7100, Powerplant System.

(e) Unsafe Condition

This AD was prompted by reports of propeller separation due to failure of the adapter ring damper element. The FAA is issuing this AD to detect and address failure of a propeller. The unsafe condition, if not addressed, could result in separation of the propeller, which could result in reduced or loss of control of the glider or the propeller impacting the glider, passengers in the glider, or people on the ground.

(f) Compliance

Comply with this AD within the compliance times specified, unless already done.

(g) Retained Actions from AD 2025–13–08

Within 3 days after July 25, 2025 (the effective date of AD 2025–13–08), comply with either paragraph (g)(1) or (2) of this AD.

(1) Revise the flight manual for your glider and install ''Motor INOP'' placards in accordance with paragraphs 1 and 3 of the Instructions in DG aviation GmbH Service Information No. 116–25, Issue 01.b, dated May 12, 2025. The owner/operator (pilot) holding at least a private pilot certificate may revise the existing flight manual and must enter compliance with the applicable paragraph of this AD into the glider maintenance records in accordance with 14 CFR 43.9(a) and 91.417(a)(2)(v). The record must be maintained as required by 14 CFR 91.417, 121.380, or 135.439.

(2) Remove the powerplant from the glider.

(h) New Optional Terminating Action for This AD

Modification of a glider in accordance with the Instructions in DG Aviation GmbH Technical Note No. 1000/52, Issue 01.b, dated October 8, 2025, constitutes terminating action for the actions required by paragraphs (g)(1) and (2) of this AD for that glider. Following modification of the glider in accordance with the Instructions in DG Aviation GmbH Technical Note No. 1000/52, Issue 01.b, dated October 8, 2025, the flight manual amendment and placard required by paragraph (g)(1) of this AD may be removed.

(i) Parts Installation Prohibition

From the effective date of this AD, do not install any propeller adapter ring having part number (P/N) 10 M 067, version a, or any earlier approved part number on any glider.

(j) Credit for Previous Actions

This paragraph provides credit for the actions required by paragraph (g)(1) of this AD, if those actions were performed before the effective date of this AD using DG aviation GmbH Service Information No. 116–25, Issue 01.a, dated May 5, 2025.

(k) Special Flight Permits

Special flight permits, as described in 14 CFR 21.197 and 21.199, are not allowed.

(l) Alternative Methods of Compliance (AMOCs)

(1) The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the International Validation Branch, send it to the attention of the person identified in paragraph (m)(1) of this AD and email to: *AMOC@faa.gov.*

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the responsible Flight Standards Office/certificate holding district office.

(m) Additional Information

(1) For more information about this AD, contact Aaron T. Nguyen, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (281) 799–3453; email: *aaron.t.nguyen@faa.gov.*

(2) Material identified in this AD that is not incorporated by reference is available at the address specified in paragraph (n)(5) of this AD.

(n) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the material listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this material as applicable to do the actions required by this AD, unless this AD specifies otherwise.

(3) The following material was approved for IBR on [DATE 35 DAYS AFTER PUBLICATION OF THE FINAL RULE].

(i) DG Aviation GmbH Technical Note No. 1000/52, Issue 01.b, dated October 8, 2025.

(ii) [Reserved]

(4) The following material was approved for IBR on July 25, 2025 (90 FR 30575, July 10, 2025).

(i) DG aviation GmbH Service Information No. 116–25, Issue 01.b, dated May 12, 2025.

(ii) [Reserved]

(5) For DG aviation GmbH and DG Aviation GmbH material identified in this AD, contact DG Aviation GmbH, Rita Rodrigues, Otto Lilienthal Weg 2/Am Flugplatz, Bruchsal, Germany; phone: +49 (0) 7251 36660–32; email: *rodrigues@dg-aviation.de;* website: *https://www.dg-aviation.de/en/dg-flugzeugbau/contact.*

(6) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 1100 Main, Kansas City, MO 64105. For information on the availability of this material at the FAA, call (817) 222–5110.

(7) You may view this material at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, visit *www.archives.gov/federal-register/cfr/ibr-locations* or email *fr.inspection@nara.gov.*

Issued on September 30, 2026.

Steven W. Thompson,

Acting Deputy Director, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2026–20393 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2026–12409; Airspace Docket No. 26–AEA–5]

RIN 2120–AA66

Amendment of Domestic Very High Frequency Omnidirectional Range (VOR) Federal Airways V–16, V–184, and Revocation of V–284 and V–577; Eastern United States

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This action proposes to amend domestic Very High Frequency Omnidirectional Range (VOR) Federal Airways V–16, V–184, and revoke V–284 and V–577 in the eastern United States. The FAA is proposing these actions due to the planned decommissioning of the Cedar Lake, NJ (VCN), VOR/Distance Measuring Equipment (DME).

DATES: Comments must be received on or before November 19, 2026.

ADDRESSES: Send comments identified by FAA Docket No. FAA–2026–12409 and Airspace Docket No. 26–AEA–5 using any of the following methods:

* *Federal eRulemaking Portal:* Go to *www.regulations.gov* and follow the online instructions for sending your comments electronically.

* *Mail:* Send comments to Docket Operations; U.S. Department of Transportation, 1200 New Jersey Avenue SE, Room W58–213, West Building, 5th Floor, Washington, DC 20590.

* *Hand Delivery or Courier:* Take comments to Docket Operations in Room W58–213 of the West Building, 5th Floor at 1200 New Jersey Avenue SE, Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

* *Fax:* Fax comments to Docket Operations at (202) 493–2251.

Docket: Background documents or comments received may be read at *www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W58–213 of the West Building, 5th Floor at 1200 New Jersey Avenue SE, Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FAA Order JO 7400.11M, Airspace Designations and Reporting Points, and subsequent amendments can be viewed online at *www.faa.gov/air_traffic/publications/*. You may also contact the Rules and Regulations Group, Policy Directorate, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591; telephone: (202) 267–8783.

FOR FURTHER INFORMATION CONTACT: Ashley Toth, Rules and Regulations Group, Policy Directorate, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591; telephone: (202) 267–8783.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of the airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it would amend the route structure to maintain the efficient flow of air traffic within the National Airspace System (NAS).

Comments Invited

The FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should submit only one time if comments are filed electronically, or commenters should send only one copy of written comments if comments are filed in writing.

The FAA will file in the docket all comments it receives, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rulemaking. Before acting on this proposal, the FAA will consider all comments it receives on or before the closing date for comments. The FAA will consider comments filed after the comment period has closed if it is possible to do so without incurring expense or delay. The FAA may change this proposal in light of the comments it receives.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to *www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *www.dot.gov/privacy.*

Availability of Rulemaking Documents

An electronic copy of this document may be downloaded through the internet at *www.regulations.gov.* Recently published rulemaking documents can also be accessed through the FAA's web page at *www.faa.gov/air_traffic/publications/airspace_amendments/.*

You may review the public docket containing the proposal, any comments received and any final disposition in person in the Dockets Operations office (see **ADDRESSES** section for address, phone number, and hours of operations). An informal docket may also be examined during normal business hours at the office of the Eastern Service Center, Federal Aviation Administration, Room 210, 1701 Columbia Avenue, College Park, GA 30337.

Incorporation by Reference

Domestic VOR Federal Airways are published in paragraph 6010(a) of FAA Order JO 7400.11, Airspace Designations and Reporting Points, which is incorporated by reference in 14 CFR 71.1 on an annual basis. This document proposes to amend the current version of that order, FAA Order JO 7400.11M, dated July 30, 2026, and effective September 15, 2026. These updates would be published in the next update to FAA Order JO 7400.11. FAA Order JO 7400.11M, which lists Class A, B, C, D, and E airspace areas, air traffic service routes, and reporting points, is publicly available as listed in the **ADDRESSES** section of this document.

Background

There are two routes with the identifier V–16, one located in the state of Hawaii, and one located between the states of California and New York. This action only proposes to affect the V–16 located between the states of California and New York.

The FAA is planning to decommission the Cedar Lake, NJ (VCN), VOR/DME on June 10, 2027, due to land lease issues. The FAA determined the Cedar Lake VOR/DME

should be decommissioned rather than relocated or potentially retained at an excessive cost. This action further reduces the dependency on ground-based navigation facilities and legacy en route structure as the NAS continues to transition to a more efficient Performance Based Navigation route structure. The Air Traffic Service (ATS) routes affected by the planned navigational aid (NAVAID) decommissioning are VOR Federal Airways V–16, V–184, V–284, and V–577. With the planned decommissioning of the Cedar Lake VOR/DME, the remaining ground-based NAVAID coverage in the area is insufficient to enable the continuity of the affected ATS routes. This lack of continuity necessitates the proposed amendment to V–16 to remove portions of the airway that would lack coverage, resulting in a gap in the airway. For the same reasons, the FAA proposes a change in the route structure for V–184, and revocation of V–284 and V–577.

To overcome the proposed modifications to the affected routes, instrument flight rules (IFR) traffic could use adjacent VOR Federal Airways V–1, V–16, V–29, V–123, V–166, V–213, V–229, V–268, V–469, and V–479 or receive air traffic control (ATC) radar vectors to fly through or circumnavigate the affected area. Additionally, IFR pilots with Area Navigation (RNAV)-equipped aircraft could also use the adjacent RNAV Routes T–224, T–303, T–307, T–315, T–358, T–416, and T–457 or navigate point-to-point using the existing waypoints that will remain in place to support continued operations through the affected area. Visual flight rules (VFR) pilots who elect to navigate via airways through the affected area could also take advantage of ATC services listed previously.

The Proposal

The FAA is proposing an amendment to 14 CFR part 71 that would modify domestic VOR Federal Airways V–16, V–184, and revoke V–284 and V–577 to support the planned decommissioning of the Cedar Lake VOR/DME.

V–16: V–16 currently extends between the Los Angeles, CA (LAX), VOR/Tactical Air Navigation (VORTAC) and the Holly Springs, MS (HLI), VORTAC; between the Shelbyville, TN (SYI), VOR/DME and the Pulaski, VA (PSK), VORTAC; between the Lynchburg, VA (LYH), VOR/DME and the Richmond, VA (RIC), VORTAC; and between the Smyrna, DE (ENO), VORTAC and the intersection of the Calverton, NY (CCC), VOR/DME 044° and Madison, CT (MAD), VOR/DME 142° radials (CREAM Fix). The airspace within Mexico and the airspace below 2,000 feet mean sea level (MSL) outside the United States is excluded. The airspace within Restricted Areas R–5002A, R–5002C, R–5002D, and R–5002F is excluded during their times of use.

The FAA proposes to remove the segment of the airway that extends between the Smyrna VOR/DME to the Cedar Lake VOR/DME due to the planned decommissioning of the Cedar Lake VOR/DME. As amended, the airway would extend between the Los Angeles VORTAC and the Holly Springs VORTAC; between the Shelbyville VOR/DME and the Pulaski VORTAC; between the Lynchburg VOR/DME and the Richmond VORTAC; and between the Coyle, NJ (CYN), VORTAC and the intersection of the Calverton VOR/DME 044° and Madison VOR/DME 142° radials (CREAM Fix). The airspace within Mexico and the airspace below 2,000 feet MSL outside the United States is excluded. The airspace within Restricted Areas R–5002A, R–5002C, R–5002D, and R–5002F is excluded during their times of use.

Separate changes to V–16 related to the decommissioning of other NAVAIDs have been proposed in two separate rulemaking dockets, Docket No. FAA–2026–2452 published in the **Federal Register** (91 FR 10979; March 6, 2026) and Docket No. FAA–2026–7096 published in the **Federal Register** (91 FR 37062; June 22, 2026).

V–184: V–184 currently extends between the Philipsburg, PA (PSB), VORTAC and the intersection of the Kennedy, NY (JFK), VOR/DME 198° and the Robbinsville, NJ (RBV), VORTAC 112° radials.

The FAA proposes to remove the Cedar Lake VOR/DME from the airway due to its planned decommissioning. As amended, the airway would extend between the Philipsburg VORTAC and the intersection of the Kennedy VOR/DME 198° and the Robbinsville VORTAC 112° radials.

V–284: V–284 currently extends between the Sea Isle, NJ (SIE), VORTAC and the Cedar Lake VOR/DME. The FAA proposes to remove the airway in its entirety due to the planned decommissioning of the Cedar Lake VOR/DME.

V–577: V–577 currently extends between the Cedar Lake VOR/DME and the intersection of the Cedar Lake VOR/DME 091° and the Sea Isle VORTAC 050° radials. The FAA proposes to remove the airway in its entirety due to the planned decommissioning of the Cedar Lake VOR/DME.

The full proposed descriptions of the above routes are set forth below in the proposed text amendments to part 71. The NAVAID radials listed in the VOR Federal airway description regulatory text of this NPRM are stated in degrees True north.

Regulatory Notices and Analyses

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore: (1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under DOT Order 2100.6B, ''Rulemaking and Guidance Procedure'' (March 10, 2025); and (3) is expected to result in, at most, de minimis costs from compliance with applicable operating requirements or minor flight rerouting for operators choosing to navigate around the controlled airspace. Since these proposed amendments are routine and the expected impact to operators is de minimis, the FAA certifies that this proposed rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

This proposal will be subject to an environmental analysis in accordance with FAA Order 1050.1G, ''*FAA National Environmental Policy Act Implementing Procedures*'' prior to any FAA final regulatory action.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, B, C, D, AND E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS

■ 1. The authority citation for 14 CFR Part 71 continues to read as follows:

Authority: 49 U.S.C. 106(f), 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of FAA Order JO 7400.11M, Airspace Designations and Reporting Points, dated July 30, 2026, and

effective September 15, 2026, is amended as follows:

Paragraph 6010(a) Domestic VOR Federal Airways.

* * * * *

V–16 [Amended]

From Los Angeles, CA; Paradise, CA; Palm Springs, CA; Blythe, CA; Buckeye, AZ; Phoenix, AZ; INT Phoenix 155° and Stanfield, AZ, 105° radials; Tucson, AZ; San Simon, AZ; INT San Simon 119° and Columbus, NM, 277° radials; Columbus; El Paso, TX; Salt Flat, TX; Wink, TX; INT Wink 066° and Big Spring, TX, 260° radials; Big Spring; Abilene, TX; Bowie, TX; Bonham, TX; Paris, TX; Texarkana, AR; Pine Bluff, AR; Marvell, AR; to Holly Springs, MS. From Shelbyville, TN; Hinch Mountain, TN; Volunteer, TN; Holston Mountain, TN; to Pulaski, VA. From Lynchburg, VA; Flat Rock, VA; to Richmond, VA. From Coyle, NJ; INT Coyle 036° and Kennedy, NY, 209° radials; Kennedy; INT Kennedy 040° and Calverton, NY, 261° radials; Calverton; to INT Calverton 044° and Madison, CT, 142° radials. The airspace within Mexico and the airspace below 2,000 feet MSL outside the United States is excluded. The airspace within Restricted Areas R–5002A, R–5002C, R–5002D, and R–5002F is excluded during their times of use.

* * * * *

V–184 [Amended]

From Philipsburg, PA; Harrisburg, PA; INT Harrisburg 135° and Modena, PA, 274° radials; Modena; INT Modena 120° and Woodstown, NJ, 326° radials; Woodstown; Atlantic City, NJ; INT Atlantic City 055° and Kennedy, NY, 198° radials; to INT Kennedy 198° and Robbinsville, NJ, 112° radials.

* * * * *

V–284 [Removed]

* * * * *

V–577 [Removed]

* * * * *

Issued in Washington, DC, on October 1, 2026.

Brian Eric Konie,

Acting Manager, Rules and Regulations Group.

[FR Doc. 2026–20372 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Parts 401, 404, 413, and 414

[Docket No.: FAA–2026–9935; Notice No. 26–25]

RIN 2120–AM39

Digital Modernization for Licensing Electronic Application Submissions

AGENCY: Federal Aviation Administration (FAA), U.S. Department of Transportation (DOT).

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: FAA proposes to amend its commercial space launch and reentry licensing regulations to allow for submission of license and permit applications and requests for waivers, alternative time frames, and safety element approvals through additional electronic methods.

DATES: Send comments on or before November 4, 2026.

ADDRESSES: Send comments identified by docket number FAA–2026–9935 using any of the following methods:

- *Federal eRulemaking Portal:* Go to *www.regulations.gov* and follow the online instructions for sending your comments electronically.
- *Mail:* Send comments to Docket Operations; U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE, West Building, 5th Floor (W58–213), Washington, DC 20590–0001.
- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W58–213 of the West Building, 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- *Fax:* Fax comments to Docket Operations at (202) 493–2251.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to inform its rulemaking process better. DOT posts these comments, without edit, including any personal information the commenter provides, to *www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *www.dot.gov/privacy.*

Docket: Background documents or comments received may be read at *www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W58–213 of the West Building 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Lisa E. Cacciatore, Office of Commercial Space Transportation, Federal Aviation Administration, 1200 New Jersey Avenue SE, Washington, DC 20590; telephone (202) 880–1489; email *Lisa.E.Cacciatore@faa.gov*.

SUPPLEMENTARY INFORMATION:

I. Overview

In accordance with the policy of streamlining commercial license and permit approvals set out in Executive Order (E.O.) 14335, ''Enabling Competition in the Commercial Space Industry,'' FAA proposes to amend its commercial space launch and reentry regulations to allow for submission of license and permit applications and waiver, alternative time frame, and safety element approval requests through electronic means approved by the FAA Administrator. This change would allow applicants to use FAA's new Licensing Electronic Application Portal (LEAP) without having to apply for a waiver. LEAP would increase the efficiency of processing of commercial space license applications and provide industry with greater transparency on the status of their applications. In addition, FAA proposes to remove the option for applicants to submit license and permit applications, waiver requests, alternative time frame requests, and safety element approval requests via paper application. FAA would continue to allow email and physical electronic storage for application submissions.

II. Authority for This Rulemaking

The Commercial Space Launch Act of 1984, as amended and codified at 51 U.S.C. 50901–50924, authorizes the Secretary of Transportation to oversee, license, and regulate commercial launch and reentry activities, and the operation of launch and reentry sites within the United States (U.S.) or as carried out by U.S. citizens. Section 50905 directs the Secretary to exercise this responsibility consistent with public health and safety, safety of property, and the national security and foreign policy interests of the United States. In addition, section 50903 requires the Secretary to encourage, facilitate, and promote commercial space launches and reentries by the private sector. As codified in 49 CFR 1.83(b), the Secretary has delegated authority to the FAA Administrator to carry out these functions.

III. Background

On August 13, 2025, the President issued E.O. 14335, ''Enabling Competition in the Commercial Space Industry,'' which articulated the goal of ''[enhancing] American greatness in space by enabling a competitive launch marketplace and substantially increasing commercial space launch cadence and novel space activities by 2030.'' The E.O. further stated that ''[t]o accomplish this, the Federal Government will streamline commercial license and permit approvals for United States-based operators.'' This proposed rule is being published in furtherance of this policy.

In accordance with its statutory authority, FAA currently issues licenses for the launch of a launch vehicle, the operation of a launch site, the reentry of a reentry vehicle, and the operation of a reentry site. FAA also issues experimental permits that allow a person to launch or reenter a reusable suborbital vehicle. Regulations governing the issuance of these licenses and permits are located in 14 CFR chapter III. The procedures for submitting applications for these licenses and permits are located in part 413.

FAA is currently developing the LEAP platform through which applicants can submit applications electronically. However, current § 413.7(a) provides that an application may only be submitted by paper in duplicate, via email to *ASTApplications@faa.gov,* or by providing the application to FAA on a physical electronic storage device, such as a USB flash drive or external hard drive. This restriction would prevent applicants from submitting applications via LEAP, when it is finalized, without first obtaining a waiver from FAA.

IV. Discussion of the Proposal

The proposed rule would add ''other electronic method approved by the Administrator'' as a submission option in § 413.7(a) to allow FAA to accept applications via electronic methods not contemplated by the current regulation. FAA anticipates that the change would help streamline the licensing process by allowing for application submission using the most current electronic methods. Furthermore, the proposed change is necessary to allow applicants to submit applications via LEAP, once it is finalized, without having to apply for a waiver.

In addition, the proposed rule amends § 413.7(a) to remove the option for applicants to submit license and permit applications by paper. License and permit applications are typically reviewed by FAA teams. Each member of the FAA team has access to all of the application documents in a shared electronic location, thereby allowing FAA team members to view the documents simultaneously. Applications submitted by paper do not allow for this flexibility and are therefore more cumbersome and time-intensive to review than electronic submissions. Furthermore, no licensed operator has submitted a paper application to FAA during the last two decades. Likewise, FAA does not anticipate that any future applicants will seek to apply for a license or permit by paper. Therefore, FAA anticipates that removing the option would have little impact on applicants but could potentially save time and resources for FAA in the unlikely event that an applicant is considering submitting a paper application.

The proposed rule would also make changes to parts 404 and 414 to align the methods by which applicants may submit waiver requests, alternative time frame requests, and safety element approval requests with the methods set out in § 413.7(a). Under current § 404.3(c), a person filing a request for a waiver may submit the request by paper copy or email. Likewise, under current § 404.15(b), a person filing a request proposing an alternative time frame for certain 14 CFR chapter III requirements may submit the request by paper or email. Finally, under current § 414.13(a), a person filing a safety element approval request separate from an application for a license must submit the request by paper copy, email, or physical electronic storage. The proposed rule would amend those sections to allow for submission of waiver, alternative timeframe, and safety element approval requests in the same manner as license applications: email, physical electronic storage, or other electronic method approved by the Administrator. FAA anticipates that, in addition to efficiencies gained by allowing electronic submissions via LEAP and other methods approved by the Administrator, the standardization of submission procedures across license and permit applications, safety element approval applications, requests for alternative time frames, and petitions for waivers would ease the burden on applicants by streamlining acceptable procedures for each different application or petition.

FAA emphasizes that the proposed change would not make any specific electronic submission of applications mandatory. Thus, applicants who wish to submit their applications via email or physical electronic storage would be able to continue doing so under this proposed rule.

That being said, FAA is also considering whether to remove the option for email and physical electronic storage submissions altogether. Under this alternative, § 413.7 would be amended to require all license and permit applications to be submitted via an electronic method approved by the Administrator. Likewise, all waiver requests, alternative time frame requests, and safety element approval requests would also need to be submitted via an electronic method approved by the Administrator. FAA is considering this alternative because mandating standardized electronic methods would ensure a consistent submission experience for all applicants, enabling FAA to automate internal processes and further improve efficiency. FAA seeks public comment on all aspects of this alternative—including potential operational impacts, costs, or benefits—and whether it should be incorporated into the final rule.

Finally, FAA proposes to make conforming changes to §§ 401.1, 404.3(c)(2), and 413.7(a) to update the address of the Office of Commercial Space Transportation to 1200 New Jersey Avenue SE, Washington, DC 20590.

V. Regulatory Notices and Analyses

A. Regulatory Impact Analysis

E.O. 12866 (''Regulatory Planning and Review'') and E.O. 13563 (''Improving Regulation and Regulatory Review'') require agencies to regulate in the ''most cost-effective manner,'' to make a ''reasoned determination that the benefits of the intended regulation justify its costs,'' and to develop regulations that ''impose the least burden on society.'' The Office of Management and Budget has determined this proposed rule is not a significant regulatory action as defined in Section 3(f) of E.O. 12866. FAA is seeking comments on the following analysis.

Currently, FAA allows license and permit applications, waiver requests, safety element approval requests, and requests for alternative time frames to be submitted by paper, by use of physical electronic storage, or by email. This proposed rule would remove the option to submit by paper and would provide another option: submission of license and permit applications, waiver requests, safety element approval requests, and requests for alternative time frames via another electronic

method approved by the FAA Administrator. FAA is currently in the process of creating an online platform, LEAP, through which individuals would be able to submit materials to the Office of Commercial Space Transportation. The proposed rule is necessary to allow materials to be submitted via LEAP. The proposed rule does not require FAA development of LEAP, which FAA would develop with or without this rule. Therefore, FAA considers the development cost of the LEAP platform as part of the baseline for this analysis, or, as OMB Circular A–4 explains, what the world would be like if the rule is not adopted.

Most license applications are received via email attachments, which would be time-consuming for FAA to upload manually to an electronic storage location. By providing submittal through another electronic method allowed by this proposed rule would save FAA an estimated 10 minutes per attachment in an email. The average number of files submitted in support of a part 450 application per month is approximately 150. An administrative specialist under the FAA Core Compensation Plan does this labor. The specialist is at a H band [1] with a base hourly rate of $41.41. FAA uses a factor of 1.3625 for benefits,[2] which results in the total loaded hourly wage of $56.42. The undiscounted cost savings per year [3] is $16,927 and over the 10-year period of analysis is $169,266. At a seven percent discount rate, the cost savings totals $118,885 and at a three percent rate it is $144,387. The cost savings estimate is shown in Table 1.

TABLE 1—PART 450 APPLICATIONS PROCESSING COST SAVINGS

Year	Cost savings (undiscounted)	7% PV	3% PV
1	$16,927	$15,819.23	$16,433.57
2	16,927	14,784.32	15,954.92
3	16,927	13,817.13	15,490.21
4	16,927	12,913.20	15,039.04
5	16,927	12,068.41	14,601.01
6	16,927	11,278.89	14,175.74
7	16,927	10,541.02	13,762.85
8	16,927	9,851.42	13,361.99
9	16,927	9,206.93	12,972.81
10	16,927	8,604.61	12,594.96
Total	169,266	118,885	144,387

In addition, if the proposed rule is not finalized, FAA would continue to use LEAP or other follow-on electronic methods to process applications, but the applicant would need to obtain a waiver to use LEAP or any new electronic system to transmit their application. Therefore, the cost savings would come from the applicant not having to petition FAA for a waiver to use a system like LEAP to submit an application. Since no such waivers have been submitted, FAA cannot estimate the cost savings.

Furthermore, though no licensed operator has submitted a paper application to FAA during the last two decades and FAA does not expect any in the future, removing the option to submit by paper may result in minimal cost savings because submitting applications by paper is more costly for FAA to review than submittal by email, physical electronic storage, or other electronic means.

Therefore, this proposed rule would provide cost savings to industry and FAA by streamlining the application, waiver request, and safety element approval request processes.

B. Regulatory Flexibility Act

Under the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), agencies must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rulemaking on small entities (*i.e.,* small businesses, small organizations, and small government jurisdictions). No regulatory flexibility analysis is required, however, if the head of an agency certifies that the proposed rule would not have a significant economic impact on a substantial number of small entities. FAA has concluded and hereby certifies that this proposed rule would not have a significant economic impact on a substantial number of small entities; therefore, an analysis is not included.

C. International Trade Impact Assessment

The Trade Agreements Act of 1979 (Pub. L. 96–39), as amended by the Uruguay Round Agreements Act (Pub. L. 103–465), prohibits Federal agencies from establishing standards or engaging in related activities that create unnecessary obstacles to the foreign commerce of the United States. Pursuant to these Acts, the establishment of standards is not considered an unnecessary obstacle to the foreign commerce of the United States, so long as the standard has a legitimate domestic objective, such as the protection of safety, and does not operate in a manner that excludes imports that meet this objective. The statute also requires consideration of international standards and, where appropriate, they be the basis for U.S. standards.

FAA has assessed the potential effect of this proposed rule and determined that it would not create unnecessary obstacles to the foreign commerce of the United States.

D. Unfunded Mandates Assessment

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) governs the issuance of Federal regulations that require unfunded mandates. An unfunded mandate is a regulation that requires a State, local, or Tribal government or the private sector to incur direct costs without the Federal Government having first provided the

[1] FAA Pay Band H with Washington DC locality; effective Jan. 2026, minimum salary $86,134, available at: *www.faa.gov/jobs/working_here/benefits/pay/core_salary_with_conversion.xlsx.*

[2] Update to Civilian Position Full Fringe Benefit Cost Factor, Federal Pay Raise Assumptions, and Inflation Factors used in OMB Circular No. A–76, ''Performance of Commercial Activities,'' Office of Management and Budget, March 11, 2008, available at: *www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/memoranda/2008/m08-13.pdf.*

[3] The per year cost estimate is calculated by multiplying the total applications per year (150 × 12 = 1,800), the time per applications (10 minutes which is 10/60 = 0.167 of an hour), and the wages with benefits of $56.42).

funds to pay those costs. FAA determined the proposed rule would not result in the expenditure of $193,000,000 or more ($100,000,000 adjusted for inflation using the most current Implicit Price Deflator for the Gross Domestic Product) by State, local, or Tribal governments, in the aggregate, or the private sector, in any one year.

E. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) requires FAA consider the impact of paperwork and other information collection burdens imposed on the public. FAA has determined there would be no new requirement for information collection associated with this proposed rule.

F. International Compatibility

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to conform to International Civil Aviation Organization (ICAO) Standards and Recommended Practices to the maximum extent practicable. FAA has determined there are no ICAO Standards and Recommended Practices that correspond to these proposed regulations.

G. Environmental Analysis

The Department has analyzed the environmental impacts of this notice of proposed rulemaking pursuant to the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321, *et seq.*). FAA has determined this proposed rule is categorically excluded pursuant to FAA Order 1050.1G. Categorical exclusions are categories of actions FAA has determined normally do not significantly affect the quality of the human environment and therefore do not require either an environmental assessment (EA) or environmental impact statement (EIS). In analyzing the applicability of a categorical exclusion, FAA must also consider whether extraordinary circumstances are present that would warrant the preparation of an EA or EIS. This rulemaking, which would allow for submission of license and permit applications and requests for waivers, alternative time frames, and safety element approvals through additional electronic methods, is categorically excluded pursuant to FAA Order 1050.1G, Appendix B, Paragraph B–2.6(f), which categorically excludes issuance of regulatory documents. FAA does not anticipate any environmental impacts, and there are no extraordinary circumstances present in connection with this rulemaking.

VI. E.O. Determinations

A. E.O. 13132, Federalism

FAA has analyzed this proposed rule under the principles and criteria of E.O. 13132, Federalism. FAA has determined this action would not have a substantial direct effect on the States, or the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government, and, therefore, would not have federalism implications.

B. E.O. 13175, Consultation and Coordination With Indian Tribal Governments

Consistent with E.O. 13175, Consultation and Coordination with Indian Tribal Governments,[4] and FAA Order 1210.20, American Indian and Alaska Native Tribal Consultation Policy and Procedures,[5] FAA ensures Federally Recognized Tribes (Tribes) are given the opportunity to provide meaningful and timely input regarding proposed Federal actions that have the potential to affect uniquely or significantly their respective Tribes. At this point, FAA has not identified any unique or significant effects, environmental or otherwise, on Tribes resulting from this proposed rule.

C. E.O. 13211, Regulations That Significantly Affect Energy Supply, Distribution, or Use

FAA analyzed this proposed rule under E.O. 13211, Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use (May 18, 2001). FAA has determined it would not be a ''significant energy action'' under the E.O. and would not be likely to have a significant adverse effect on the supply, distribution, or use of energy.

D. E.O. 13609, Promoting International Regulatory Cooperation

E.O. 13609, Promoting International Regulatory Cooperation, promotes international regulatory cooperation to (1) meet shared challenges involving health, safety, labor, security, environmental, and other issues and to reduce, eliminate, or (2) prevent unnecessary differences in regulatory requirements. FAA has analyzed this action under the policies and agency responsibilities of E.O. 13609 and has determined this action would have no effect on international regulatory cooperation.

[4] 65 FR 67249 (November 6, 2000).

[5] FAA Order No. 1210.20 (January 28, 2004), available at *www.faa.gov/documentLibrary/media/1210.pdf.*

E. E.O. 14192, Unleashing Prosperity Through Deregulation

This proposed rule, if finalized as proposed, is expected to be an E.O. 14192 deregulatory action.

VII. Additional Information

A. Comments Invited

FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. FAA also invites comments relating to the economic, environmental, or federalism impacts that might result from adopting the proposals in this document. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should submit only one time if comments are filed electronically, or commenters should send only one copy of written comments if comments are filed in writing.

FAA will file in the docket all comments it receives, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rule. Before acting on this proposal, FAA will consider all comments it receives on or before the closing date for comments. FAA will consider comments filed after the comment period has closed if it is possible to do so without incurring expense or delay. FAA may change this proposal in light of the comments it receives.

B. Confidential Business Information

Confidential Business Information (CBI) is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and is relevant or responsive to this NPRM, it is important you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as ''PROPIN.'' FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to the person in the **FOR FURTHER INFORMATION CONTACT** section of this document. Any commentary FAA receives that is not specifically

designated as CBI will be placed in the public docket for this rulemaking.

C. Electronic Access and Filing

A copy of this NPRM, all comments received, any final rule, and all background material may be viewed online at *www.regulations.gov* using the docket number listed above. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded from the Office of the Federal Register's website at *www.federalregister.gov* and the Government Publishing Office's website at *www.govinfo.gov.* A copy may also be found at FAA's Regulations and Policies website at *www.faa.gov/regulations_policies.*

Copies may also be obtained by sending a request to the Federal Aviation Administration, Office of Rulemaking, ARM–1, 800 Independence Avenue SW, Washington, DC 20591, or by calling (202) 267–9677. Requesters must identify the docket or notice number of this rulemaking.

All documents FAA considered in developing this proposed rule, including economic analyses and technical reports, may be accessed in the electronic docket for this rulemaking.

D. Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121, 110 Stat. 857, Mar. 29, 1996) requires FAA to comply with small entity requests for information or advice about compliance with statutes and regulations within its jurisdiction. A small entity with questions regarding this document may contact its local FAA official or the person listed under the **FOR FURTHER INFORMATION CONTACT** heading at the beginning of the preamble. To find out more about SBREFA on the internet, visit *www.faa.gov/regulations_policies/rulemaking/sbre_act/.*

List of Subjects

14 CFR Part 401

Organization and functions (Government agencies), Space transportation and exploration.

14 CFR Part 404

Administrative practice and procedure, Space transportation and exploration.

14 CFR Part 413

Confidential business information, Space transportation and exploration.

14 CFR Part 414

Airspace, Aviation safety, Space transportation and exploration.

The Proposed Amendments

For the reasons discussed in the preamble, the Federal Aviation Administration proposes to amend chapter III of title 14, Code of Federal Regulations, as follows:

PART 401—ORGANIZATIONS AND DEFINITIONS

■ 1. The authority citation for part 401 is revised to read as follows:

Authority: 51 U.S.C. Chapter 509.

■ 2. Revise § 401.1 to read as follows:

§ 401.1 The Office of Commercial Space Transportation.

The Office of Commercial Space Transportation, referred to in these regulations as the ''Office,'' is a line of business within the Federal Aviation Administration and is located at 1200 New Jersey Avenue SE, Washington, DC 20590.

PART 404—PETITION AND RULEMAKING PROCEDURES

■ 3. The authority citation for part 404 is revised to read as follows:

Authority: 51 U.S.C. Chapter 509.

■ 4. Revise § 404.3 to read as follows:

§ 404.3 General

(a) Any person may petition the Associate Administrator to:

(1) Issue, amend, or repeal a regulation to eliminate as a requirement for a license or permit any requirement of Federal law applicable to commercial space launch and reentry activities and the operation of launch and reentry sites;

(2) Waive any such requirement in the context of a specific application for a license or permit; or

(3) Waive the requirement for a license, except as provided in § 404.7(b).

(b) A petition filed under this section may request, under § 413.9 of this chapter, that the Associate Administrator withhold certain trade secrets or proprietary commercial or financial data from public disclosure.

(c) Any person filing a petition for rulemaking under this section must:

(1) For electronic submission, send one copy of the petition by email to the Office of Commercial Space Transportation at *ASTpetition@faa.gov;* or

(2) For paper submission, send one copy of the petition to the Office of Commercial Space Transportation, Federal Aviation Administration, 1200 New Jersey Avenue SE, Washington, DC 20590.

(d) Any person filing a petition for a waiver must file the petition with the Federal Aviation Administration using one of the methods specified in § 413.7(a) of this chapter for filing an application for a license.

(e) Each petition filed under this section must include the petitioner's name, mailing address, telephone number and any other contact information, such as an email address or a fax number.

(f) *Notification.* When the Associate Administrator determines that a petition should be granted or denied, the Associate Administrator notifies the petitioner of the Associate Administrator's action and the reasons supporting the action.

(g) *Reconsideration.* Any person may petition the FAA to reconsider a denial of a petition the person filed. The petitioner must send a request for reconsideration within 60 days after being notified of the denial using one of the corresponding methods specified in paragraphs (c) or (d) for filing a petition for rulemaking or waiver. For the FAA to accept the reconsideration request, the petitioner must show—

(1) There is a significant additional fact and the reason it was not included in the original petition;

(2) The FAA made an important factual error in its denial of the original petition; or

(3) The denial is not in accordance with the applicable law and regulations.

(h) *Public hearing.* No public hearing, argument or other proceeding is held on a petition before its disposition under this section.

■ 5. Revise § 404.15(b) to read as follows:

§ 404.15 Alternative Time Frames

* * * * *

(b) *Request to change a time frame.* An applicant, a licensee, a permittee, or a safety element approval holder may file a written request to the FAA to propose an alternative time frame to any of the time frames included in the chapter III sections listed in Appendix A to part 404. The request must be submitted using one of the methods specified in § 413.7(a) of this chapter for filing an application for a license.

* * * * *

PART 413—LICENSE APPLICATION PROCEDURES

■ 6. The authority citation for part 413 is revised to read as follows:

Authority: 51 U.S.C. Chapter 509.

■ 7. Amend § 413.7(a) by:

■ a. Revising the introductory text in paragraph (a);

■ b. Removing paragraph (a)(1);

■ c. Redesignating paragraph (a)(2) and (a)(3) as paragraphs (a)(1) and (a)(2), respectively;

■ d. Revising the introductory text to redesignated paragraph (a)(1); and

■ e. Adding paragraph (a)(3).

The revisions and addition read as follows:

§ 413.7 Application submission.

(a) An applicant must make an application in writing and in English. The applicant must file the application with the Federal Aviation Administration either by use of physical electronic storage, by email, or by other electronic method approved by the Administrator in the following manner:

(1) For an application submitted by use of physical electronic storage, the applicant must either mail the application to the Federal Aviation Administration, Associate Administrator for Commercial Space Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590 or hand-deliver the application to an authorized FAA representative. The application and the physical electronic storage containing the application must also satisfy all of the following criteria:

* * * * *

(3) For applications submitted by other electronic method, an applicant must submit its application in a form and manner acceptable to the Administrator.

* * * * *

PART 414—SAFETY ELEMENT APPROVALS

■ 8. The authority citation for part 414 is revised to read as follows:

Authority: 51 U.S.C. Chapter 509.

■ 9. Revise § 414.13(a) to read as follows:

§ 414.13 Application separate from a vehicle operator license application.

(a) An applicant must make an application in writing and in English. The applicant must file the application with the Federal Aviation Administration using one of the methods specified in § 413.7(a) of this chapter for filing an application for a license.

* * * * *

Issued under authority provided by 49 U.S.C. 106(f) and 51 U.S.C. chapter 509 in Washington, DC.

Minh A. Nguyen,

Deputy Associate Administrator, Office of Commercial Space Transportation.

[FR Doc. 2026–20387 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 401 and 450

[Docket No.: FAA–2026–9934; Notice No. 26–22]

RIN 2120–AM38

Simplifying Physical Containment Requirements

AGENCY: Federal Aviation Administration (FAA), U.S. Department of Transportation (DOT).

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: FAA proposes to amend its commercial space launch and reentry licensing regulations to streamline the licensing process and reduce regulatory burden on operators. Specifically, FAA proposes to relieve the burden by specifying that, when using physical containment as a hazard control strategy, operators do not need to develop flight hazard areas in accordance with FAA's existing flight hazard area analysis requirements.

DATES: Send comments on or before November 4, 2026.

ADDRESSES: Send comments identified by docket number FAA–2026–9934 using any of the following methods:

- *Federal eRulemaking Portal:* Go to *www.regulations.gov* and follow the online instructions for sending your comments electronically.
- *Mail:* Send comments to Docket Operations; U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE, West Building, 5th Floor (W58–213), Washington, DC 20590–0001.
- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W58–213 of the West Building, 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- *Fax:* Fax comments to Docket Operations at (202) 493–2251.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to inform its rulemaking process better. DOT posts these comments, without edit, including any personal information the commenter provides, to *www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *www.dot.gov/privacy.*

Docket: Background documents or comments received may be read at *www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W58–213 of the West Building 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Lisa E. Cacciatore, Office of Commercial Space Transportation, Federal Aviation Administration, 1200 New Jersey Avenue SE, Washington, DC 20590; telephone (202) 880–1489; email *Lisa.E.Cacciatore@faa.gov*.

SUPPLEMENTARY INFORMATION:

I. Overview

In accordance with Executive Order (E.O.) 14335, ''Enabling Competition in the Commercial Space Industry,'' FAA proposes to amend its commercial space launch and reentry regulations at 14 CFR part 450 to further streamline the commercial space licensing process. The proposed rule would eliminate redundant and contradictory requirements in § 450.110 created by the existing reference to § 450.133. Though the proposed rule would remove this reference, it would preserve certain underlying requirements to maintain public safety. The proposed rule would explicitly state the preserved requirements within the proposed regulatory text. To facilitate this, the proposed rule would consolidate § 450.110(b)(1) and (b)(2), divide § 450.110(c)(1) into two separate paragraphs, § 450.110(c)(1) and § 450.110(c)(2), and re-designate the existing § 450.110(c)(2) as § 450.110(c)(3). In addition, this proposed rule would add the word ''reentry'' to paragraph (b)(1), paragraph (c)(1), and the definition of ''physical containment'' in § 401.7. Finally, this proposed rule would add the word ''flight'' to the proposed § 450.110(b)(2).

II. Authority for This Rulemaking

The Commercial Space Launch Act of 1984, as amended and codified at 51 U.S.C. 50901–50924, authorizes the Secretary of Transportation to oversee, license, and regulate commercial launch and reentry activities, and the operation of launch and reentry sites within the United States or as carried out by U.S.

citizens. Section 50905 directs the Secretary to exercise this responsibility consistent with public health and safety, safety of property, and the national security and foreign policy interests of the United States. In addition, section 50903 requires the Secretary to encourage, facilitate, and promote commercial space launches and reentries by the private sector. As codified in 49 CFR 1.83(b), the Secretary has delegated authority to the FAA Administrator to carry out these functions.

III. Background

FAA has established commercial space regulations governing licensing of launch and reentry in 14 CFR chapter III. On December 10, 2020, FAA issued a final rule consolidating all substantive launch and reentry licensing regulations into a new part 450 (85 FR 79566), which went into effect on March 10, 2021. On August 13, 2025, the President issued E.O. 14335, ''Enabling Competition in the Commercial Space Industry,'' requiring the Secretary of Transportation to ''reevaluate, amend, or rescind'' the part 450 regulations for the purpose of further streamlining the commercial licensing process. This proposed rule is being published in furtherance of this E.O.

In accordance with its statutory authority, FAA currently issues licenses for the launch of a launch vehicle, the operation of a launch site, the reentry of a reentry vehicle, and the operation of a reentry site. Part 450 provides the criteria that an operator must meet in order for FAA to issue a launch or reentry license. Section 450.101 outlines the safety criteria for launch and reentry vehicles. To meet the safety criteria of § 450.101, an operator must use one or more of the hazard control strategies found in § 450.107 for each phase of flight.

One option for the hazard control strategy from § 450.107 is physical containment, the requirements for which are found in § 450.110. Physical containment is when a launch vehicle does not have sufficient energy for any hazards associated with its flight to reach the public or critical assets.[1] If an operator complies with the physical containment requirements for a given phase of flight, the risks posed to the public and critical assets from that phase of flight are zero. Per § 450.110, physical containment can apply as a hazard control strategy either for the entire flight or for one or more specific phases of flight. As a result, if an operator can comply with § 450.110 physical containment requirements for a phase of flight of their launch or reentry vehicle, then no risk analyses are necessary for that phase of flight.

Under current § 450.110(b), to use physical containment as a hazard control strategy, an operator must develop the flight hazard area in accordance with § 450.133; ensure that the launch vehicle does not have sufficient energy for any hazards associated with its flight to reach outside the flight hazard area; ensure the hazard area is clear of the public and critical assets; and apply other mitigation measures necessary to ensure no public or critical asset exposure to hazards. The goal of the current regulation is to require operators to establish a flight hazard area large enough to encompass any hazards from the flight and then ensure that the hazard area is clear of the public and critical assets.

However, subsequent experience with the regulation and discussions with applicants have revealed a conflict between paragraph (b)(1), requiring the flight hazard area to be developed in accordance with § 450.133, and paragraph (b)(2), requiring that no flight hazard can reach outside of the flight hazard area. Section 450.133 requires an operator to engage in a probabilistic analysis for setting the flight hazard area by identifying those regions of land, sea, or air that must be surveyed, publicized, controlled, or evacuated to meet the risk criteria in § 450.101. Under this analysis, the flight hazard area need not encompass all hazards to the public, only those hazards that exceed the risk criteria in § 450.101.

However, paragraph (b)(2) requires that all flight hazards be contained within that hazard area. In other words, paragraph (b)(2) requires the flight hazard area to encompass all hazards to the public. Consequently, the flight hazard area developed under paragraph (b)(1) would be smaller than a flight hazard area that would be necessary to comply with paragraph (b)(2).

The proposed rule would both resolve this conflict and make additional changes to § 450.110 to enable operators to more easily comply with the requirements of that section.

IV. Discussion of the Proposal

To address the conflict between current paragraphs (b)(1) and (b)(2), FAA proposes revising both paragraphs into a single paragraph (b)(1) requiring an operator to develop a flight hazard area ''that ensures that the launch or reentry vehicle does not have sufficient energy for any hazards associated with its flight to reach outside that area . . . .'' Current paragraphs (b)(3) and (b)(4) would be renumbered as paragraphs (b)(2) and (b)(3), respectively. The proposed paragraph (b)(1) would require the operator to establish a flight hazard area, defined by the vehicle's maximum potential energy, beyond which no flight-related hazards can reach. By ensuring the vehicle does not have the energy to reach outside this designated area and verifying that the area is cleared of the public and critical assets in accordance with proposed paragraphs (b)(2) and (b)(3), the operator effectively eliminates the possibility of public exposure to any flight hazards. For example, during the final landing burn of a first stage returning to a barge, the vehicle's nearly depleted propellant and low velocity impose a physical limit on the reach of any hazard to a localized, predictable zone. If that zone is confirmed clear of the public and critical assets, then the physical containment strategy eliminates risk without the need for the probabilistic risk analyses required by § 450.133, as the inherent physical constraints of that flight phase guarantee public safety.

Notably, the proposed change would not relieve an operator of the independent requirement to develop a flight hazard area under § 450.133 for any phase of flight in which physical containment is not used as the only hazard control strategy.

The proposed rule would also revise the application requirements in § 450.110(c) for an operator utilizing physical containment as a hazard control strategy. Section 450.110(c)(1) currently requires the operator to provide a ''demonstration'' that the launch vehicle does not have sufficient energy for any hazards associated with its flight to reach outside the flight hazard area developed in accordance with § 450.133. The proposed rule would divide this application requirement into two separate requirements (proposed paragraphs (c)(1) and (c)(2)) to state better what is required for the ''demonstration'' and redesignate current paragraph (c)(2) as paragraph (c)(3).

Proposed paragraph (c)(1) would require ''[a] description of a valid method for determining the flight hazard area in accordance with paragraph (b)(1).'' The first requirement is necessary for FAA to evaluate compliance with § 450.101(g), which requires that any analysis used to demonstrate compliance with § 450.101 ''must use accurate data and scientific principles and the analysis must be statistically valid. The method must

[1] See *Streamlined Launch and Reentry Licensing Requirements,* 84 FR 15296 (April 15, 2019).

produce results consistent with or more conservative than the results available from previous mishaps, tests, or other valid benchmarks, such as higher-fidelity methods.'' As such, proposed paragraph (c)(1) also includes a cross-reference to § 450.101(g) to help applicants identify this applicable standard when producing the description.

Furthermore, proposed paragraph (c)(3)(i) also requires this description to identify the scientific principles and statistical methods used, with associated assumptions and their justifications, as well as evidence for validation and verification. These items are modeled on the flight safety analysis description of methods requirements at § 450.115(c)(1), (2), and (4). As with the flight safety analysis method requirements, which are used by FAA to evaluate compliance with § 450.101(g) for the analyses that comprise the flight safety analysis, the items listed at proposed § 450.110(c)(1) are necessary for showing that the analysis undertaken to develop the flight hazard area complies with § 450.101(g).

Proposed paragraph (c)(2) would require ''[t]abular data and graphs of the flight hazard area as developed in accordance with paragraph (b)(1) for a representative mission.'' This means that the applicant must produce tabular data and graphs of the flight hazard area by conducting an analysis for a representative mission. The analysis must utilize the method described by the applicant to meet paragraph (c)(i). This representative data would be used to evaluate whether the operator's methods for clearance of the flight hazard area, which are required to be submitted under redesignated paragraph (c)(3), are appropriate for operations under the license.

In addition to the larger changes to paragraphs (b) and (c), the proposed rule would also use the term ''launch or reentry vehicle'' in § 450.110(b)(1) and (c)(1) instead of the term ''launch vehicle,'' as used by the current regulation. Section 450.110 already applies to operators using physical containment as a hazard control strategy for reentry vehicles, as stated in § 450.110(a). However, FAA inadvertently omitted reentry vehicles from § 450.110(b) and (c) during the initial drafting of § 450.110. FAA would remedy this omission by applying proposed § 450.110(b)(1) and (c)(1) to both launch vehicles and reentry vehicles.

Similarly, FAA proposes to amend the definition of ''physical containment'' in § 401.7 to replace the term ''launch vehicle'' with ''launch or reentry vehicle.'' As is the case with current § 450.110(b) and (c), FAA inadvertently omitted reentry vehicles from that definition of ''physical containment'' during the initial drafting of § 401.7.

Finally, the proposed rule would amend the proposed renumbered § 450.110(b)(2) (current § 450.110(b)(3)) by adding the word ''flight'' before ''hazard area,'' so the text would read ''[e]nsure the flight hazard area is clear of the public and critical assets.'' This amendment clarifies that the proposed renumbered § 450.110(b)(2) applies to the flight hazard area, not hazard areas in general. Although the current regulation implicitly refers to the flight hazard area, because § 450.110(b) and (c) otherwise consistently refer to the flight hazard area and the reference to hazard area in the current § 450.110(b)(3) clearly refers to the same flight hazard area discussed in the rest of § 450.110(b), there is potential for confusion due to the inadvertent omission of ''flight'' before ''hazard area'' in current § 450.110(b)(3). This proposed change to the renumbered § 450.110(b)(2) would ensure clarity in the regulation and avoid confusion.

V. Regulatory Notices and Analyses

A. Regulatory Impact Analysis

E.O. 12866 (''Regulatory Planning and Review'') and E.O. 13563 (''Improving Regulation and Regulatory Review'') require agencies to regulate in the ''most cost-effective manner,'' to make a ''reasoned determination that the benefits of the intended regulation justify its costs,'' and to develop regulations that ''impose the least burden on society.'' The Office of Management and Budget has determined this proposed rule is not a significant regulatory action as defined in Section 3(f) of E.O. 12866.

Currently, as written, § 450.110 requires the flight hazard area to be developed in accordance with § 450.133. FAA did not intend to require an operator to comply with § 450.133 for those phases of flight that comply with § 450.110.

The proposed rule would clarify § 450.110(b)(1) by removing the requirement that the hazard area is developed in accordance with § 450.133 and combining (b)(1) and (b)(2). This change does not remove the requirement to develop a flight hazard area under § 450.110(b)(1). This proposal would be a less stringent requirement than compliance with § 450.133. Table 1 lists the changes to each provision along with their respective impacts. FAA expects the proposed rule would result in minor cost savings for both FAA and licensed operators by preventing the need for correspondence on the topic.

FAA acknowledges that replacing the requirement for compliance with § 450.133 could hypothetically generate cost savings by reducing the burden on an operator to prepare and FAA to review the § 450.133 analysis, or, alternatively, Equivalent Level of Safety (ELOS) or waiver requests. However, there is currently not sufficient data to quantify such an impact. Consequently, while a reduction in analyses or specialized paperwork and correspondence would likely occur for any future applicant seeking to perform or avoid § 450.133 risk analyses, FAA cannot currently verify these savings through past performance or historical data.

TABLE 1—REGULATORY CHANGES AND IMPACT

Provision	Change	Impact
14 CFR 401.7—definition of physical containment.	Adds ''or reentry'' to the definition of Physical Containment to clarify that the regulation encompasses reentries.	Clarification/No impact.

TABLE 1—REGULATORY CHANGES AND IMPACT—Continued

Provision	Change	Impact
14 CFR 450.110—Clarification for the Physical Containment hazard control strategy.	Revises § 450.110(b)(1) by removing the requirement that the hazard area is developed in accordance with § 450.133.	Small administrative cost savings because it provides clarity to regulated entities. FAA would not have to provide guidance to clarify any confusion from regulated entities.
	Renumbers § 450.110(b)(2) as paragraph (b)(1) and revises the paragraph to require development of a flight hazard area that ensures that the launch or reentry vehicle does not have sufficient energy for any hazards associated with its flight to reach outside that area.	Removing the § 450.133 requirement eliminates compliance burdens and generates cost savings for the operators who would have otherwise been affected.
	Revises § 450.110(b) and (c) to add ''or reentry'' to clarify that the regulation encompasses reentries.	Clarification/No impact.
	Revises § 450.110(b)(3) to § 450.110(b)(2) and adds ''flight'' to clarify the reference to ''flight hazard area.''.	Clarification/No impact.
	Revises the numbering in § 450.110(b)(4) to § 450.110(b)(3).	No impact.
	Revises § 450.110(c)(1) by removing the requirement to provide a ''demonstration'' of compliance with paragraph (b)(2). Replaces that requirement with new paragraph (c)(1) requiring the operator to provide a description of the method used to develop the flight hazard area and new paragraph (c)(2) requiring the operator to reference to provide ''[t]abular data and graphs of the flight hazard area as developed in accordance with paragraph (b)(1) for a representative mission . . . .''.	No impact because operators need to provide a description of the method and representative data under the current requirement at paragraph (b)(1).
	Move § 450.110(c)(2) to new § 450.110(c)(3) ..	No impact.

B. Regulatory Flexibility Act

Under the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), agencies must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rulemaking on small entities (*i.e.,* small businesses, small organizations, and small government jurisdictions). No regulatory flexibility analysis is required, however, if the head of an agency certifies that the proposed rule would not have a significant economic impact on a substantial number of small entities. FAA has concluded and hereby certifies that this proposed rule would not have a significant economic impact on a substantial number of small entities; therefore, an analysis is not included.

C. International Trade Impact Assessment

The Trade Agreements Act of 1979 (Pub. L. 96–39), as amended by the Uruguay Round Agreements Act (Pub. L. 103–465), prohibits Federal agencies from establishing standards or engaging in related activities that create unnecessary obstacles to the foreign commerce of the United States. Pursuant to these Acts, the establishment of standards is not considered an unnecessary obstacle to the foreign commerce of the United States, so long as the standard has a legitimate domestic objective, such as the protection of safety, and does not operate in a manner that excludes imports that meet this objective. The statute also requires consideration of international standards and, where appropriate, they be the basis for U.S. standards.

FAA has assessed the potential effect of this proposed rule and determined that it would not create unnecessary obstacles to the foreign commerce of the United States.

D. Unfunded Mandates Assessment

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) governs the issuance of Federal regulations that require unfunded mandates. An unfunded mandate is a regulation that requires a State, local, or Tribal government or the private sector to incur direct costs without the Federal Government having first provided the funds to pay those costs. FAA determined the proposed rule would not result in the expenditure of $193,000,000 or more ($100,000,000 adjusted for inflation using the most current Implicit Price Deflator for the Gross Domestic Product) by State, local, or Tribal governments, in the aggregate, or the private sector, in any one year.

E. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) requires FAA consider the impact of paperwork and other information collection burdens imposed on the public. FAA has determined there would be no new requirement for information collection associated with this proposed rule.

F. International Compatibility

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to conform to International Civil Aviation Organization (ICAO) Standards and Recommended Practices to the maximum extent practicable. FAA has determined there are no ICAO Standards and Recommended Practices that correspond to these proposed regulations.

G. Environmental Analysis

The Department has analyzed the environmental impacts of this notice of proposed rulemaking pursuant to the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321, *et seq.*). FAA has determined this proposed rule is categorically excluded pursuant to FAA Order 1050.1G. Categorical

exclusions are categories of actions FAA has determined normally do not significantly affect the quality of the human environment and therefore do not require either an environmental assessment (EA) or environmental impact statement (EIS). In analyzing the applicability of a categorical exclusion, FAA must also consider whether extraordinary circumstances are present that would warrant the preparation of an EA or EIS. This rulemaking, which would specify that, when using physical containment as a hazard control strategy, operators do not need to develop flight hazard areas in accordance with FAA's existing flight hazard area analysis requirements, is categorically excluded pursuant to FAA Order 1050.1G, Appendix B, Paragraph B–2.6(f), which categorically excludes issuance of regulatory documents. FAA does not anticipate any environmental impacts, and there are no extraordinary circumstances present in connection with this rulemaking.

VI. E.O. Determinations

A. E.O. 13132, Federalism

FAA has analyzed this proposed rule under the principles and criteria of E.O. 13132, Federalism. FAA has determined this action would not have a substantial direct effect on the States, or the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government, and, therefore, would not have federalism implications.

B. E.O. 13175, Consultation and Coordination With Indian Tribal Governments

Consistent with E.O. 13175, Consultation and Coordination with Indian Tribal Governments,[2] and FAA Order 1210.20, American Indian and Alaska Native Tribal Consultation Policy and Procedures,[3] FAA ensures Federally Recognized Tribes (Tribes) are given the opportunity to provide meaningful and timely input regarding proposed Federal actions that have the potential to affect uniquely or significantly their respective Tribes. At this point, FAA has not identified any unique or significant effects, environmental or otherwise, on Tribes resulting from this proposed rule.

[2] 65 FR 67249 (November 6, 2000).

[3] FAA Order No. 1210.20 (January 28, 2004), available at: *www.faa.gov/documentLibrary/media/1210.pdf.*

C. E.O. 13211, Regulations That Significantly Affect Energy Supply, Distribution, or Use

FAA analyzed this proposed rule under E.O. 13211, Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use (May 18, 2001). FAA has determined it would not be a ''significant energy action'' under the E.O. and would not be likely to have a significant adverse effect on the supply, distribution, or use of energy.

D. E.O. 13609, Promoting International Regulatory Cooperation

E.O. 13609, Promoting International Regulatory Cooperation, promotes international regulatory cooperation to (1) meet shared challenges involving health, safety, labor, security, environmental, and other issues and to reduce, eliminate, or (2) prevent unnecessary differences in regulatory requirements. FAA has analyzed this action under the policies and agency responsibilities of E.O. 13609 and has determined this action would have no effect on international regulatory cooperation.

E. E.O. 14192, Unleashing Prosperity Through Deregulation

This proposed rule, if finalized as proposed, is expected to be an E.O. 14192 deregulatory action.

VII. Additional Information

A. Comments Invited

FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. FAA also invites comments relating to the economic, environmental, or federalism impacts that might result from adopting the proposals in this document. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should submit only one time if comments are filed electronically, or commenters should send only one copy of written comments if comments are filed in writing.

FAA will file in the docket all comments it receives, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rule. Before acting on this proposal, FAA will consider all comments it receives on or before the closing date for comments. FAA will consider comments filed after the comment period has closed if it is possible to do so without incurring expense or delay. FAA may change this proposal in light of the comments it receives.

B. Confidential Business Information

Confidential Business Information (CBI) is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and is relevant or responsive to this NPRM, it is important you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as ''PROPIN.'' FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to the person in the **FOR FURTHER INFORMATION CONTACT** section of this document. Any commentary FAA receives that is not specifically designated as CBI will be placed in the public docket for this rulemaking.

C. Electronic Access and Filing

A copy of this NPRM, all comments received, any final rule, and all background material may be viewed online at *www.regulations.gov* using the docket number listed above. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded from the Office of the Federal Register's website at *www.federalregister.gov* and the Government Publishing Office's website at *www.govinfo.gov.* A copy may also be found at FAA's Regulations and Policies website at *www.faa.gov/regulations_policies.*

Copies may also be obtained by sending a request to the Federal Aviation Administration, Office of Rulemaking, ARM–1, 800 Independence Avenue SW, Washington, DC 20591, or by calling (202) 267–9677. Requesters must identify the docket or notice number of this rulemaking.

All documents FAA considered in developing this proposed rule, including economic analyses and technical reports, may be accessed in the electronic docket for this rulemaking.

D. Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121, 110 Stat. 857, Mar. 29, 1996) requires FAA to comply with small entity requests for information or advice about compliance with statutes and regulations within its jurisdiction. A small entity with questions regarding this document may contact its local FAA official or the person listed under the **FOR FURTHER INFORMATION CONTACT** heading at the beginning of the preamble. To find out more about SBREFA on the internet, visit *www.faa.gov/regulations_policies/rulemaking/sbre.act/.*

List of Subjects

14 CFR Part 401

Organization and functions (Government agencies), Space transportation and exploration.

14 CFR Part 450

Aircraft, Aviation safety, Environmental protection, Investigations, Reporting and recordkeeping requirements, Space transportation and exploration.

The Proposed Amendments

For the reasons discussed in the preamble, the Federal Aviation Administration proposes to amend chapter III of title 14, Code of Federal Regulations, as follows:

PART 401—ORGANIZATION AND DEFINITIONS

■ 1. The authority citation for part 401 is revised to read as follows:

Authority: 51 U.S.C. Chapter 509.

■ 2. Amend § 401.7 by revising the definition for ''Physical Containment'' to read as follows:

§ 401.7 Definitions.

* * * * *

Physical containment means a launch or reentry vehicle does not have sufficient energy for any hazards associated with its flight to reach the public or critical assets.

* * * * *

PART 450—LAUNCH AND REENTRY LICENSE REQUIREMENTS

■ 3. The authority citation for part 450 is revised to read as follows:

Authority: 51 U.S.C. Chapter 509.

§ 450.110 Physical Containment [Amended]

■ 4. Revise § 450.110 to read as follows:

* * * * *

(b) * * *

(1) Develop a flight hazard area that ensures that the launch or reentry vehicle does not have sufficient energy for any hazards associated with its flight to reach outside that area;

(2) Ensure the flight hazard area is clear of the public and critical assets; and

(3) Apply other mitigation measures necessary to ensure no public or critical asset exposure to hazards, such as control of public access or wind placards.

(c) * * *

(1) A description of a valid method for determining the flight hazard area in accordance with paragraph (b)(1). The description must demonstrate compliance with § 450.101(g) by documenting:

(i) The scientific principles and statistical methods used, with associated assumptions and their justifications; and

(ii) Evidence for validation and verification.

(2) Tabular data and graphs of the flight hazard area as developed in accordance with paragraph (b)(1) for a representative mission; and

(3) A description of the methods used to ensure that flight hazard areas are cleared of the public and critical assets.

* * * * *

Issued under authority provided by 49 U.S.C. 106(f) and 51 U.S.C. chapter 509 in Washington, DC.

Minh A. Nguyen,

Deputy Associate Administrator, Office of Commercial Space Transportation.

[FR Doc. 2026–20386 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 450

[Docket No.: FAA–2026–9936; Notice No. 26–23]

RIN 2120–AM40

Streamlining Flight Safety Analysis Methodology Means of Compliance

AGENCY: Federal Aviation Administration (FAA), U.S. Department of Transportation (DOT).

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: FAA proposes to amend its commercial space launch and reentry licensing regulations to streamline the licensing process. Specifically, FAA proposes to alleviate regulatory burden for license applicants by consolidating information required for an operator's flight safety analysis.

DATES: Send comments on or before November 4, 2026.

ADDRESSES: Send comments identified by docket number FAA–2026–9936 using any of the following methods:

- *Federal eRulemaking Portal:* Go to *www.regulations.gov* and follow the online instructions for sending your comments electronically.
- *Mail:* Send comments to Docket Operations; U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE, West Building, 5th Floor (W58–213), Washington, DC 20590–0001.
- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W58–213 of the West Building, 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
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Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to inform its rulemaking process better. DOT posts these comments, without edit, including any personal information the commenter provides, to *www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *www.dot.gov/privacy.*

Docket: Background documents or comments received may be read at *www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W58–213 of the West Building 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Lisa E. Cacciatore, Office of Commercial Space Transportation, Federal Aviation Administration, 1200 New Jersey Avenue SE, Washington, DC 20590; telephone (202) 880–1489; email *Lisa.E.Cacciatore@faa.gov.*

SUPPLEMENTARY INFORMATION:

I. Overview

In accordance with Executive Order (E.O.) 14335, ''Enabling Competition in the Commercial Space Industry,'' FAA proposes to amend its commercial space launch and reentry regulations at 14 CFR part 450 to further streamline the commercial licensing process. Specifically, FAA proposes to revise requirements for a license applicant's flight safety analysis (FSA) by

identifying certain application requirements that can be applied to the FSA method as a whole, rather than to each individual analysis that comprises the overarching FSA method. Currently, a license applicant must address six items listed in § 450.115(c) each time the FSA regulations at § 450.117 through § 450.139 and the flight abort regulations at § 450.108 require a description of the methods used to undertake an analysis. Under the proposed change, three of the items in § 450.115(c) would be addressed through a single submission, rather than one submission for each description of methods. The remaining three requirements would continue to apply to each of the description of methods but would be condensed into two paragraphs.

II. Authority for This Rulemaking

The Commercial Space Launch Act of 1984, as amended and codified at 51 U.S.C. 50901–50924, authorizes the Secretary of Transportation to oversee, license, and regulate commercial launch and reentry activities, and the operation of launch and reentry sites within the United States (U.S.) or as carried out by U.S. citizens. Section 50905 directs the Secretary to exercise this responsibility consistent with public health and safety, safety of property, and the national security and foreign policy interests of the United States. In addition, section 50903 requires the Secretary to encourage, facilitate, and promote commercial space launches and reentries by the private sector. As codified in 49 CFR 1.83(b), the Secretary has delegated authority to the FAA Administrator to carry out these functions.

III. Background

FAA has established commercial space regulations governing licensing of launch and reentry in 14 CFR chapter III. On December 10, 2020, FAA issued a final rule consolidating all substantive launch and reentry licensing regulations into a new part 450 (85 FR 79566) that went into effect on March 10, 2021.

On August 13, 2025, the President issued E.O. 14335, ''Enabling Competition in the Commercial Space Industry,'' requiring the Secretary of Transportation to ''reevaluate, amend, or rescind'' the part 450 regulations for the purpose of further streamlining the commercial licensing process. This proposed rule is being published in furtherance of this E.O.

Section 450.101 provides that a vehicle operator may only initiate launch or reentry of a vehicle if the risks to the public meet the safety criteria of that section. To demonstrate that these criteria are satisfied, an operator must perform and document an FSA for all phases of flight, with limited exceptions (14 CFR 450.113). An FSA is a quantitative evaluation of the risks to members of the public and critical assets during flight of a launch or reentry vehicle, accounting for all reasonably foreseeable events and failures of safety-critical systems during nominal and non-nominal launch or reentry operations.

The requirements for FSAs are located in the eleven sections beginning at § 450.113 and ending at § 450.139. Sections 450.113 and 450.115 set out requirements that apply to the FSA generally. Sections 450.117 through 450.139, meanwhile, require an operator to conduct analyses that comprise the FSA.[1] In this proposed rule, these analyses required by §§ 450.117 through 450.139 are referred to as ''FSA sub-analyses'' or simply ''sub-analyses'' to distinguish them from the overarching FSA. Accordingly, §§ 450.117 through 450.139 are referred to in this proposed rule as ''FSA sub-analysis sections'' because they contain requirements for the FSA sub-analyses.[2]

The requirements in § 450.115(a) and (b) are for the flight safety analysis method (FSA method), which is the overarching method of conducting the FSA. The FSA method is comprised of (1) the methods used to develop the FSA sub-analyses required by §§ 450.117 through 450.139 (referred to in this proposed rule as ''FSA sub-analysis methods'' or simply ''sub-analysis methods''); and (2) methods of developing flight safety limits under § 450.108 (referred to in this proposed rule as ''flight safety limits methods''), if applicable.[3] Paragraph (a) of § 450.115 identifies the scenarios an operator must account for using the FSA method. Paragraph (b) of § 450.115 discusses the level of fidelity required for the FSA method, with the fundamental principle that the level of fidelity of the FSA need only be sufficient to demonstrate compliance with the safety criteria of § 450.101, accounting for uncertainty.

Each of the FSA sub-analysis sections requires that an operator submit a description of the sub-analysis method or methods used to develop the required sub-analysis or sub-analyses. Similarly, § 450.108(g)(1) requires an operator to submit a description of the flight safety limits methods. Each of these descriptions must, in turn, address six items required by § 450.115(c): the scientific principles and statistical methods used ((c)(1)); all assumptions and their justifications ((c)(2)); the rationale for the level of fidelity ((c)(3)); evidence for validation and verification ((c)(4)); the extent to which the benchmark conditions are comparable to the foreseeable conditions of the intended operations ((c)(5)); and the extent to which risk mitigations were accounted for in the analyses ((c)(6)).

The goal of requiring this thorough description of FSA sub-analysis methods and flight safety limits methods is twofold. First, a robust description is necessary to demonstrate compliance with the fidelity requirement of § 450.115(b). The level of fidelity of the FSA method cannot be assessed without an understanding of the methods that comprise it. Second, the description is necessary to assess compliance of FSA sub-analysis methods and flight safety limits methods (and thereby the foundation of FSAs they formulate) with § 450.101(g), which requires that ''[f]or any analysis used to demonstrate compliance with [14 CFR 450.101], an operator must use accurate data and scientific principles and the analysis must be statistically valid.''

In the first seven FSA sub-analysis sections (§§ 450.117 through 450.135), the regulations contain an explicit reference to § 450.115(c), requiring that the descriptions of methods be ''in accordance with § 450.115(c).'' [4] The last two FSA sub-analysis sections (§§ 450.137 and 450.139) do not explicitly reference § 450.115(c). Nonetheless, consistent with the intent expressed in the final rule preamble,[5]

[1] The first five sections (§§ 450.117, 450.119, 450.121, 450.123, and 450.131) require analyses necessary to develop quantitative input data. The last four sections (§§ 450.133, 450.135, 450.137, and 450.139) require an applicant to use the input data to produce risk analyses, thereby developing the products necessary to evaluate compliance with the safety criteria in § 450.101.

[2] An FSA sub-analysis section may require more than one sub-analysis. For instance, § 450.139 requires an operator to conduct both a toxic release hazard analysis and a toxic risk assessment.

[3] Notably, the development of flight safety limits under § 450.108 is not technically an FSA requirement. Rather, § 450.108 sets out requirements for applicants utilizing flight abort as a hazard control strategy. Nonetheless, an operator utilizing flight abort cannot produce an FSA without accounting for flight safety limits, and the level of fidelity of the FSA method cannot be assessed without including the methods used to develop flight safety limits.

[4] See §§ 450.117(d)(1), 450.119(c)(1) and (2), 450.121(d)(2) and (3), 450.123(c)(1), 450.131(f)(1), and 450.135(c)(1).

[5] ''There are 11 performance-based sections with FSA requirements that fall into three groups. The first group, §§ 450.113 and 450.115, provides requirements on the scope and fidelity of the analyses required by the remaining nine sections. The second group, which consists of five sections from § 450.117 through § 450.131, specifies the requirements for analyses necessary to develop

Continued

FAA has required that applicants address the requirements in § 450.115(c)(1) through (6) in the description of the methods used to satisfy the requirements in all the FSA sub-analysis sections, including those in §§ 450.137 and 450.139.[6]

Although requiring all six items under § 450.115(c) for each description of methods in the FSA sub-analysis sections and § 450.108 has served the purpose of enabling FAA to find compliance with §§ 450.115(b) and 450.101(g), FAA is now proposing a more efficient approach that could serve this purpose and save significant time for both applicants and FAA reviewers.

IV. Discussion of the Proposal

FAA proposes to amend § 450.115 such that an applicant would no longer need to submit the following items for each FSA sub-analysis method and flight safety limits method: rationale for the level of fidelity, the extent to which the benchmark conditions are comparable to the foreseeable conditions of the intended operations, and the extent to which risk mitigations were accounted for in the analysis. Rather, those items would only be submitted once for the FSA method as a whole. To accomplish this, the revised text would divide the application information between a revised paragraph (c), describing what is required for each FSA sub-analysis method and flight safety limits method to demonstrate compliance with § 450.101(g), and a new paragraph (d) describing what is required to be submitted for the FSA method as a whole to demonstrate compliance with § 450.115(b).

Revised Section 450.115(c)

In revised paragraph (c), FAA would continue to require that descriptions of FSA sub-analysis methods in §§ 450.117 through 450.139 and flight safety limits methods under § 450.108 include (1) the scientific principles and statistical methods, (2) assumptions with justifications, and (3) evidence for verification and validation. Based on past licensing actions, FAA has found that receiving these items for each sub-analysis method and flight safety limits method is critical to determining whether the corresponding analysis complies with § 450.101(g).

The proposed paragraph would revise the introductory text of § 450.115(c) to read: ''(c) *Descriptions of methods.* Descriptions of analysis methods required under § 450.108 and §§ 450.117 through 450.139 must demonstrate compliance with § 450.101(g) by documenting. . . .'' The revision amends the current text in three important ways. First, the paragraph would state that descriptions of FSA sub-analysis methods and flight safety limits methods must ''demonstrate compliance with § 450.101(g)'' by documenting the listed items. Although FAA has always used the items required by current § 450.115(c)(1), (2), and (4) to demonstrate compliance with § 450.101(g), the current regulatory text only references § 450.101(g) in reference to validation and verification. The proposed revision would clarify that the requirements to provide scientific principles and statistical methods, assumptions with justifications, and evidence for verification and validation are all necessary to demonstrate compliance with § 450.101(g). FAA anticipates that this change would provide greater clarity for applicants and evaluators on what is sufficient documentation to demonstrate the validity of the analyses.

Second, the proposed introductory text to § 450.115(c) would no longer frame the paragraph as an application requirement. However, the change would not mean applicants no longer need to submit the items in § 450.115(c) as part of their applications. The proposal would retain application requirements in FSA sub-analysis and flight safety limits sections requiring descriptions of methods. The proposed update to § 450.115(c) only modifies what each description must contain. In other words, to meet an application requirement for a description of methods in an FSA sub-analysis section or § 450.108, that description of methods would continue to include the items required by § 450.115(c).

Finally, proposed § 450.115(c) would add a cross-reference to the FSA sub-analysis sections (§§ 450.117 through 450.139) and § 450.108 to clarify the paragraph's applicability. Although FAA has always interpreted § 450.115(c) to apply to § 450.108 and §§ 450.117 through 450.139, consistent with the intent stated in the final rule preamble, the lack of a single, clear statement about the paragraph's applicability in the regulations has led to some confusion among FAA staff and applicants. This is particularly true for § 450.108, which is not an FSA section, and §§ 450.137 and 450.139, which currently do not contain cross-references for the descriptions of methods to be ''in accordance with § 450.115(c).'' The clarifying change would align with the intent stated in the final rule preamble: § 450.115(c) applies to required descriptions of methods in all FSA sub-analysis sections, from § 450.117 to § 450.139, as well as § 450.108.

FAA also proposes to combine current paragraphs (c)(1) and (c)(2) into one paragraph. Proposed paragraph (c)(1) would require descriptions of FSA sub-analysis methods and flight safety limits methods to document ''[t]he scientific principles and statistical methods used, with associated assumptions and their justifications.'' Since part 450 became effective, FAA has determined that separating ''the scientific principles and statistical methods used'' (current paragraph (c)(1)) and ''all assumptions and their justifications'' (current paragraph (c)(2)) results in applicants needing to discuss these closely intertwined requirements repetitively. By combining the requirements into one paragraph, applicants would be able to address these related requirements only once. FAA anticipates that this change would streamline the application process for applicants and application review for FAA.

Finally, FAA also proposes to remove a reference to § 450.101(g) currently located in paragraph (c)(4). As discussed earlier in this section, the proposed introductory language to paragraph (c) includes a new reference to § 450.101(g) to clarify that scientific principles and statistical methods, assumptions with justifications, and evidence for verification and validation are all necessary to demonstrate compliance with § 450.101(g). Currently paragraph (c)(4) also contains a reference to § 450.101(g): ''(4) The evidence for validation and verification required by § 450.101(g) . . . .'' To avoid duplicative language, FAA proposes to remove the reference to § 450.101(g) in proposed paragraph (c)(2), which is adapted from current paragraph (c)(4). The new paragraph would read: ''(2) The evidence for validation and verification.'' However, the intent of proposed paragraph (c)(2) would remain unchanged from the current regulation: an applicant must provide evidence that verification and validation activities have occurred for the specific method. Specifically, in accordance with the

quantitative input data used by the last four sections. The last group consists of four sections that specify quantitative risk analyses with products necessary to evaluate compliance with the safety criteria in § 450.101. All of the FSA sections must use methods that comply with § 450.101(g) because they are essential to demonstrating compliance with the safety criteria in § 450.101.'' Streamlined Launch and Reentry Licensing Requirements, Final Rule (85 FR 79566, 79630).

[6] Though the introductory text to § 450.115(c) could also be read to require a description of the overarching FSA method, FAA has never required an applicant to submit this description because the descriptions of the sub-analysis methods are sufficient for evaluating the FSA method as a whole.

second sentence of § 450.101(g), the applicant must show that the method has been validated against a valid benchmark, such as a previous mishap, test, or high fidelity method.

New Section 450.115(d)

In proposed paragraph (d), FAA would set an application requirement for the FSA method as a whole. Specifically, an applicant would need to submit: (1) the rationale for the level of fidelity, (2) the extent to which benchmark conditions are comparable to the foreseeable conditions of the intended operations, and (3) the extent to which risk mitigations were accounted for in the FSA. Those items correspond to current paragraphs (c)(3), (5), and (6).

As discussed previously, the twin goals of current § 450.115(c) are to demonstrate compliance with § 450.101(g) and demonstrate compliance with § 450.115(b). However, the current regulatory requirement overshoots the mark. Requiring each description of an FSA sub-analysis method and the description of methods in § 450.108 to identify items in § 450.101(c)(3), (5), and (6) is not necessary to demonstrate compliance with § 450.101(g) and is an inefficient method of demonstrating compliance with § 450.115(b). FAA only needs to review these items once, for the FSA method as a whole, to determine that the FSA method has a level of fidelity sufficient to meet § 450.115(b). As such, proposed paragraph (d) would only require submittal of these items once and only as they pertain to the FSA method as a whole. The remainder of this section discusses each of these items in more detail.

First, the current requirement at paragraph (c)(3), to provide a ''rationale for the level of fidelity'' for each FSA sub-analysis method and each flight safety limit method is inefficient, given that FAA's determination on the acceptable level of fidelity for these methods depends in part on an evaluation of how well those fit together to support the overall level of fidelity of the FSA method. Therefore, a description of the rationale for the level of fidelity of the FSA method as a whole offers a more efficient and effective approach to explaining how the level of fidelity selected for each of the FSA sub-analysis methods and each of the flight safety limits methods supports the overall level of fidelity of the FSA method as a whole required by § 450.115(b).

Likewise, FAA has found that, with respect to the current requirement at paragraph (c)(5), it is often inefficient to evaluate the extent to which each benchmark used to validate an individual sub-analysis method or flight safety limits method compares to the foreseeable conditions of the intended operations. The purpose of the comparison is to identify sources of uncertainty so that they are accounted for in accordance with § 450.115(b), including uncertainty arising when a model is applied outside the regime in which it has been validated. However, in many instances, a detailed comparison of the specific validation benchmarks to the foreseeable conditions of the intended operation provides limited value where the findings would not meaningfully affect the level of fidelity of the FSA method. For instance, while a comparison of benchmarks used to validate an individual method with foreseeable conditions of the operation may show that the method is subject to uncertainty, there nonetheless may be high confidence that the results of the method are conservative and therefore not influential to the fidelity of the FSA method.

The proposed change would eliminate this exercise in favor of a more balanced approach. Instead of requiring an applicant to compare every benchmark to the foreseeable conditions of the intended operations, the proposed rule would require an operator to make the comparison only for benchmarks for which significant uncertainty would impact the fidelity of the FSA method. This approach achieves the goal of reducing workload for applicants while still enabling FAA to evaluate whether the FSA method produces valid results.

Lastly, requiring a description of risk mitigations for each FSA sub-analysis method and flight safety limits method, as currently required by paragraph (c)(6), is duplicative, given that risk mitigations (such as flight abort) are often only applicable to the FSA method as a whole. Therefore, proposed paragraph (d) would require submission of the extent to which risk mitigations were accounted for in the FSA.[7]

Similarly to the way in which the revised introductory text to paragraph (c) would reference § 450.101(g), FAA also proposes to include a reference to § 450.115(b) in the introductory text of new paragraph (d). The items required in proposed paragraph (d) are specifically aimed at demonstrating compliance with § 450.115(b), and the proposed revision would make that connection explicit. FAA anticipates that this change would provide clarity for applicants and evaluators on what constitutes sufficient documentation to meet new paragraph (d).

Terminology Updates

In addition, FAA proposes to amend several FSA sub-analysis descriptions of methods requirements[8] to replace the term ''methodology'' with ''methods.'' Currently, the terminology used in these sections refers to sub-analysis methods as both ''methods'' and ''methodology.'' For instance, § 450.117(d)(1) requires an applicant to submit ''a description of the methods,'' but § 450.119(c)(1) and (2) require an applicant to submit ''a description of the methodology.'' The terms are currently treated as synonymous (a methodology is a system of methods used in a particular area of study or activity). However, the proposed rule would amend FSA sub-analysis sections using the term ''methodology'' to instead refer to ''methods'' in order to match the terminology used in proposed § 450.115(c).

Revisions to Sections 450.137 and 450.139

The proposed rule would revise descriptions of methods requirements in §§ 450.137 and 450.139 to include the phrase ''in accordance with § 450.115(c).'' As discussed previously, FAA has consistently interpreted § 450.115(c) as applying to all descriptions of methods requirements in FSA sub-analysis sections, regardless of whether the requirements specifically reference § 450.115(c). However, the lack of a clear cross-reference to § 450.115(c) in those sections has caused confusion for both FAA staff and applicants. Therefore, the proposed text would add the reference to § 450.115(c) in § 450.137(c)(2) through (c)(5) and § 450.139(f)(7) and (f)(8). In conjunction with the changes to the introductory language of § 450.115(c), FAA anticipates that this change would significantly clarify the regulatory requirements.

In addition, the proposed rule would revise § 450.139(f)(7)(ii) and (f)(8) to more clearly state that those paragraphs require a description of methods. Section 450.139(f)(7) requires an operator to submit a toxic release hazard analysis. As part of the toxic release hazard analysis, § 450.139(f)(7)(ii) requires ''the methodology and representative results of an applicant's

[7] Whereas the original requirement in paragraph (c)(6) referred to ''the extent to which risk mitigations were accounted for in the analyses,'' the proposed paragraph (d)(3) now refers to ''the flight safety analysis'' because the proposed update is intended to apply to the FSA method as a whole.

[8] See proposed §§ 450.119(c)(1) and (2), 450.133(e)(1), and 450.139(f)(7)(i).

determination of the worst-case or maximum-credible quantity of any toxic release that might occur during the flight of a vehicle . . . .'' Although FAA has always interpreted this ''methodology'' requirement as implicitly requiring a description of the methodology of conducting a toxic release hazard analysis, the proposed paragraph would make the requirement explicit by requiring: ''[a] description of the methods used in the toxic release hazard analysis.'' The proposal would move the remainder of the existing requirement verbatim into a new paragraph, § 450.139(f)(7)(iii): ''representative results of an applicant's determination of the worst-case or maximum-credible quantity of any toxic release that might occur during the flight of a vehicle.''

Section 450.139(f)(8) requires a toxic risk assessment. As part of the toxic risk assessment, § 450.139(f)(8)(ii)(A) requires ''[a] demonstration that the safety criteria in § 450.101 will be met . . . .'' Although FAA has interpreted this required ''demonstration'' to constitute a description of methods used to conduct the toxic risk assessment, the proposed change would make the requirement explicit by replacing the current text at paragraph (f)(8)(ii)(A) with ''[a] description of the methods for conducting the toxic risk assessment, in accordance with § 450.115(c)'' and redesignating the existing paragraphs (A) through (D) as paragraphs (B) through (E).

Revision to Section 450.108

FAA has also interpreted § 450.108(g)(1) as requiring an applicant to submit a description of methods for the development of flight safety limits in accordance with § 450.115(c). However, paragraph (g)(1) currently states that the description must be submitted in accordance with § 450.115 rather than § 450.115(c). The proposed rule would amend this paragraph to update the reference to ''§ 450.115(c).''

V. Regulatory Notices and Analyses

A. Regulatory Impact Analysis

E.O. 12866 (''Regulatory Planning and Review'') and E.O. 13563 (''Improving Regulation and Regulatory Review'') require agencies to regulate in the ''most cost-effective manner,'' to make a ''reasoned determination that the benefits of the intended regulation justify its costs,'' and to develop regulations that ''impose the least burden on society.'' The Office of Management and Budget has determined this proposed rule is not a significant regulatory action as defined in Section 3(f) of E.O. 12866.

Currently, applicants must address six items in § 450.115(c) when describing FSA sub-analysis methods and flight safety limits methods that make up the FSA method. Under the proposed rule, half of these six application requirements would instead be required for the overall FSA method, rather than once for each individual method. The regulatory text amendments are set out in Table 1.

TABLE 1—REGULATORY TEXT REVISIONS

Provision	Current regulatory text	Revised regulatory text	Impact
§ 450.108(g)(1)	Cross references ''450.115''	Corrects the cross-reference to ''450.115'' to ''450.115(c)''.	No Impact—correction.
§ 450.115(c)	''Application requirements. An applicant must submit a description of the flight safety analysis methodology, including identification of:''.	''Description of methods. Descriptions of analysis methods required under § 450.108 and §§ 450.117 through 450.139 must demonstrate compliance with § 450.101(g) by documenting:''.	Depending on type of application as a modification or new, FAA expects cost savings for both industry and FAA from this due to reduced labor burden.
§ 450.115(c)(1)	''The scientific principles and statistical methods used''.	Combined into new § 450.115(c)(1): ''The scientific principles and statistical methods used, with associated assumptions and their justifications; and''.	Depending on type of application as a modification or new, FAA expects cost savings for both industry and FAA from this due to reduced labor burden.
§ 450.115(c)(2)	''All assumptions and their justifications''.	Combined into new § 450.115(c)(1): ''The scientific principles and statistical methods used, with associated assumptions and their justifications; and''.	Depending on type of application as a modification or new, FAA expects cost savings for both industry and FAA from this due to reduced labor burden.
§ 450.115(c)(3)	''The rationale for the level of fidelity;''	Changed into new § 450.115(d)(1)	Depending on type of application as a modification or new, FAA expects cost savings for both industry and FAA from this due to reduced labor burden.
§ 450.115(c)(4)	''The evidence for validation and verification required by § 450.101(g);''.	Changed into new § 450.115(c)(2) ''Evidence for validation and verification.''.	Depending on type of application as a modification or new, FAA expects cost savings for both industry and FAA from this due to reduced labor burden.
§ 450.115(c)(5)	''The extent to which the benchmark conditions are comparable to the foreseeable conditions of the intended operations''.	Changed into new § 450.115(d)(2): ''The extent to which the benchmark conditions are comparable to the foreseeable conditions of the intended operations; and''.	Depending on type of application as a modification or new, FAA expects cost savings for both industry and FAA from this due to reduced labor burden.
§ 450.115(c)(6)	''The extent to which risk mitigations were accounted for in the analyses.''.	Changed into new § 450.115(d)(3): ''The extent to which risk mitigations were accounted for in the flight safety analysis.''.	Depending on type of application as a modification or new, FAA expects cost savings for both industry and FAA from this due to reduced labor burden.

TABLE 1—REGULATORY TEXT REVISIONS—Continued

Provision	Current regulatory text	Revised regulatory text	Impact
§ 450.119(c)(1)	"A description of the methodology used to characterize the vehicle's flight behavior throughout malfunction flight, in accordance with § 450.115(c).".	"A description of the methods used to characterize the vehicle's flight behavior throughout malfunction flight, in accordance with § 450.115(c).".	No Impact—language added for consistency.
§ 450.119(c)(2)	"A description of the methodology used to determine the limits of a useful mission, in accordance with § 450.115(c).".	"A description of the methods used to determine the limits of a useful mission, in accordance with § 450.115(c).".	No Impact—language added for consistency.
§ 450.133(e)(1)	"A description of the methodology to be used in the flight hazard area analysis in accordance with § 450.115(c), including:".	"A description of the methods to be used in the flight hazard area analysis, in accordance with § 450.115(c), including:".	No Impact—language added for consistency.
§ 450.137(c)(2)	"A description of the methods used to compute the foreseeable explosive yield probability pairs, and the complete set of yield-probability pairs, used as input to the far-field overpressure analysis;".	"A description of the methods used to compute the foreseeable explosive yield probability pairs, in accordance with § 450.115(c), and the complete set of yield-probability pairs, used as input to the far-field overpressure analysis;".	No Impact—language added for clarification.
§ 450.137(c)(3)	"A description of the methods used to compute peak incident overpressures as a function of distance from the explosion and prevailing meteorological conditions, including sample calculations for a representative range of the foreseeable meteorological conditions, yields, and population center locations;".	"A description of the methods used to compute peak incident overpressures as a function of distance from the explosion and prevailing meteorological conditions, in accordance with § 450.115(c), including sample calculations for a representative range of the foreseeable meteorological conditions, yields, and population center locations;".	No Impact—language added for clarification.
§ 450.137(c)(4)	"A description of the methods used to compute the probability of window breakage, including tabular data and graphs for the probability of breakage as a function of the peak incident overpressure for a representative range of window types, building types, and yields accounted for;".	"A description of the methods used to compute the probability of window breakage, in accordance with § 450.115(c), including tabular data and graphs for the probability of breakage as a function of the peak incident overpressure for a representative range of window types, building types, and yields accounted for;".	No Impact—language added for clarification.
§ 450.137(c)(5)	"A description of the methods used to compute the probability of casualty for a representative individual, including tabular data and graphs for the probability of casualty, as a function of location relative to the window and the peak incident overpressure for a representative range of window types, building types, and yields accounted for;".	"A description of the methods used to compute the probability of casualty for a representative individual, in accordance with § 450.115(c), including tabular data and graphs for the probability of casualty, as a function of location relative to the window and the peak incident overpressure for a representative range of window types, building types, and yields accounted for;".	No Impact—language added for clarification.
§ 450.139(f)(7)(ii)	"The methodology and representative results of an applicant's determination of the worst-case or maximum-credible quantity of any toxic release that might occur during the flight of a vehicle;".	"A description of the methods used in the toxic release hazard analysis, in accordance with § 450.115(c); and".	No Impact—language added for clarification and consistency.
§ 450.139(f)(7)(iii)	N/A	"Representative results of an applicant's determination of the worst-case or maximum-credible quantity of any toxic release that might occur during the flight of a vehicle;".	Depending on type of application as a modification or new, FAA expects cost savings for both industry and FAA from this due to reduced labor burden.
§ 450.139(f)(8)(ii)(A)	"A demonstration that the safety criteria in § 450.101 will be met;".	Changed into new § 450.139(f)(8)(ii)(B). "A demonstration that the safety criteria in § 450.101 will be met;".	Depending on type of application as a modification or new, FAA expects cost savings for both industry and FAA from this due to reduced labor burden.

TABLE 1—REGULATORY TEXT REVISIONS—Continued

Provision	Current regulatory text	Revised regulatory text	Impact
§ 450.139(f)(8)(ii)(B)	''The population characteristics in receptor locations that are identified by toxic dispersion modeling as toxic hazard areas;''.	Changed into new § 450.139(f)(8)(ii)(C). ''The population characteristics in receptor locations that are identified by toxic dispersion modeling as toxic hazard areas;''.	Depending on type of application as a modification or new, FAA expects cost savings for both industry and FAA from this due to reduced labor burden.
§ 450.139(f)(8)(ii)(C)	''A description of any risk mitigations applied in the toxic risk assessment; and''.	Changed into new § 450.139(f)(8)(ii)(D). ''A description of any risk mitigations applied in the toxic risk assessment; and''.	Depending on type of application as a modification or new, FAA expects cost savings for both industry and FAA from this due to reduced labor burden.
§ 450.139(f)(8)(ii)(D)	''A description of the population exposure input data used in accordance with § 450.123.''.	Changed into new § 450.139(f)(8)(ii)(E). ''A description of the population exposure input data used in accordance with § 450.123.''.	Depending on type of application as a modification or new, FAA expects cost savings for both industry and FAA from this due to reduced labor burden.
§ 450.139(f)(8)(ii)(A)	N/A	''A description of the methods for conducting the toxic risk assessment, in accordance with § 450.115(c);''.	No Impact—language added for clarification.

In addition, for clarification, in § 450.137 and § 450.139, FAA proposes adding the text ''in accordance with § 450.115(c),'' but this change would have no economic impact. In § 450.108(g), FAA proposes fixing the cross-reference to ''450.115'' to instead read ''450.115(c),'' but this too would have no economic impact. FAA also proposes to clarify that § 450.139(f)(7) and (f)(8) require a description of methods, but this does not depart from current practice and therefore would have no economic impact. Lastly, for clarification, the term ''methodology'' would be changed to ''methods'' in §§ 450.119, 450.133, and 450.139 for consistent terms that match the terminology used in proposed § 450.115(c), which would have no economic impact from the baseline.

FAA anticipates that the proposed rule would result in a considerable reduction in the cost of compliance for applicants. FAA does not have enough data to analyze the impact quantitatively; however, a summary of the time burden of the licensing process is provided below. FAA is uncertain of the hours for each new application and for each modification. This uncertainty is driven by two factors. For new applications, the uncertainty arises because each license application is different due to the varying types of operations. Second, for modifications, the uncertainty arises because FAA is unable to predict in advance which aspect of the license would be modified. As a result, the time burden differs between new applications and license modifications, and FAA does not have the ability to analyze the impact quantitatively.

In addition, while FAA can identify the general labor categories involved in the FSA, accurately forecasting the proportional allocation of labor hours among these disciplines carries a high degree of statistical uncertainty. Furthermore, pursuant to 14 CFR 450.45(b), operators may elect to utilize the services of a Federal entity. Exercising this option significantly alters both the anticipated time burden and the requisite personnel composition for the FSA.

FAA expects between two to five new applications per year. Over the past five years, there have been 17 new applications. For modification requests, there have been 179 in the past five years, for an average of approximately 35 per year. Thus, FAA cannot estimate an average number of hours per license as it is license-dependent. However, based on current licenses, for example, for one licensee, there have been six modifications over one year that resulted in 10,747 hours spent by FAA. Another license required 13 modifications that resulted in 6,846 hours spent by FAA. These hours are based on internal FAA data.

Flight safety analysis takes up a significant amount of this time for industry and FAA. Therefore, FAA expects considerable cost savings for both industry and FAA from this proposed rulemaking due to reduced labor burden. Further, FAA requests public comment on these estimates and the expected savings from this proposed rule.

B. Regulatory Flexibility Act

Under the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), agencies must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rulemaking on small entities (*i.e.,* small businesses, small organizations, and small government jurisdictions). No regulatory flexibility analysis is required, however, if the head of an agency certifies that the proposed rule would not have a significant economic impact on a substantial number of small entities. FAA has concluded and hereby certifies that this proposed rule would not have a significant economic impact on a substantial number of small entities; therefore, an analysis is not included.

C. International Trade Impact Assessment

The Trade Agreements Act of 1979 (Pub. L. 96–39), as amended by the Uruguay Round Agreements Act (Pub. L. 103–465), prohibits Federal agencies from establishing standards or engaging in related activities that create unnecessary obstacles to the foreign commerce of the United States. Pursuant to these Acts, the establishment of standards is not considered an unnecessary obstacle to the foreign commerce of the United States, so long as the standard has a legitimate domestic objective, such as the protection of safety, and does not operate in a manner that excludes imports that meet this objective. The statute also requires consideration of international standards and, where appropriate, they be the basis for U.S. standards.

FAA has assessed the potential effect of this proposed rule and determined that it would not create unnecessary obstacles to the foreign commerce of the United States.

D. Unfunded Mandates Assessment

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) governs the issuance of Federal regulations that require unfunded mandates. An unfunded mandate is a regulation that requires a State, local, or Tribal government or the private sector to incur direct costs without the Federal Government having first provided the funds to pay those costs. FAA determined the proposed rule would not result in the expenditure of $193,000,000 or more ($100,000,000 adjusted for inflation using the most current Implicit Price Deflator for the Gross Domestic Product) by State, local, or Tribal governments, in the aggregate, or the private sector, in any one year.

E. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) requires FAA consider the impact of paperwork and other information collection burdens imposed on the public. FAA has determined there would be no new requirement for information collection associated with this proposed rule.

F. International Compatibility

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to conform to International Civil Aviation Organization (ICAO) Standards and Recommended Practices to the maximum extent practicable. FAA has determined there are no ICAO Standards and Recommended Practices that correspond to these proposed regulations.

G. Environmental Analysis

The Department has analyzed the environmental impacts of this notice of proposed rulemaking pursuant to the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321, *et seq.*). FAA has determined this proposed rule is categorically excluded pursuant to FAA Order 1050.1G. Categorical exclusions are categories of actions FAA has determined normally do not significantly affect the quality of the human environment and therefore do not require either an environmental assessment (EA) or environmental impact statement (EIS). In analyzing the applicability of a categorical exclusion, FAA must also consider whether extraordinary circumstances are present that would warrant the preparation of an EA or EIS. This rulemaking, which would alleviate regulatory burden for license applicants by consolidating information required for an operator's flight safety analysis, is categorically excluded pursuant to FAA Order 1050.1G, Appendix B, Paragraph B–2.6(f), which categorically excludes issuance of regulatory documents. FAA does not anticipate any environmental impacts, and there are no extraordinary circumstances present in connection with this rulemaking.

VI. E.O. Determinations

A. E.O. 13132, Federalism

FAA has analyzed this proposed rule under the principles and criteria of E.O. 13132, Federalism. FAA has determined this action would not have a substantial direct effect on the States, or the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government, and, therefore, would not have federalism implications.

B. E.O. 13175, Consultation and Coordination With Indian Tribal Governments

Consistent with E.O. 13175, Consultation and Coordination with Indian Tribal Governments,[9] and FAA Order 1210.20, American Indian and Alaska Native Tribal Consultation Policy and Procedures,[10] FAA ensures Federally Recognized Tribes (Tribes) are given the opportunity to provide meaningful and timely input regarding proposed Federal actions that have the potential to affect uniquely or significantly their respective Tribes. At this point, FAA has not identified any unique or significant effects, environmental or otherwise, on Tribes resulting from this proposed rule.

C. E.O. 13211, Regulations That Significantly Affect Energy Supply, Distribution, or Use

FAA analyzed this proposed rule under E.O. 13211, Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use (May 18, 2001). FAA has determined it would not be a ''significant energy action'' under the E.O. and would not be likely to have a significant adverse effect on the supply, distribution, or use of energy.

D. E.O. 13609, Promoting International Regulatory Cooperation

E.O. 13609, Promoting International Regulatory Cooperation, promotes international regulatory cooperation to (1) meet shared challenges involving health, safety, labor, security, environmental, and other issues and to reduce, eliminate, or (2) prevent unnecessary differences in regulatory requirements. FAA has analyzed this action under the policies and agency responsibilities of E.O. 13609 and has determined this action would have no effect on international regulatory cooperation.

E. E.O. 14192, Unleashing Prosperity Through Deregulation

This proposed rule, if finalized as proposed, is expected to be an E.O. 14192 deregulatory action.

VII. Additional Information

A. Comments Invited

FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. FAA also invites comments relating to the economic, environmental, or federalism impacts that might result from adopting the proposals in this document. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should submit only one time if comments are filed electronically, or commenters should send only one copy of written comments if comments are filed in writing.

FAA will file in the docket all comments it receives, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rule. Before acting on this proposal, FAA will consider all comments it receives on or before the closing date for comments. FAA will consider comments filed after the comment period has closed if it is possible to do so without incurring expense or delay. FAA may change this proposal in light of the comments it receives.

B. Confidential Business Information

Confidential Business Information (CBI) is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and is relevant or responsive to this NPRM, it is important you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as

[9] 65 FR 67249 (November 6, 2000).

[10] FAA Order No. 1210.20 (January 28, 2004), available at *www.faa.gov/documentLibrary/media/1210.pdf.*

''PROPIN.'' FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to the person in the **FOR FURTHER INFORMATION CONTACT** section of this document. Any commentary FAA receives that is not specifically designated as CBI will be placed in the public docket for this rulemaking.

C. Electronic Access and Filing

A copy of this NPRM, all comments received, any final rule, and all background material may be viewed online at *www.regulations.gov* using the docket number listed above. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded from the Office of the Federal Register's website at *www.federalregister.gov* and the Government Publishing Office's website at *www.govinfo.gov.* A copy may also be found at FAA's Regulations and Policies website at *www.faa.gov/regulations_policies.*

Copies may also be obtained by sending a request to the Federal Aviation Administration, Office of Rulemaking, ARM–1, 800 Independence Avenue SW, Washington, DC 20591, or by calling (202) 267–9677. Requesters must identify the docket or notice number of this rulemaking.

All documents FAA considered in developing this proposed rule, including economic analyses and technical reports, may be accessed in the electronic docket for this rulemaking.

D. Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121, 110 Stat. 857, Mar. 29, 1996) requires FAA to comply with small entity requests for information or advice about compliance with statutes and regulations within its jurisdiction. A small entity with questions regarding this document may contact its local FAA official or the person listed under the **FOR FURTHER INFORMATION CONTACT** heading at the beginning of the preamble. To find out more about SBREFA on the internet, visit *www.faa.gov/regulations_policies/rulemaking/sbre_act/.*

List of Subjects in 14 CFR Part 450

Aircraft, Aviation safety, Environmental protection, Investigations, Reporting and recordkeeping requirements, Space transportation and exploration.

The Proposed Amendments

For the reasons discussed in the preamble, the Federal Aviation Administration proposes to amend chapter III of title 14, Code of Federal Regulations, as follows:

PART 450—LAUNCH AND REENTRY LICENSE REQUIREMENTS

■ 1. The authority citation for part 450 is revised to read as follows:

Authority: 51 U.S.C. Chapter 509.

■ 2. Revise § 450.108(g)(1) to read as follows:

* * * * *

(g) * * *

(1) A description of the methods used to demonstrate compliance with paragraph (c) of this section, including descriptions of how each analysis constraint in paragraph (d) of this section is satisfied, in accordance with § 450.115(c).

* * * * *

■ 3. Amend § 450.115 by revising paragraph (c) and adding paragraph (d) to read as follows:

§ 450.115 Flight safety analysis methods.

* * * * *

(c) *Descriptions of methods.* Descriptions of analysis methods required under § 450.108 and §§ 450.117 through 450.139 must demonstrate compliance with § 450.101(g) by documenting:

(1) The scientific principles and statistical methods used, with associated assumptions and their justifications; and

(2) Evidence for validation and verification.

(d) *Application requirements.* An applicant must demonstrate that the flight safety analysis method complies with paragraph (b) of this section by submitting:

(1) The rationale for the level of fidelity;

(2) The extent to which the benchmark conditions are comparable to the foreseeable conditions of the intended operations; and

(3) The extent to which risk mitigations were accounted for in the flight safety analysis.

■ 4. Amend § 450.119 by revising paragraphs (c)(1) and (c)(2) to read as follows:

§ 450.119 Trajectory analysis for malfunction flight.

* * * * *

(c) * * *

(1) A description of the methods used to characterize the vehicle's flight behavior throughout malfunction flight, in accordance with § 450.115(c).

(2) A description of the methods used to determine the limits of a useful mission, in accordance with § 450.115(c).

* * * * *

■ 5. Amend § 450.133 by revising paragraph (e)(1) to read as follows:

§ 450.133 Flight hazard area analysis.

* * * * *

(e) * * *

(1) A description of the methods to be used in the flight hazard area analysis, in accordance with § 450.115(c), including:

* * * * *

■ 6. Amend § 450.137 by revising paragraphs (c)(2) through (c)(5) to read as follows:

§ 450.137 Far-field overpressure blast effects analysis.

* * * * *

(c) * * *

(2) A description of the methods used to compute the foreseeable explosive yield probability pairs, in accordance with § 450.115(c), and the complete set of yield-probability pairs, used as input to the far-field overpressure analysis;

(3) A description of the methods used to compute peak incident overpressures as a function of distance from the explosion and prevailing meteorological conditions, in accordance with § 450.115(c), including sample calculations for a representative range of the foreseeable meteorological conditions, yields, and population center locations;

(4) A description of the methods used to compute the probability of window breakage, in accordance with § 450.115(c), including tabular data and graphs for the probability of breakage as a function of the peak incident overpressure for a representative range of window types, building types, and yields accounted for;

(5) A description of the methods used to compute the probability of casualty for a representative individual, in accordance with § 450.115(c), including tabular data and graphs for the probability of casualty, as a function of location relative to the window and the peak incident overpressure for a representative range of window types, building types, and yields accounted for;

* * * * *

■ 7. In § 450.139:

■ a. Revise paragraph (f)(7)(ii);

■ b. Add paragraph (f)(7)(iii);

■ c. Redesignate paragraphs (f)(8)(ii)(A) through (D) as paragraphs (f)(8)(ii)(B) through (E); and
■ d. Add new paragraph (f)(8)(ii)(A).
The amendments read as follows:

§ 450.139 Toxic hazards for flight.

* * * * *

(f) * * *
(7) * * *
(ii) A description of the methods used in the toxic release hazard analysis, in accordance with § 450.115(c); and
(iii) Representative results of an applicant's determination of the worst-case or maximum-credible quantity of any toxic release that might occur during the flight of a vehicle;
(8) * * *
(ii) * * *
(A) A description of the methods for conducting the toxic risk assessment, in accordance with § 450.115(c);

* * * * *

Issued under authority provided by 49 U.S.C. 106(f) and 51 U.S.C. chapter 509 in Washington, DC.

Minh A. Nguyen,

Deputy Associate Administrator, Office of Commercial Space Transportation.

[FR Doc. 2026–20388 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 450

[Docket No.: FAA–2026–9940; Notice No. 26–18]

RIN 2120–AM30

Lightning Hazard Mitigation Burden-Reducing Exception

AGENCY: Federal Aviation Administration (FAA), U.S. Department of Transportation (DOT).

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: FAA proposes to amend its commercial space launch and reentry licensing regulations to streamline the licensing process and reduce regulatory burden for license applicants. Specifically, FAA proposes to add an exception for compliance with lightning hazard mitigation requirements for certain licensed launch and reentry operations.

DATES: Send comments on or before November 4, 2026.

ADDRESSES: Send comments identified by docket number FAA–2026–9940 using any of the following methods:

- *Federal eRulemaking Portal:* Go to *www.regulations.gov* and follow the online instructions for sending your comments electronically.
- *Mail:* Send comments to Docket Operations; U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE, West Building, 5th Floor (W58–213), Washington, DC 20590–0001.
- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W58–213 of the West Building, 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- *Fax:* Fax comments to Docket Operations at (202) 493–2251.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to inform its rulemaking process better. DOT posts these comments, without edit, including any personal information the commenter provides, to *www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *www.dot.gov/privacy.*

Docket: Background documents or comments received may be read at *www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W58–213 of the West Building 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Lisa E. Cacciatore, Office of Commercial Space Transportation, Federal Aviation Administration, 1200 New Jersey Avenue SE, Washington, DC 20590; telephone (202) 880–1489; email *Lisa.E.Cacciatore@faa.gov.*

SUPPLEMENTARY INFORMATION:

I. Overview

In accordance with Executive Order (E.O.) 14335, ''Enabling Competition in the Commercial Space Industry,'' FAA proposes to amend its commercial space launch and reentry regulations at 14 CFR part 450 with the goal of further streamlining the commercial licensing process. Specifically, FAA proposes to add an exception for compliance with lightning hazard mitigation requirements in 14 CFR 450.163(a) for certain licensed launch and reentry operations. Under this proposal, an operator would not be required to use a mitigation method listed in § 450.163(a) for descending phases of flight if, once a vehicle descends to an altitude where lightning is foreseeable, the vehicle's flight path is clear of members of the public and critical assets.

II. Authority for This Rulemaking

The Commercial Space Launch Act of 1984, as amended and codified at 51 U.S.C. 50901–50924, authorizes the Secretary of Transportation to oversee, license, and regulate commercial launch and reentry activities, and the operation of launch and reentry sites within the United States (U.S.) or as carried out by U.S. citizens. Section 50905 directs the Secretary to exercise this responsibility consistent with public health and safety, safety of property, and the national security and foreign policy interests of the United States. In addition, section 50903 requires the Secretary to encourage, facilitate, and promote commercial space launches and reentries by the private sector. As codified in 49 CFR 1.83(b), the Secretary has delegated authority to the FAA Administrator to carry out these functions.

III. Background

FAA has established commercial space regulations governing licensing of launch and reentry in 14 CFR chapter III. On December 10, 2020, FAA issued a final rule consolidating all substantive launch and reentry licensing regulations into a new part 450 (85 FR 79566) that went into effect on March 10, 2021.

On August 13, 2025, the President issued Executive Order 14335, ''Enabling Competition in the Commercial Space Industry,'' requiring the Secretary of Transportation to ''reevaluate, amend, or rescind'' the part 450 regulations for the purpose of further streamlining the commercial licensing process. This proposed rule is being published in furtherance of this executive order.

Lightning hazard mitigation requirements for launch and reentry license applicants are prescribed in 14 CFR 450.163. Section 450.163(a) prescribes mitigation methods available to license applicants. Under paragraph (a)(1), an operator may establish flight commit criteria that mitigate the potential for a launch or reentry vehicle intercepting or initiating a direct lightning strike, or encountering a nearby discharge, by using a means of compliance accepted by the Administrator. Alternatively, under paragraph (a)(2), an operator can use a vehicle designed to protect safety-critical systems in the event of a direct lightning strike or nearby discharge. Simply put, § 450.163(a)(1) mitigates lightning through avoidance, while § 450.163(a)(2) mitigates lightning through hardening. Section 450.163(b) prescribes corresponding application

requirements based on the mitigation method selected.

However, during the licensing process, operators have also shown that a reentry operation can mitigate some lightning hazards through clearance. In these instances, operators demonstrated an equivalent level of safety (ELOS) to the lightning mitigation regulation by showing that the potential impacts of the vehicle, on an unguided trajectory, were contained to an area clear of the public and critical assets.

IV. Discussion of the Proposal

To allow more operators to take advantage of the rationale underlying these ELOS determinations, the proposed rule would add clearance of a vehicle's flight path to § 450.163 as an exception to the lightning mitigation requirement. Under a new proposed paragraph (b), an operator would not be required to use a mitigation method listed in § 450.163(a) for descending phases of flight if, once a vehicle descends to an altitude where lightning is foreseeable, the vehicle's flight path is clear of members of the public and critical assets. The proposed exception could apply to any licensed launch and reentry operation that satisfies the relevant criteria, including first stage returns.

The proposed exception preserves public safety because the hazards of a lightning strike are mitigated by physical containment and ensuring the area is clear of public and critical assets. Furthermore, FAA anticipates that the exception would be a practicable alternative for applicants because the region where a lightning-caused hazard could occur is often limited, predictable, and bounded by hazard areas that must be cleared to meet the safety criteria, in accordance with § 450.133. For instance, a first stage returning to a barge in an area cleared of the public and critical assets could likely use this exception for the final phases of flight (*i.e.,* during coast and landing burn phases). However, even when the region where a lightning-caused hazard could occur is not otherwise bounded by hazard areas that must be cleared, the exception would still be available to an applicant if the applicant can ensure that the region is clear of the public and critical assets. Continuing with the example of a first stage returning to a barge, if the region around the barge where the lightning-caused hazard could occur is only partially bounded by hazard areas that are otherwise required to be cleared to meet safety criteria, the operator could still utilize the exception by performing surveillance of the non-bounded area to ensure that the region is clear of the public and critical assets. In this way, the applicant can ensure that even in the event of a lightning strike, public safety is preserved.

The proposed rule would relocate the current application requirements for lightning mitigation to new paragraphs (c)(1) and (c)(2) and add application requirements for operators utilizing the exception in new paragraph (c)(3). Under the proposal, an applicant utilizing the exception would be required to submit (1) a description of a valid method to determine the limits of the vehicle's flight path; (2) representative limits of the vehicle's flight path; and (3) a description of methods used to ensure that the flight path is cleared of the public and critical assets. The first application requirement—a description of the method to determine the limits of the flight path at paragraph (c)(3)(i)—is necessary for FAA to evaluate compliance with § 450.101(g), which requires that any analysis used to demonstrate compliance with § 450.101 ''must use accurate data and scientific principles and the analysis must be statistically valid. The method must produce results consistent with or more conservative than the results available from previous mishaps, tests, or other valid benchmarks, such as higher-fidelity methods.'' As such, proposed paragraph (c)(3)(i) includes a cross-reference to § 450.101(g) to help applicants identify this applicable standard when producing the description. Furthermore, proposed paragraph (c)(3)(i) also requires this description to identify the scientific principles and statistical methods used with associated assumptions and their justifications, as well as evidence for validation and verification. These items are modeled on the flight safety analysis description of methods requirements at § 450.115(c)(1), (2), and (4). As with the flight safety analysis method requirements, which are used by FAA to evaluate compliance with § 450.101(g) for the analyses that comprise the flight safety analysis, the items listed at proposed § 450.163(c)(3)(i) are necessary for showing that the analysis determining the limits of the flight path complies with § 450.101(g).

The second application requirement at paragraph (c)(3)(ii) requires that the applicant provide representative limits of the flight path. This means that the applicant must produce limits of the flight path by conducting an analysis for a representative mission. The analysis must utilize the method described by the applicant to meet paragraph (c)(3)(i).

The third application requirement at paragraph (c)(3)(iii) requires a description of methods used to clear the flight path of the public and critical assets. The requirement is modeled on a similar requirement in § 450.110(c)(2) regarding using physical containment as a hazard control strategy. The representative limits of the flight path provided under paragraph (c)(3)(ii) would be used to evaluate whether the operator's methods for clearance are appropriate for operations under the license.

V. Regulatory Notices and Analyses

A. Regulatory Impact Analysis

E.O. 12866 (''Regulatory Planning and Review'') and E.O. 13563 (''Improving Regulation and Regulatory Review'') require agencies to regulate in the ''most cost-effective manner,'' to make a ''reasoned determination that the benefits of the intended regulation justify its costs,'' and to develop regulations that ''impose the least burden on society.'' The Office of Management and Budget has determined this proposed rule is not a significant regulatory action as defined in Section 3(f) of E.O. 12866. FAA is seeking comments on the following analysis.

Currently, FAA provides two methods to demonstrate compliance with lightning hazard mitigation requirements for launch and reentry license applicants. This proposed rule would offer an exception for descending phases of flight in certain conditions. Under this proposal, an operator would not be required to use a mitigation method listed in § 450.163(a) for descending phases of flight if, once a vehicle descends to an altitude where lightning is foreseeable, the vehicle's flight path is clear of members of the public and critical assets.

In practice, when FAA encountered events where the two mitigation methods could not be demonstrated, the vehicle contained an area clear of the public and critical assets that satisfied the lightning hazard mitigation regulation through an ELOS. This proposed rule would create an exception allowing operators to satisfy the regulation in a similar manner for certain phases of flight without needing to request an ELOS determination. While the proposed rule does include new application requirements for operators utilizing the exception, these application requirements are not anticipated to increase costs for operators because a similar set of documentation would be required for an applicant applying for an ELOS. The

cost savings analysis below only estimates the administrative savings gained from no longer submitting an ELOS request; it does not include the costs of conducting the underlying safety analysis. Therefore, FAA anticipates that the proposed rule would not increase costs to FAA or industry and instead would provide small cost savings in the limited events when this exception is used.

Removing the need for an applicant to request an ELOS determination and FAA to respond to the request would result in minimal cost savings per application. Per application, the proposed rule would save $715 for industry and $3,013 for FAA. This amounts to a total of $3,729 per application. The calculations for these estimates are shown in the tables below. In Table 1, the industry and FAA wages are presented at the base wage rate and with benefits included. FAA assumes three different types of employee categories conduct an ELOS determination: aerospace engineer, supervisory engineer, and attorney. These employees are on the FAA Core Compensation Plan. The aerospace engineer is at a J band [1] with a base hourly rate of $95.33, the supervisory engineer [2] is at a K band with a base hourly rate of $109.62, and the attorney [3] is at a J band with a base hourly rate of $95.33. FAA uses a factor of 1.3625 for benefits,[4] which results in the total loaded hourly wages of $129.88 for the aerospace engineer, $149.35 for the supervisory engineer, and $129.88 for the attorney.

For industry, FAA assumes there are two types of employees who will work on an ELOS determination request: an aerospace engineer and an office and administrative professional. The base 2024 wage rate of a private industry worker working full-time as an aerospace engineer is $67.88 per hour.[5] When including benefits, the total compensation for an aerospace engineer is $96.28 per hour.[6] For the office and administrative professional, the base wage rate is $32.99 per hour,[7] and the total compensation is $46.79 per hour.

To estimate FAA cost savings per application, the detailed process for FAA is listed in Table 2. It entails staff intake of the ELOS request, staff review of the ELOS request, staff discussion with the applicant, staff draft of the ELOS approval, ELOS review and approval by supervisory engineers, ELOS review and approval by an FAA attorney, and staff correspondence of the ELOS approval. An ELOS determination will take approximately five FAA staff aerospace engineers, two supervisory engineers, and one attorney. The number of employees and hours per employee for each phase of the process are shown in the table. The total hours per application are 18 hours, with total cost savings to FAA of $2,416 per application.

TABLE 1—WAGES FOR FAA AND INDUSTRY

Employee	Hourly wage	Hourly wage with benefits
FAA:		
Aerospace Engineer	$95.33	$129.88
Supervisory Engineer	109.62	149.35
Attorney	95.33	129.88
Industry:		
Aerospace Engineer	67.88	96.28
Office and Administrative Professional	32.99	46.79

TABLE 2—FAA STAFF, HOURS, WAGES, AND COST SAVINGS PER APPLICATION

Event	Number of employees	Hours per employee	Total hours	Cost per application
FAA Staff ELOS Intake	1	1	1	$129.88
FAA Staff Review	5	1	5	649.42
FAA Staff—Applicant Discussion	5	1	5	649.42
FAA Staff draft ELOS Approval	1	1	1	129.88
FAA Supervisory ELOS Approval	2	2	4	597.40
FAA Attorney ELOS Approval	1	1	1	129.88
FAA Staff sends ELOS Approval	1	1	1	129.88
Total—FAA			18	2,415.77

Note: The description ''FAA Staff'' in the event column corresponds to the aerospace engineer wage, while the ''FAA Supervisory'' description corresponds to the supervisory engineer wage.

[1] FAA Engineering Pay Band J with Washington DC locality; effective Jan. 2026, maximum salary $198,281, available at *www.faa.gov/jobs/working_here/benefits/pay/core_salary_with_conversion.xlsx.*

[2] FAA Engineering Pay Band K with Washington DC locality; effective Jan. 2026, maximum salary $228,000, available at *www.faa.gov/jobs/working_here/benefits/pay/core_salary_with_conversion.xlsx.*

[3] FAA Specialized (Attorney) Pay Band J with Washington DC locality; effective Jan. 2026, maximum salary $198,281., available at *www.faa.gov/jobs/working_here/benefits/pay/core_salary_with_conversion.xlsx.*

[4] Update to Civilian Position Full Fringe Benefit Cost Factor, Federal Pay Raise Assumptions, and Inflation Factors used in OMB Circular No. A–76, ''Performance of Commercial Activities,'' Office of Management and Budget, March 11, 2008, available at *www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/memoranda/2008/m08-13.pdf.*

[5] ''Employer Costs for Employee Compensation—May 2024,'' Bureau of Labor Statistics, Employee costs for private industry workers in Series: 17–2011 Aerospace Engineers, available at *data.bls.gov/oes/#/industry/000000.*

[6] The total compensation includes Bureau of Labor Statistics (BLS) compensation data. For 2024, BLS estimates that wages make up 70.5 percent of total compensation while benefits make up 29.5 percent. Employer Costs for Employee Compensation—December 2024, available at *www.bls.gov/news.release/archives/ecec_03142025.htm.* To calculate total compensation, FAA multiplies the base wage by a factor of 1.42 (rounded from 100/70.5). Therefore, the total compensation for an aerospace engineers is $96.28 per hour ($67.88 per hour × 1.42).

[7] BLS, *Employer Costs for Employee Compensation—May 2024, Industry: Nonscheduled Air Transportation, Office and Administrative Support Workers, All Other (43–9199),* available at *data.bls.gov/oes/#/industry/481200.*

To estimate the industry cost savings per application, the detailed process for industry is listed in Table 3. It entails drafting the ELOS request and discussion with FAA staff. An ELOS determination will take one aerospace engineer and one administrative professional. The number of employees and hours per employee for each phase of the process are shown in the table. The total hours per application are 10 hours, with total cost savings to industry of $715 per application.

TABLE 3—INDUSTRY STAFF, HOURS, WAGES, AND COST SAVINGS PER APPLICATION

Event	Number of employees	Hours per employee	Total hours	Cost per application
ELOS Draft	1 Engineer	4	4	$385.13
ELOS Draft	1 Administrative Professional	4	4	187.18
FAA-Applicant Discussion	1 Engineer	1	1	96.28
FAA-Applicant Discussion	1 Administrative Professional	1	1	46.79
Total—Industry			10	715.39

Per application, this proposed rule would result in cost savings of $715 for industry and $2,416 for FAA. This amounts to a total of $3,131 per application. This proposed rule would only impact for launch or reentries with descending phases of flight in certain conditions. FAA finds that there is uncertainty about how many launches or reentries will occur per year; therefore, it can only provide a per-application cost savings estimate.

TABLE 4—TOTAL COST SAVINGS PER APPLICATION

	Cost savings per application
FAA	$2,415.77
Industry	715.39
Total	3,131.16

B. Regulatory Flexibility Act

Under the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), agencies must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rulemaking on small entities (*i.e.,* small businesses, small organizations, and small government jurisdictions). No regulatory flexibility analysis is required, however, if the head of an agency certifies that the proposed rule would not have a significant economic impact on a substantial number of small entities. FAA has concluded and hereby certifies that this proposed rule would not have a significant economic impact on a substantial number of small entities; therefore, an analysis is not included.

C. International Trade Impact Assessment

The Trade Agreements Act of 1979 (Pub. L. 96–39), as amended by the Uruguay Round Agreements Act (Pub. L. 103–465), prohibits Federal agencies from establishing standards or engaging in related activities that create unnecessary obstacles to the foreign commerce of the United States. Pursuant to these Acts, the establishment of standards is not considered an unnecessary obstacle to the foreign commerce of the United States, so long as the standard has a legitimate domestic objective, such as the protection of safety, and does not operate in a manner that excludes imports that meet this objective. The statute also requires consideration of international standards and, where appropriate, they be the basis for U.S. standards.

FAA has assessed the potential effect of this proposed rule and determined that it would not create unnecessary obstacles to the foreign commerce of the United States.

D. Unfunded Mandates Assessment

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) governs the issuance of Federal regulations that require unfunded mandates. An unfunded mandate is a regulation that requires a State, local, or Tribal government or the private sector to incur direct costs without the Federal Government having first provided the funds to pay those costs. FAA determined the proposed rule would not result in the expenditure of $193,000,000 or more ($100,000,000 adjusted for inflation using the most current Implicit Price Deflator for the Gross Domestic Product) by State, local, or Tribal governments, in the aggregate, or the private sector, in any one year.

E. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) requires FAA consider the impact of paperwork and other information collection burdens imposed on the public. FAA has determined there would be no new requirement for information collection associated with this proposed rule.

F. International Compatibility

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to conform to International Civil Aviation Organization (ICAO) Standards and Recommended Practices to the maximum extent practicable. FAA has determined there are no ICAO Standards and Recommended Practices that correspond to these proposed regulations.

G. Environmental Analysis

The Department has analyzed the environmental impacts of this notice of proposed rulemaking pursuant to the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C 4321 *et seq.*). FAA has determined this proposed rule is categorically excluded pursuant to FAA Order 1050.1G. Categorical exclusions are categories of actions FAA has determined normally do not significantly affect the quality of the human environment and therefore do not require either an environmental assessment (EA) or environmental impact statement (EIS). In analyzing the applicability of a categorical exclusion, FAA must also consider whether extraordinary circumstances are present that would warrant the preparation of an EA or EIS. This rulemaking, which would add an exception for compliance with lightning hazard mitigation requirements for certain licensed launch and reentry operations, is categorically excluded pursuant to FAA Order 1050.1G, Appendix B, Paragraph B–2.6(f), which categorically excludes issuance of regulatory documents. FAA does not anticipate any environmental impacts, and there are no extraordinary circumstances present in connection with this rulemaking.

VI. E.O. Determinations

A. E.O. 13132, Federalism

FAA has analyzed this proposed rule under the principles and criteria of E.O. 13132, Federalism. FAA has determined this action would not have a substantial direct effect on the States, or the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government, and, therefore, would not have federalism implications.

B. E.O. 13175, Consultation and Coordination With Indian Tribal Governments

Consistent with E.O. 13175, Consultation and Coordination with Indian Tribal Governments,[8] and FAA Order 1210.20, American Indian and Alaska Native Tribal Consultation Policy and Procedures,[9] FAA ensures Federally Recognized Tribes (Tribes) are given the opportunity to provide meaningful and timely input regarding proposed Federal actions that have the potential to affect uniquely or significantly their respective Tribes. At this point, FAA has not identified any unique or significant effects, environmental or otherwise, on Tribes resulting from this proposed rule.

C. E.O. 13211, Regulations That Significantly Affect Energy Supply, Distribution, or Use

FAA analyzed this proposed rule under E.O. 13211, Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use (May 18, 2001). FAA has determined it would not be a ''significant energy action'' under the E.O. and would not be likely to have a significant adverse effect on the supply, distribution, or use of energy.

D. E.O. 13609, Promoting International Regulatory Cooperation

E.O. 13609, Promoting International Regulatory Cooperation, promotes international regulatory cooperation to (1) meet shared challenges involving health, safety, labor, security, environmental, and other issues and to reduce, eliminate, or (2) prevent unnecessary differences in regulatory requirements. FAA has analyzed this action under the policies and agency responsibilities of E.O. 13609 and has determined this action would have no effect on international regulatory cooperation.

[8] 65 FR 67249 (November 6, 2000).

[9] See FAA Order No. 1210.20 (January 28, 2004), available at *www.faa.gov/documentLibrary/media/1210.pdf.*

E. E.O. 14192, Unleashing Prosperity Through Deregulation

This proposed rule, if finalized as proposed, is expected to be an E.O. 14192 deregulatory action.

VII. Additional Information

A. Comments Invited

FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. FAA also invites comments relating to the economic, environmental, or federalism impacts that might result from adopting the proposals in this document. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should submit only one time if comments are filed electronically, or commenters should send only one copy of written comments if comments are filed in writing.

FAA will file in the docket all comments it receives, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rule. Before acting on this proposal, FAA will consider all comments it receives on or before the closing date for comments. FAA will consider comments filed after the comment period has closed if it is possible to do so without incurring expense or delay. FAA may change this proposal in light of the comments it receives.

B. Confidential Business Information

Confidential Business Information (CBI) is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and is relevant or responsive to this NPRM, it is important you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as ''PROPIN.'' FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to the person in the **FOR FURTHER INFORMATION CONTACT** section of this document. Any commentary FAA receives that is not specifically designated as CBI will be placed in the public docket for this rulemaking.

C. Electronic Access and Filing

A copy of this NPRM, all comments received, any final rule, and all background material may be viewed online at *www.regulations.gov* using the docket number listed above. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded from the Office of the Federal Register's website at *www.federalregister.gov* and the Government Publishing Office's website at *www.govinfo.gov.* A copy may also be found at FAA's Regulations and Policies website at *www.faa.gov/regulations_policies.*

Copies may also be obtained by sending a request to the Federal Aviation Administration, Office of Rulemaking, ARM–1, 800 Independence Avenue SW, Washington, DC 20591, or by calling (202) 267–9677. Requesters must identify the docket or notice number of this rulemaking.

All documents FAA considered in developing this proposed rule, including economic analyses and technical reports, may be accessed in the electronic docket for this rulemaking.

D. Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121, 110 Stat. 857, Mar. 29, 1996) requires FAA to comply with small entity requests for information or advice about compliance with statutes and regulations within its jurisdiction. A small entity with questions regarding this document may contact its local FAA official or the person listed under the **FOR FURTHER INFORMATION CONTACT** heading at the beginning of the preamble. To find out more about SBREFA on the internet, visit *www.faa.gov/regulations_policies/rulemaking/sbre_act/.*

List of Subjects in 14 CFR Part 450

Aircraft, Aviation safety, Environmental protection, Investigations, Reporting and recordkeeping requirements, Space transportation and exploration.

The Proposed Amendments

For the reasons discussed in the preamble, the Federal Aviation Administration proposes to amend chapter III of title 14, Code of Federal Regulations, as follows:

PART 450—LAUNCH AND REENTRY LICENSE REQUIREMENTS

■ 1. The authority citation for part 450 is revised to read as follows:

Authority: 51 U.S.C. Chapter 509.

■ 2. Revise § 450.163 to read as follows:

§ 450.163 Lightning hazard mitigation.

* * * * *

(b) *Lightning hazard mitigation exception.* An operator is not required to comply with paragraph (a) of this section for descending phases of flight if, once a vehicle descends to an altitude where lightning is foreseeable, the vehicle's further flight path, including that of any possible resulting debris, is constrained by physics to remain within any area clear of the public and critical assets.

(c) *Application requirements.*

(1) An applicant electing to comply with paragraph (a)(1) of this section must submit flight commit criteria that mitigate the potential for a launch or reentry vehicle intercepting or initiating a direct lightning strike, or encountering a nearby lightning discharge.

(2) An applicant electing to comply with paragraph (a)(2) of this section must submit documentation providing evidence that the vehicle is designed to protect safety-critical systems against the effects of a direct lightning strike or nearby discharge.

(3) An applicant utilizing the exception described by paragraph (b) of this section must submit the following:

(i) A description of a valid method for determining the limits of the flight path, including that of any possible resulting debris. The description must demonstrate compliance with § 450.101(g) by documenting:

(A) The scientific principles and statistical methods used, with associated assumptions and their justifications; and

(B) Evidence for validation and verification.

(ii) Representative limits of the vehicles flight path, including that of any possible resulting debris, as obtained by conducting an analysis for a representative mission that utilizes the method described by paragraph (c)(3)(i) of this section.

(iii) A description of the methods used to ensure that the areas are cleared of the public and critical assets.

Issued under authority provided by 49 U.S.C. 106(f) and 51 U.S.C. chapter 509 in Washington, DC.

Minh A. Nguyen,

Deputy Associate Administrator, Office of Commercial Space Transportation.

[FR Doc. 2026–20391 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 450

[Docket No.: FAA–2026–9941; Notice No. 26–19]

RIN 2120–AM31

Overpressure Blast Effects Analysis Burden Reducing Clarification

AGENCY: Federal Aviation Administration (FAA), U.S. Department of Transportation (DOT).

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: FAA proposes to amend its commercial space launch and reentry licensing regulations to streamline the licensing process and reduce regulatory burden for license applicants. Specifically, FAA proposes to amend the regulations to state that a far-field overpressure blast effects analysis required for license applicants does not need to account for members of the public in hypothetical locations.

DATES: Send comments on or before November 4, 2026.

ADDRESSES: Send comments identified by docket number FAA–2026–9941 using any of the following methods:

- *Federal eRulemaking Portal:* Go to *www.regulations.gov* and follow the online instructions for sending your comments electronically.
- *Mail:* Send comments to Docket Operations; U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE, West Building, 5th Floor (W58–213), Washington, DC 20590–0001.
- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W58–213 of the West Building, 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- *Fax:* Fax comments to Docket Operations at (202) 493–2251.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to inform its rulemaking process better. DOT posts these comments, without edit, including any personal information the commenter provides, to *www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *www.dot.gov/privacy.*

Docket: Background documents or comments received may be read at *www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W58–213 of the West Building 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Lisa E. Cacciatore, Office of Commercial Space Transportation, Federal Aviation Administration, 1200 New Jersey Avenue SE, Washington, DC 20590; telephone (202) 880–1489; email *Lisa.E.Cacciatore@faa.gov.*

SUPPLEMENTARY INFORMATION:

I. Overview

In accordance with Executive Order (E.O.)14335, ''Enabling Competition in the Commercial Space Industry,'' FAA proposes to amend its commercial space launch and reentry regulations at 14 CFR part 450 to further streamline the commercial licensing process. Specifically, FAA proposes to amend 14 CFR 450.137(c)(6) to clarify that a far-field overpressure blast effect analysis does not need to account for hypothetical locations of members of the public. This clarification would help industry comply with the regulation by allowing operators to use existing data and would allow FAA to evaluate existing locations faster.

II. Authority for This Rulemaking

The Commercial Space Launch Act of 1984, as amended and codified at 51 U.S.C. 50901–50924, authorizes the Secretary of Transportation to oversee, license, and regulate commercial launch and reentry activities, and the operation of launch and reentry sites within the United States (U.S.) or as carried out by U.S. citizens. Section 50905 directs the Secretary to exercise this responsibility consistent with public health and safety, safety of property, and the national security and foreign policy interests of the United States. In addition, section 50903 requires the Secretary to encourage, facilitate, and promote commercial space launches and reentries by the private sector. As codified in 49 CFR 1.83(b), the Secretary has delegated authority to the FAA Administrator to carry out these functions.

III. Background

FAA has established commercial space regulations governing licensing of launch and reentry in 14 CFR chapter III. On December 10, 2020, FAA issued a final rule consolidating all substantive launch and reentry licensing regulations into a new part 450 (85 FR 79566) that went into effect on March 10, 2021.

On August 13, 2025, the President issued E.O. 14335, ''Enabling Competition in the Commercial Space Industry,'' requiring the Secretary of Transportation to ''reevaluate, amend, or rescind'' the part 450 regulations for the purpose of further streamlining the commercial licensing process. This proposed rule is being published in furtherance of this E.O.

The safety criteria in 14 CFR 450.101(a) and (b) provide that a vehicle operator may only initiate launch or reentry of a vehicle if the risk to any individual member of the public, excluding neighboring operations personnel, is less than or equal to a probability of casualty of 1×10^{-6} and the risk to any individual neighboring operations personnel is less than or equal to a probability of casualty of 1×10^{-5}. To demonstrate compliance with these criteria, an operator is required by § 450.113 to perform and document a flight safety analysis for all phases of flight, with certain exceptions. Under § 450.137, a flight safety analysis must include a far-field overpressure blast effect analysis. Section 450.137(c)(6) requires that analysis to include ''[t]abular data and graphs showing the hypothetical location of any member of the public that could be exposed to a probability of casualty of 1×10^{-5} or greater for neighboring operations personnel, and 1×10^{-6} or greater for other members of the public, given foreseeable conditions.''

Some applicants have expressed confusion about usage of the word ''hypothetical'' in paragraph (c)(6) and asked for clarification from FAA regarding whether the paragraph requires applicants to engage in a speculative exercise of identifying hypothetical locations where members of the public might be exposed to risk from far-field overpressure.

IV. Discussion of the Proposal

The proposed rule would amend § 450.137(c)(6) by removing the word ''hypothetical'' before ''location.'' Far-field overpressure poses a potential risk to people near windows; the intent of the current requirement is to identify the location of existing windows where people could be exposed to individual risk greater than the criteria listed in § 450.101(a) and (b). The proposed change would clarify this intended reading of the paragraph for operators.

The proposed rule would also eliminate the first use of the phrase ''members of the public'' from the current language of § 450.137(c)(6), which states ''the hypothetical location of any member of the public . . . .'' The current language is redundant, as ''neighboring operations personnel'' and ''other members of the public'' are already identified in § 450.137(c)(6) as the groups that should be considered for probability of casualty. This change would clarify the regulations, but would not change their effect.

V. Regulatory Notices and Analyses

A. Regulatory Impact Analysis

E.O. 12866 (''Regulatory Planning and Review'') and E.O. 13563 (''Improving Regulation and Regulatory Review'') require agencies to regulate in the ''most cost-effective manner,'' to make a ''reasoned determination that the benefits of the intended regulation justify its costs,'' and to develop regulations that ''impose the least burden on society.'' The Office of Management and Budget has determined this proposed rule is not a significant regulatory action as defined in Section 3(f) of E.O. 12866.

Currently, operators must conduct a flight safety analysis that includes a far-field overpressure blast effect analysis, which must account for the hypothetical location of any member of the public that could be exposed to a probability of casualty of 1×10^{-5} or greater for neighboring operations personnel, and 1×10^{-6} or greater for other members of the public. The proposed rule would remove the word ''hypothetical'' in § 450.137(c)(6) to clarify that, when conducting a far-field overpressure blast effect analysis, vehicle operators only need to focus on existing locations where occupants could be at risk, rather than speculative locations. FAA expects the proposed rule to result in minor cost savings for both FAA and license applicants by preventing the need for correspondence on which locations must be included in the analysis.

B. Regulatory Flexibility Act

Under the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), agencies must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rulemaking on small entities (*i.e.,* small businesses, small organizations, and small government jurisdictions). No regulatory flexibility analysis is required, however, if the head of an agency certifies that the proposed rule would not have a significant economic impact on a substantial number of small entities. FAA has concluded and hereby certifies that this proposed rule would not have a significant economic impact on a substantial number of small entities; therefore, an analysis is not included.

C. International Trade Impact Assessment

The Trade Agreements Act of 1979 (Pub. L. 96–39), as amended by the Uruguay Round Agreements Act (Pub. L. 103–465), prohibits Federal agencies from establishing standards or engaging in related activities that create unnecessary obstacles to the foreign commerce of the United States. Pursuant to these Acts, the establishment of standards is not considered an unnecessary obstacle to the foreign commerce of the United States, so long as the standard has a legitimate domestic objective, such as the protection of safety, and does not operate in a manner that excludes imports that meet this objective. The statute also requires consideration of international standards and, where appropriate, they be the basis for US standards.

FAA has assessed the potential effect of this proposed rule and determined that it would not create unnecessary obstacles to the foreign commerce of the United States.

D. Unfunded Mandates Assessment

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) governs the issuance of Federal regulations that require unfunded mandates. An unfunded mandate is a regulation that requires a State, local, or Tribal government or the private sector to incur direct costs without the Federal Government having first provided the funds to pay those costs. FAA determined the proposed rule would not result in the expenditure of $193,000,000 or more ($100,000,000 adjusted for inflation using the most current Implicit Price Deflator for the Gross Domestic Product) by State, local, or Tribal governments, in the aggregate, or the private sector, in any one year.

E. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) requires FAA consider the impact of paperwork and other information collection burdens imposed on the public. FAA has determined there would be no new requirement for information collection associated with this proposed rule.

F. International Compatibility

In keeping with U.S. obligations under the Convention on International Civil Aviation, it is FAA policy to conform to International Civil Aviation Organization (ICAO) Standards and Recommended Practices to the maximum extent practicable. FAA has determined there are no ICAO Standards and Recommended Practices that correspond to these proposed regulations.

G. Environmental Analysis

The Department has analyzed the environmental impacts of this notice of proposed rulemaking pursuant to the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321, *et seq.*). FAA has determined this proposed rule is categorically excluded pursuant to FAA Order 1050.1G. Categorical exclusions are categories of actions FAA has determined normally do not significantly affect the quality of the human environment and therefore do not require either an environmental assessment (EA) or environmental impact statement (EIS). In analyzing the applicability of a categorical exclusion, FAA must also consider whether extraordinary circumstances are present that would warrant the preparation of an EA or EIS. This rulemaking, which would state that a far-field overpressure blast effects analysis required for license applicants does not need to account for members of the public in hypothetical locations, is categorically excluded pursuant to FAA Order 1050.1G, Appendix B, Paragraph B–2.6(f), which categorically excludes issuance of regulatory documents. FAA does not anticipate any environmental impacts, and there are no extraordinary circumstances present in connection with this rulemaking.

VI. E.O. Determinations

A. E.O. 13132, Federalism

FAA has analyzed this proposed rule under the principles and criteria of E.O. 13132, Federalism. FAA has determined this action would not have a substantial direct effect on the States, or the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government, and, therefore, would not have federalism implications.

B. E.O. 13175, Consultation and Coordination With Indian Tribal Governments

Consistent with E.O. 13175, Consultation and Coordination with Indian Tribal Governments,[1] and FAA Order 1210.20, American Indian and Alaska Native Tribal Consultation Policy and Procedures,[2] FAA ensures Federally Recognized Tribes (Tribes) are given the opportunity to provide meaningful and timely input regarding proposed Federal actions that have the potential to affect uniquely or significantly their respective Tribes. At this point, FAA has not identified any unique or significant effects, environmental or otherwise, on Tribes resulting from this proposed rule.

C. E.O. 13211, Regulations That Significantly Affect Energy Supply, Distribution, or Use

FAA analyzed this proposed rule under E.O. 13211, Actions Concerning Regulations that Significantly Affect Energy Supply, Distribution, or Use (May 18, 2001). FAA has determined it would not be a ''significant energy action'' under the E.O. and would not be likely to have a significant adverse effect on the supply, distribution, or use of energy.

D. E.O. 13609, Promoting International Regulatory Cooperation

E.O. 13609, Promoting International Regulatory Cooperation, promotes international regulatory cooperation to (1) meet shared challenges involving health, safety, labor, security, environmental, and other issues and to reduce, eliminate, or (2) prevent unnecessary differences in regulatory requirements. FAA has analyzed this action under the policies and agency responsibilities of E.O. 13609 and has determined this action would have no effect on international regulatory cooperation.

E. E.O. 14192, Unleashing Prosperity Through Deregulation

This proposed rule, if finalized as proposed, is expected to be an E.O. 14192 deregulatory action.

VII. Additional Information

A. Comments Invited

FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. FAA also invites comments relating to the economic, environmental, or federalism impacts that might result from adopting the proposals in this document. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should submit only one time if comments are filed electronically, or commenters should send only one copy of written comments if comments are filed in writing.

FAA will file in the docket all comments it receives, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rule. Before acting on this proposal, FAA will consider all comments it receives on or before the closing date for comments. FAA will consider comments filed after the comment period has closed if it is possible to do so without incurring expense or delay. FAA may change this proposal in light of the comments it receives.

B. Confidential Business Information

Confidential Business Information (CBI) is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and is relevant or responsive to this NPRM, it is important you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as ''PROPIN.'' FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to the person in the **FOR FURTHER INFORMATION CONTACT** section of this document. Any commentary FAA receives that is not specifically designated as CBI will be placed in the public docket for this rulemaking.

C. Electronic Access and Filing

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[1] 65 FR 67249 (November 6, 2000).

[2] FAA Order No. 1210.20 (January 28, 2004), available at: *www.faa.gov/documentLibrary/media/1210.pdf.*

website at *www.faa.gov/regulations_policies.*

Copies may also be obtained by sending a request to the Federal Aviation Administration, Office of Rulemaking, ARM–1, 800 Independence Avenue SW, Washington, DC 20591, or by calling (202) 267–9677. Requesters must identify the docket or notice number of this rulemaking.

All documents FAA considered in developing this proposed rule, including economic analyses and technical reports, may be accessed in the electronic docket for this rulemaking.

D. Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121, 110 Stat. 857, Mar. 29, 1996) requires FAA to comply with small entity requests for information or advice about compliance with statutes and regulations within its jurisdiction. A small entity with questions regarding this document may contact its local FAA official or the person listed under the **FOR FURTHER INFORMATION CONTACT** heading at the beginning of the preamble. To find out more about SBREFA on the internet, visit *www.faa.gov/regulations_policies/rulemaking/sbre_act/.*

List of Subjects in 14 CFR Part 450

Aircraft, Aviation safety, Environmental protection, Investigations, Reporting and recordkeeping requirements, Space transportation and exploration.

The Proposed Amendments

For the reasons discussed in the preamble, the Federal Aviation Administration proposes to amend chapter III of title 14, Code of Federal Regulations, as follows:

PART 450—LAUNCH AND REENTRY LICENSE REQUIREMENTS

■ 1. The authority citation for part 450 is revised to read as follows:

Authority: 51 U.S.C. chapter 509.

■ 2. Revise § 450.137(c)(6) to read as follows:

§ 450.137 Far-field overpressure blast effects analysis.

* * * * *

(c) * * *

(6) Tabular data and graphs showing the locations where neighboring operations personnel could be exposed to a probability of casualty of 1×10^{-5} or greater, and where other members of the public could be exposed to a probability of casualty of 1×10^{-6} or greater, given foreseeable conditions;

* * * * *

Issued under authority provided by 49 U.S.C. 106(f) and 51 U.S.C. chapter 509 in Washington, DC.

Minh A. Nguyen,

Deputy Associate Administrator, Office of Commercial Space Transportation.

[FR Doc. 2026–20392 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF COMMERCE

Census Bureau

15 CFR Parts 60 and 70

[Docket No. 260903–0005]

RIN 0607–AA75

Decennial Census of the Population of Americans; Proposed Residence Criteria and Proposed Regulations for Demographic Questions; Extension of Comment Period

AGENCY: Census Bureau, Department of Commerce.

ACTION: Proposed rule; extension of comment period.

SUMMARY: The Census Bureau is extending the comment period for the proposed rule entitled, ''Decennial Census of the Population of Americans; Proposed Residence Criteria and Proposed Regulations for Demographic Questions,'' that was published in the **Federal Register** on September 10, 2026. The proposed rule's comment period, which would have ended on October 13, 2026, is extended until November 2, 2026.

DATES: Submit comments on or before November 2, 2026.

ADDRESSES: You may submit comments on this document, identified by FDMS Docket number USBC–2026–0628, by any of the following methods:

- *Electronic Submission:* Submit all electronic public comments via the Federal e-Rulemaking Portal. Go to *https://www.regulations.gov* and enter USBC–2026–0628 in the Search box. Click on the ''Comment'' icon, complete the required fields, and enter or attach your comments.
- *Mail:* Submit written comments to 4600 Silver Hill Road, Designation: ADDEMO/FRN, Washington, DC 20746.
- *Instructions:* Comments sent by any other method, to any other address or individual, or received after the end of the comment period, may not be considered by Census. All comments received are a part of the public record and will generally be posted for public viewing on *www.regulations.gov* without change. All personal identifying information (*e.g.,* name, address), confidential business information, or otherwise sensitive information submitted voluntarily by the sender will be posted and publicly accessible. Census will accept anonymous comments (enter ''N/A'' in the required fields if you wish to remain anonymous). However, comments containing offensive or threatening language will not be posted.

FOR FURTHER INFORMATION CONTACT: Daniel Sweeney, Deputy General Counsel for Economic, Statistical, and Regulatory Affairs, Office of the General Counsel, Department of Commerce, at (301) 996–3533.

SUPPLEMENTARY INFORMATION: On September 10, 2026, the U.S. Census Bureaus published a proposed rule entitled, ''Decennial Census of the Population of Americans; Proposed Residence Criteria and Proposed Regulations for Demographic Questions'' in the **Federal Register** (91 FR 57524). This document extends the comment period from October 13, 2026, to November 2, 2026. The proposed rule would add two new parts to the Code of Federal Regulations governing the decennial census of population and housing. First, the Census Bureau is proposing to add a part outlining the residence criteria used for identifying each person's ''usual residence,'' as needed to determine whether and where to count them in the census of the population throughout the United States. Second, the Census Bureau is proposing to add a part establishing standards and restrictions for the inclusion of certain demographic questions on the decennial census short-form questionnaire and any other questionnaire used for the enumeration of the population. Although these two parts are somewhat related and complementary, each is being proposed independently based on its own merits.

Instructions for the submission of comments are found in the **ADDRESSES** section of this document.

Dated: October 1, 2026.

Daniel Sweeney,

Deputy General Counsel for Economic, Statistical, and Regulatory Affairs.

[FR Doc. 2026–20328 Filed 10–2–26; 8:45 am]

BILLING CODE 3510–07–P

CONSUMER PRODUCT SAFETY COMMISSION

16 CFR Parts 1112 and 1265

[Docket No. CPSC–2025–0012]

RIN 3041–AE10

Safety Standard for Lithium-Ion Batteries Used in Micromobility Products and Electrical Systems of Micromobility Products Containing Such Batteries

AGENCY: Consumer Product Safety Commission.

ACTION: Announcement of opportunity for oral presentation of comments.

SUMMARY: The Consumer Product Safety Commission (Commission or CPSC) is providing an opportunity for interested parties to present oral comments on the notice of proposed rulemaking (NPRM) the Commission issued for a safety standard for lithium-ion batteries. Oral presentations must be limited to matters within the scope of the NPRM. Any oral comments will become part of the rulemaking record.

DATES: The virtual meeting will begin at 10 a.m. Eastern time on October 21, 2026. Any individual interested in making an oral presentation must submit a request to make an oral presentation to the Office of the Secretary, along with the written text of the oral presentation. Request must be received no later than 5 p.m. Eastern time on October 15, 2026. All attendees planning to present must pre-register no later than 5 p.m. Eastern time on October 15, 2026, at the website in **ADDRESSES**.

ADDRESSES: The opportunity to present oral presentation of comments will be held virtually as a webinar meeting at *https://events.gcc.teams.microsoft.com/event/49fa92df-dd39-4c16-803b-cd59dd7847b8@7f5de26c-a63d-475c-9b6c-4126a914e132?source=copyLinkLegacyShareLinkDialog.* Attendance is free of charge. Requests to make oral presentations must provide the written text of oral presentations to the Office of the Secretary, with the caption, ''Lithium-Ion Battery NPRM; Oral Presentation,'' by email to *cpsc-os@cpsc.gov.* All attendees planning to present must pre-register for the webinar online at: *https://events.gcc.teams.microsoft.com/event/49fa92df-dd39-4c16-803b-cd59dd7847b8@7f5de26c-a63d-475c-9b6c-4126a914e132?source=copyLinkLegacyShareLinkDialog,* no later than 5 p.m. Eastern time on October 15, 2026. After registering, presenters will receive a confirmation email containing information about joining the webinar. All other individuals who wish to attend the meeting virtually but are not presenting should register using the same internet link provided above before the start of the hearing.

FOR FURTHER INFORMATION CONTACT: For further information about the subject matter of this hearing, contact Jay Kadiwala, Project Manager, Electrical Engineer, Office of Risk Reduction, Consumer Product Safety Commission, National Product Testing and Evaluation Center, 5 Research Place, Rockville, MD 20850; telephone: (301) 987–2517; email: *jkadiwala@cpsc.gov.* For information about the hearing procedure to make an oral presentation, contact Alberta E. Mills, Office of the Secretary; telephone: 301–504–7479; email: *cpsc-os@cpsc.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

On June 24, 2026, the Commission published an NPRM in the **Federal Register**, proposing to issue a safety standard for lithium-ion batteries used in micromobility products under the Consumer Product Safety Act (CPSA; 15 U.S.C. 2051–2089), and seeking written comments. 91 FR 38162. The NPRM seeks to address the unreasonable risk of injury and death associated with micromobility products due to hazards such as thermal runaway of lithium cells, which can lead to fires, explosions, gas releases, burns, overheating, and smoke inhalation. The NPRM proposes that electrical systems using lithium-ion batteries in micromobility products comply with applicable voluntary standards, with modifications. The NPRM is available at: *https://www.federalregister.gov/documents/2026/06/24/2026-12749/safety-standard-for-lithium-ion-batteries-used-in-micromobility-products-and-electrical-systems-of.*

II. The Public Hearing

The Administrative Procedure Act (5 U.S.C. 551–562) and section 9 of the CPSA require the Commission to provide interested parties with an opportunity to submit ''written data, views, or arguments'' regarding a proposed rule. 5 U.S.C. 553(c); *see* 15 U.S.C. 2058(d)(2). The NPRM invited such written comments. In addition, section 9 of the CPSA requires the Commission to provide interested parties ''an opportunity for oral presentation of data, views, or arguments.'' 15 U.S.C. 2058(d)(2). The Commission must keep a transcript of such oral presentations. *Id.* The Commission received requests to present and, in accordance with the requirement in section 9 of the CPSA, the Commission is providing a forum for oral opportunity to make an oral presentation, see the information under the **DATES** and **ADDRESSES** sections of this document.[1] Each oral presentation will be limited to 5 minutes, excluding time for questioning by the Commissioners or CPSC staff. Oral presentations must be limited to matters within the scope of the NPRM identified in this notice. To avoid duplicate presentations, groups or participants with substantially similar comments should designate a spokesperson, and the presiding officer may impose additional reasonable restrictions as necessary for the orderly and efficient conduct of the hearing.

Alberta E. Mills,

Secretary, Consumer Product Safety Commission.

[FR Doc. 2026–20296 Filed 10–2–26; 8:45 am]

BILLING CODE 6355–01–P

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Part 1010

RIN 1506–AB77

Proposal of Special Measure Prohibiting the Transmittal of Funds Regarding Transactions Involving the A7 Network's Sub-Agents

AGENCY: Financial Crimes Enforcement Network (FinCEN), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: FinCEN is issuing a finding and notice of proposed rulemaking, pursuant to section 9714(a) of the Combating Russian Money Laundering Act (Public Law 116–283), as amended by section 6106(b) of the National Defense Authorization Act for Fiscal Year 2022 (Public Law 117–81), finding transactions involving any company operating outside of the United States that is controlled by the A7 Network, a sanctions evasion and money laundering service with ties to Russia, leveraged by a wide range of illicit actors, including Iran and its terrorist proxies, to be a class of transactions of primary money laundering concern in connection with Russian illicit finance and proposing the imposition of a prohibition on certain transmittals of funds, by any covered financial institution, involving that class of transactions.

[1] The Commission voted 3–0 to publish this notification.

DATES: Written comments on the notice of proposed rulemaking must be submitted on or before November 4, 2026.

ADDRESSES: Comments must be submitted in one of the following two ways (please choose only one of the ways listed):

- *Federal E-rulemaking Portal: https://www.regulations.gov.* If you are reading this document on *federalregister.gov*, you may use the green ''SUBMIT A PUBLIC COMMENT'' button beneath this rulemaking's title to submit a comment to the *regulations.gov* docket.
- *Mail:* Financial Crimes Enforcement Network, P.O. Box 39, Vienna, VA 22183. Refer to Docket Number FINCEN–2026–0265 in the submission.

Do not include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments are public records; they are publicly displayed exactly as received, and will not be deleted, modified, or redacted. Comments may be submitted anonymously. Follow the search instructions on *https://www.regulations.gov* to view public comments.

FOR FURTHER INFORMATION CONTACT: FinCEN's Regulatory Support Section by submitting an inquiry at *www.fincen.gov/contact.*

SUPPLEMENTARY INFORMATION:

I. Summary of Notice of Proposed Rulemaking

This notice of proposed rulemaking (NPRM) (1) sets forth FinCEN's finding that transactions involving any company operating outside of the United States that is controlled by the A7 Network [1] (a ''Sub-Agent'' and, collectively, the ''Sub-Agents''), are a class of transactions of primary money laundering concern in connection with Russian illicit finance; and (2) proposes prohibiting certain transmittals of funds involving that class of transactions by any covered financial institution. As set out in this NPRM, transactions involving any Sub-Agent fall within a class of transactions of primary money laundering concern in connection with Russian illicit finance, as such transactions present a material risk of facilitating funds transfers designed to evade sanctions by illicit actors, including Russian and Iranian persons that have been designated by Treasury's Office of Foreign Assets Control (OFAC), such as the Islamic Revolutionary Guard Corps (IRGC), and intended to support illicit activities, including sanctions evasion involving or benefitting Russian and Iranian clients.

II. Background

A. Statutory Provisions

Section 9714(a) of the Combating Russian Money Laundering Act (Pub. L. 116–283), as amended by section 6106(b) of the National Defense Authorization Act for Fiscal Year 2022 (Pub. L. 117–81) (section 9714),[2] provides, in relevant part, that, if the Secretary of the Treasury (Secretary) ''determines that reasonable grounds exist for concluding that . . . one or more classes of transactions within, or involving, a jurisdiction outside the United States . . . is of primary money laundering concern in connection with Russian illicit finance,'' the Secretary may, ''by order, regulation, or otherwise as permitted by law'': (1) require domestic financial institutions and domestic financial agencies to take 1 or more of the special measures described in 31 U.S.C. 5318A(b); [3] or (2) prohibit, or impose conditions upon, certain transmittals of funds (as defined by the Secretary) by any domestic financial institution or domestic financial agency, if such transmittal of funds involves any such class of transaction. The authority of the Secretary to administer both section 9714 and the Bank Secrecy Act (BSA) has been delegated to FinCEN.[4]

Pursuant to section 9714, the Secretary may impose one or more of six special measures. First, the Secretary may impose any of the five special measures provided for in 31 U.S.C. 5318A(b), commonly known as section 311 of the USA PATRIOT Act.[5] Through special measures one through four, the Secretary may impose additional recordkeeping, information collection, and reporting requirements on covered financial institutions.[6] Through special measure five, the Secretary, in consultation with the Secretary of State, the Attorney General, and the Chairman of the Board of Governors of the Federal Reserve System, may ''prohibit, or impose conditions upon, the opening or maintaining in the United States of a correspondent account or payable-through account'' for or on behalf of a foreign banking institution, if such correspondent account or payable-through account involves the class of transactions found to be of primary money laundering concern.[7] In addition to the special measures set out in 31 U.S.C. 5318A, section 9714 also provides that the Secretary may impose a special measure prohibiting, or imposing conditions upon, certain transmittals of funds.[8]

B. A7 Network and its Sub-Agents

The OFAC-sanctioned transnational criminal organization (TCO), A7 Network, is a global wholesale sanctions evasion and money laundering service with ties to Russia, leveraged by a wide range of illicit actors, including Iran and its terrorist proxies. Approximately 80 percent of Russian banks have been sanctioned by the United States, United Kingdom, and European Union since 2022, and numerous key Russian banks have lost their access to the Society of Worldwide Interbank Financial Telecommunication (SWIFT).[9] U.S., European Union (EU), and/or United Kingdom (UK) sanctions and the resulting ''de-SWIFTing'' of Russian banks have significantly curtailed Russia's connectivity to the international financial system, leaving a void for the A7 Network to fill. Against that backdrop and although the A7 Network markets itself as merely an alternative payment system, the A7 Network was formally launched in September 2024 as a purpose-built mechanism to evade Western sanctions imposed in response to Russia's further

[1] On October 1, 2026, the Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned the A7 Network pursuant to Executive Order 13581, as amended by Executive Order 13863, for being a foreign person that constitutes a significant Transnational Criminal Organization. *See* U.S. Department of the Treasury, *Operation Economic Outcast Takes Unprecedented Action Against Sanctions Evasion Network Used by Iran* (Oct. 1, 2026).

[2] Section 9714 (as amended) may be found in a note to 31 U.S.C. 5318A.

[3] *See infra* note [4].

[4] Pursuant to Treasury Order 180–01, the authority of the Secretary to administer the BSA, including, but not limited to, 31 U.S.C. 5318A, has been delegated to the Director of FinCEN. U.S. Department of the Treasury, Treasury Order 180–01 (Jan. 14, 2020). On August 11, 2022, and in accordance with Treasury Order 101–05 and 31 U.S.C. 321(b), Treasury's Under Secretary for Terrorism & Financial Intelligence re-delegated to the Director of FinCEN the authority of the Secretary under section 9714.

[5] *See* 31 U.S.C. 5318A. 31 U.S.C. 5318A grants the Secretary the authority, upon finding that reasonable grounds exist for concluding that one or more financial institutions operating outside of the United States is of primary money laundering concern, to require domestic financial institutions and domestic financial agencies to take certain ''special measures.'' Regarding the ''special measures'' that might be imposed, section 9714 references the five special measures set out in 31 U.S.C. 5318A(b)(1)–(5).

[6] 31 U.S.C. 5318A(b)(1)–(4).

[7] 31 U.S.C. 5318A(b)(5).

[8] *See* section 9714(a)(2).

[9] Congressional Research Service, *Russia's War on Ukraine: Financial and Trade Sanctions* (Feb. 22, 2023), at p. 2, *https://www.congress.gov/crs-product/IF12062.*

invasion of Ukraine in 2022.[10] However, as a self-described sanctions-resistant payment service provider, the A7 Network has evolved into a conduit for illicit activity associated with a wide range of threat actors, including North Korea (DPRK);Iran-backed terrorist organizations; cybercriminals and ransomware actors; and the IRGC.[11]

The A7 Network's creation was driven by two U.S.-, EU- and UK-designated parties: fugitive Moldovan oligarch Ilan Shor[12] and Russia's state-owned defense bank Promsvyazbank Public Joint Stock Company (PSB).[13] The core of the A7 Network is formed by three Russia-based companies—A7 Liability Company (A7 LLC), and its subsidiaries, A71 Limited Liability Company (A71 LLC) and A7 Agent Limited Liability Company (A7 Agent LLC)—which are jointly owned by Ilan Shor and PSB and subject to sanctions imposed by the United States, EU, and UK.[14] These entities administer the network with and through several Russia- and Kyrgyz Republic-based persons, including businesses and digital asset exchanges subject to sanctions imposed by OFAC and the UK (as well as, in most cases, the EU), including Old Vector LLC, Garantex, Grinex, Independent Decentralized Finance Smartbank and Ecosystem (InDeFi Bank), ExVed, and Garantex co-founder Sergey Mendeleev (Mendeleev).[15] Collectively, these entities leverage companies transacting in both fiat currency and digital assets in complex trade-based money laundering schemes to enable illicit actors to access the international financial system.[16]

Significantly (and as noted above), OFAC has designated the founders and these core components and enablers, as well as sanctioning the A7 Network as a significant TCO.[17] As a result, all property and interests in property of these persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons. In addition, financial institutions and other persons that engage in certain transactions or activities with these sanctioned entities and individuals may expose themselves to sanctions, including making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any designated person, or the receipt of any contribution or provision of funds, goods, or services from any such person, or be subject to an enforcement action.

Building on these actions, FinCEN assesses that the A7 Network has created, and continues to operate, a financial network to further and enable widespread sanctions evasion and the laundering of billions of dollars tied to illicit activity. When A7 LLC was founded in 2024, PSB issued a press release touting the new service as a way to ''support Russian foreign trade participants and their trading partners amid anti-Russian sanctions pressure,'' indicating that sanctions evasion is part of the business model.[18] Speaking at the Russia-China Mutually Beneficial Cooperation forum (ROSTKI) in August 2025, A7 LLC's Vice President Mikhail Tolkunov described A7's core capabilities:

''The company 'A7' was created by PSB Bank [in 2025] and operates in the field of cross border transfers . . . the service allows you to create a personal account remotely and transfer funds within one day with minimal fees. Document management is carried out electronically . . . The platform was created for transfers in any currency, including dollars, yuan, dirhams, and euros. Transfers are completely secure, as our entire financial infrastructure is built on an independent architecture and is not tied to international payment systems. This means

[10] At least some elements of the A7 Network had a job posting listed in early 2026, seeking candidates with experience using SWIFT, and the company has hired staff from major Russian banks—including OFAC-sanctioned Gazprombank, VTB Bank, and Sberbank—suggesting that the A7 Network is intended to supplant the role previously filled by Russia's heavily sanctioned banking sector. HeadHunter, *Manager for work with large and medium-sized businesses* (last accessed July 1, 2026), *https://hh.ru/vacancy/134528312?query=A7+SWIFT&hhtmfrom=vacancy_search_list;* Open Source Centre, *The Big Shor: A7 and the illusion of Russian financial innovation* (2026), at p. 25, *https://static.opensourcecentre.org/assets/osc_a7_big_shor.pdf.*

[11] *See generally* TRM Labs, ''The A7 Leaks: TRM's On-Chain Analysis of Russia's Cryptocurrency Connections'' (June 12, 2026).

[12] Ilan Shor was designated by OFAC in October 2022, pursuant to E.O. 14024, for his involvement in Russian malign influence operations in Moldova. He was previously arrested on money laundering and embezzlement charges related to a 2014 theft valued at approximately USD 1 billion from Moldovan banks. U.S. Department of the Treasury, Press Release, *Treasury Targets Corruption and the Kremlin's Malign Influence Operations in Moldova* (Oct. 26, 2022), *https://home.treasury.gov/news/press-releases/jy1049.* Ilon Shor was also sanctioned by the United Kingdom on December 8, 2022. *See* UK Foreign, Commonwealth and Development Office (FCDO), Uk Sanctions List, *https://search-uk-sanctions-list.service.gov.uk/designations/GAC0029/Individual.*

[13] PSB was designated by OFAC in February 2022, pursuant to E.O. 14024, for issuing billions of dollars in financial support for Russian defense sector companies in its role as Russia's state defense bank. U.S. Department of the Treasury, Press Release, *U.S. Treasury Imposes Immediate Economic Costs in Response to Actions in the Donetsk and Luhansk Regions* (Feb. 22, 2022), *https://home.treasury.gov/news/press-releases/jy0602.* PSB was later redesignated in January 2025, pursuant to E.O. 13662, for operating in the financial services sector of the Russian Federation economy. U.S. Department of the Treasury, Press Release, *Treasury Disrupts Russia's Sanctions Evasion Schemes* (Jan. 15, 2025), *https://home.treasury.gov/news/press-releases/jy2785; see also* Open Source Centre, *The Big Shor: A7 and the Illusion of Russian Financial Innovation* (2026), at. p. 9, *https://static.opensourcecentre.org/assets/osc_a7_big_shor.pdf.*

[14] U.S. Department of the Treasury, Press Release, *Treasury Sanctions Cryptocurrency Exchange and Network Enabling Sanctions Evasion and Cyber Criminals* (Aug. 14, 2025), *https://home.treasury.gov/news/press-releases/sb0225;* FCDO, UK Sanctions List, Several entities, *https://search-uk-sanctions-list.service.gov.uk/?searchValue=promsvyazbank, https://search-uk-sanctions-list.service.gov.uk/?searchValue=A7%2520llc;* European Union Sanctions Tracker, Ilan Shor, *https://data.europa.eu/apps/eusanctionstracker/subjects/153809.*

[15] *See* FCDO, UK Sanctions List, Several entities, *https://search-uk-sanctions-list.service.gov.uk/designations/RUS3614/Individual; https://www.gov.uk/government/news/uk-targets-sanctions-circumvention-and-crypto-networks-exploited-by-russia.* European Union Sanctions tracker, Several entities, *https://data.europa.eu/apps/eusanctionstracker/subjects/179337, https://data.europa.eu/apps/eusanctionstracker/subjects/172907, https://data.europa.eu/apps/eusanctionstracker/subjects/179375.*

[16] *See* U.S. Department of the Treasury, Press Release, *Treasury Sanctions Cryptocurrency Exchange and Network Enabling Sanctions Evasion and Cyber Criminals* (Aug. 14, 2025), *https://home.treasury.gov/news/press-releases/sb0225;* U.S. Department of the Treasury, Press Release, *Treasury Targets Corruption and the Kremlin's Malign Influence Operations in Moldova* (Oct. 26, 2022), *https://home.treasury.gov/news/press-releases/jy1049;* U.S. Department of the Treasury, Press Release, *Treasury Sanctions Russia-Based Hydra, World's Largest Darknet Market, and Ransomware-Enabling Virtual Currency Exchange Garantex* (Apr. 5, 2022), *https://home.treasury.gov/news/press-releases/jy0701;* U.S. Department of the Treasury, Press Release, *U.S. Treasury Imposes Immediate Economic Costs in Response to Actions in the Donetsk and Luhansk Regions* (Feb. 22, 2022), *https://home.treasury.gov/news/press-releases/jy0602.*

[17] On October 1, 2026, the Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned the A7 Network pursuant to Executive Order 13581, as amended by Executive Order 13863, for being a foreign person that constitutes a significant Transnational Criminal Organization. *See* U.S. Department of the Treasury, *Operation Economic Outcast Takes Unprecedented Action Against Sanctions Evasion Network Used by Iran* (Oct. 1, 2026).

[18] Promsvyazbank, *PSB has launched a unique mechanism for crossborder settlements for foreign trade between Russian companies and counterparties from any country* (Oct. 8, 2024), *https://www.oreanda-news.com/en/finansy/promsvyazbank-has-launched-a-mechanism-for-cross-border-settlements/article1531534/.*

we are not threatened by any unilateral restrictions.'' [19]

As of January 2026, the A7 Network claimed to process more than 2,000 transactions per day with a historical total transaction volume of more than 7.5 trillion rubles (RUB), the equivalent of USD 91.5 billion. This would amount to nearly 13 percent of the Russian Federation's 2025 foreign trade transactions, meaning that nearly one in eight dollars of Russia's foreign trade allegedly flows through A7's Network.[20]

There are indications that the Russian government perceives the A7 Network to be a strategically important enterprise. In September 2025 Russian President Vladimir Putin attended the virtual ribbon cutting for the opening of an A7 Network office in Vladivostok, Russia.[21] Several oligarchs with close ties to the Kremlin have reportedly used the A7 Network to make international payments, including UK-sanctioned Roman Abramovich, OFAC-sanctioned former Federal Security Service Director Nikolai Patrushev, OFAC-sanctioned Arkady Rotenberg, and businesses linked to UK-sanctioned Leonid Mikkelson.[22] Moreover, two OFAC-sanctioned Russian financial institutions maintain an interest in the A7 Network, PSB and VEB.RF (VEB), Russia's state-owned development bank.[23] Additionally, a Kyrgyzstan-based company reportedly used the A7 Network to obfuscate transactions related to the purchase of Russian gas supplies for Türkiye following the imposition of sanctions on Russian bank Gazprombank, which typically handles energy transactions.[24]

The scope of the A7 Network's activities is only possible through its global network of Sub-Agents. Shortly after its establishment, the A7 Network began aggressively expanding into new jurisdictions and forming companies—''Sub-Agents''—controlled by the A7 Network and designed to receive and remit payments to facilitate transactions for the A7 Network. The first Sub-Agents were established in the Kyrgyz Republic, and the A7 Network has since established Sub-Agents across Central and East Asia, Africa, Europe, and the Middle East.[25]

The A7 Network has indicated it plans to expand its global footprint, potentially enhancing its reach and ability to move funds outside of the formal financial system into currently untapped regions, including Latin America.[26] Until recently, the A7 Network only had a physical presence in Russia, but in the fall of 2025 the company announced the opening of its first overseas offices in Nigeria and Zimbabwe and signaled aspirations to further expand in Africa.[27] In June 2026, Shor stated that ''A7 plans to operate everywhere.'' [28]

III. Finding That Transactions Involving any Sub-Agent of the A7 Network Are a Class of Transactions of Primary Money Laundering Concern in Connection With Russian Illicit Finance

Based on public and non-public information available to FinCEN, FinCEN finds that reasonable grounds exist for concluding that transactions involving any Sub-Agent of the A7 Network are a class of transactions of primary money laundering concern in connection with Russian illicit finance, as such transactions present a material risk of facilitating funds transfers designed to evade sanctions by illicit actors, including Russian and Iranian persons that have been designated by OFAC, and intended to support illicit activities, including sanctions evasion involving or benefitting Russian and Iranian clients. In making this finding, FinCEN has considered the relevant evidence in light of factors identified in 31 U.S.C. 5318A(c)(2)(B), taking into account the specific circumstances of money laundering activities in connection with Russian illicit finance and the protection of U.S. national security and the U.S. financial system. While FinCEN is under no obligation pursuant to section 9714 to consider any particular factor or set of factors when making a finding that a financial institution operating outside of the United States is of primary money laundering concern in connection with Russian illicit finance, it nonetheless finds these factors instructive in guiding the analysis set forth below.[29]

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[19] Kommersant, *Investment Cooperation Between Russia and China: Growth Points. Kommersants Session at the Third Russia-China International Forum* (Aug. 19, 2025), at p. 2, *https://www.events.kommersant.ru/events/sessiya-na-rostki-2025.*

[20] Centre for Information Resilience, *A7 in Africa* (Apr. 2, 2026), at p. 3, *https://www.info-res.org/app/uploads/2026/04/A7-Africa-Final.pdf.*

[21] Radio Free Europe/Radio Liberty, *A7, Company Implicated In Sanctions Evasion, Reportedly Linked To Russian Oligarchs* (Apr. 30, 2026), *https://www.rferl.org/a/russia-cryptocurrency-a7a5-ilan-shor-investigation-sanction-evasion/33746026.html.*

[22] Radio Free Europe/Radio Liberty, *A7, Company Implicated In Sanctions Evasion, Reportedly Linked To Russian Oligarchs* (Apr. 30, 2026), *https://www.rferl.org/a/russia-cryptocurrency-a7a5-ilan-shor-investigation-sanction-evasion/33746026.html;* UK Foreign, Commonwealth and Development Office Sanctions List, *Roman Arkadyevich Abramovich* (Mar. 10, 2022), *https://search-uk-sanctions-list.service.gov.uk/designations/RUS0270/Individual;* U.S. Department of the Treasury, *Treasury Designates Russian Oligarchs, Officials, and Entities in Response to Worldwide Malign Activity* (Apr. 6, 2018), *https://home.treasury.gov/news/press-releases/sm0338;* U.S. Department of the Treasury, *Treasury Sanctions Russian Officials, Members Of The Russian Leadership's Inner Circle, And An Entity For Involvement In The Situation In Ukraine* (Mar. 20, 2014), *https://home.treasury.gov/news/press-releases/jl23331;* UK Foreign, Commonwealth and Development Office Sanctions List, *Leonid Viktorovich Mikhelson* (Apr. 6, 2022), *https://search-uk-sanctions-list.service.gov.uk/designations/RUS1126/Individual.*

[23] PSB pledged its ownership stake in A7 LLC to VEB as collateral for loans to A7 LLC. Centre for Information Resilience, *A7 Abroad: How A7 Sells International Sanctions Evasion as a Service* (Oct. 2025), at p. 5, *https://www.info-res.org/app/uploads/2025/10/A7-Abroad-FINAL-Copy.pdf.* VEB was sanctioned by OFAC in 2022 at the same time as PSB. U.S. Department of the Treasury, *U.S. Treasury Imposes Immediate Economic Costs in Response to Actions in the Donetsk and Luhansk Regions* (Feb. 22, 2022), *https://home.treasury.gov/news/press-releases/jy0602.* UK Foreign, Commonwealth and Development Office Sanctions List, *Roman Abrahmovich,* (March 10, 2022) *https://search-uk-sanctions-list.service.gov.uk/designations/RUS1126/Individual.*

[24] Radio Free Europe/Radio Liberty, *A7, Company Implicated In Sanctions Evasion, Reportedly Linked To Russian Oligarchs* (Apr. 30, 2026), *https://www.rferl.org/a/russia-cryptocurrency-a7a5-ilan-shor-investigation-sanction-evasion/33746026.html.*

[25] Open Source Centre, *The Big Shor: A7 and the Illusion of Russian Financial Innovation* (2026), at. pp. 25–26, *https://static.opensourcecentre.org/assets/osc_a7_big_shor.pdf.*

[26] *See* Centre for Information Resilience, *A7 Abroad: How A7 Sells International Sanctions Evasion as a Service* (Oct. 2025), at p.8, *https://www.info-res.org/app/uploads/2025/10/A7-Abroad-FINAL-Copy.pdf; see also* Alexander Osipovich, ''Russia's Hottest Startup Is a State-Backed Sanctions Evasion Network,'' *The Wall Street Journal* (Aug. 7, 2026), *https://www.wsj.com/world/russia/russias-hottest-startup-is-a-state-backed-sanctions-evasion-network-7afc488c?mod=article_inline.*

[27] Centre for Information Resilience, *A7 in Africa* (Apr. 2, 2026), at p. 2, *https://www.info-res.org/app/uploads/2026/04/A7-Africa-Final.pdf.*

[28] Reuters, *Russia's A7 transborder payments company plans global expansion* (June 4, 2026), *https://www.reuters.com/business/finance/russias-a7-transborder-payments-company-plans-global-expansion-2026-06-04/.*

[29] 31 U.S.C. 5318A(c)(2)(B) provides, as relevant here, that in making a finding that reasonable grounds exist for concluding that a class of transactions within, or involving, a jurisdiction outside the United States is of primary money laundering concern and to apply one or more of special measures one through four to such a financial institution, the Secretary shall consider such information as the Secretary determines to be relevant, including the following potentially relevant factors:

(1) The extent to which such financial institutions, transactions, or types of accounts are used to facilitate or promote money laundering in or through the jurisdiction, including any money laundering activity by organized criminal groups, international terrorists, or entities involved in the proliferation of weapons of mass destruction or missiles;

(2) The extent to which such institutions, transactions, or types of accounts are used for legitimate business purposes in the jurisdiction; and

(3) The extent to which such action is sufficient to ensure, with respect to transactions involving the

Continued

A. The Extent to Which Transactions Involving any Sub-Agent of the A7 Network Are a Class of Transactions of Primary Money Laundering Concern in Connection With Russian Illicit Finance

As indicated above, the A7 Network provides a financial services infrastructure for clients in Russia and other heavily sanctioned jurisdictions, such as Iran, that enables those clients to make cross-border payments in both fiat currency and digital assets while obscuring the sanctions nexus from U.S. and foreign financial institutions. Importantly, a crucial feature of the A7 Network's financial services infrastructure is, and remains, its use of, and reliance on, its Sub-Agents, offering the A7 Network and its clients a means of obfuscating the involvement of Russian or other sanctioned actors in payments that appear to financial institutions as ordinary commercial activity.

1. The A7 Network's Sub-Agents

Although the core operations of the A7 Network are directed by A7 LLC and its subsidiaries, working with and through several Russia- and Kyrgyz Republic-based businesses and digital asset exchanges, the A7 Network's Sub-Agents are a critical element within the Network's financial services infrastructure, allowing the Network to obfuscate the source and parties to transactions, to access foreign currencies, to make payments appear as ordinary commercial activity, and to circumvent applicable sanctions and other restrictions.

As noted above, shortly after its establishment, the A7 Network began aggressively expanding into new jurisdictions and forming Sub-Agents, with the first Sub-Agents established in Kyrgyz Republic, followed by expansion across Central and East Asia, Africa, Europe, and the Middle East.[30] As of June 2026, the A7 Network has created or acquired hundreds of Sub-Agents, with bank accounts at approximately 435 financial institutions in at least 83 countries.

To establish the Sub-Agents, the A7 Network forms, acquires, or partners with companies in third countries—such as Hong Kong, Indonesia, the Kyrgyz Republic, the Seychelles, Türkiye, and the United Arab Emirates (UAE). Although on paper, these companies are typically represented to be owned or managed by non-Russian third-country nationals, they are ultimately controlled by with the A7 Network.[31] Once established, Sub-Agents provide the A7 Network with access to correspondent banking relationships and foreign-currency liquidity, enabling the A7 Network to transmit value through the international financial system without a Russian or other sanctioned customer appearing in the payment chain and commonly causing financial institutions to be unwitting accomplices.

In a typical A7 Network transaction, the A7 Network customer satisfies its payment obligation through the A7 Network's internal settlement system, while a Sub-Agent located outside of Russia appears as the contracting or paying party on invoices, sales agreements, and payment instructions to the ultimate supplier of a good. In essence, this is a form of trade-based money laundering that leverages Sub-Agents, falsified trade documents, false import-export records, and misleading goods descriptions. In many cases, funds may be transferred between multiple Sub-Agents to create additional layers of obfuscation before arriving at the final destination.[32] Through this process, the Sub-Agents provide the A7 Network with access to correspondent banking relationships, access to the SWIFT network, and foreign-currency liquidity, enabling it to transmit value through the international financial system without a Russian customer appearing in the payment chain.[33]

While funds are typically moved between companies by Moscow-based A7 Network personnel, the A7 Network leverages Virtual Private Networks (VPNs) to create the illusion that these individuals are located outside of Russia and obscuring the connection between Russia and the Sub-Agents.[34] These VPNs typically depend on infrastructure provided by IT companies controlled by Ilan Shor and have operated on the domains muzpan.com and sodkamus.com and often appear to have IP addresses in Dubai, Hong Kong, or the Kyrgyz Republic, thereby disguising the connection to Russia.[35] Thus, there is often no clear indication of a connection between a Sub-Agent and the A7 Network's clients, including, in particular, clients in the heavily sanctioned jurisdiction, on whose behalf the Sub-Agent is transacting. Sub-Agent transactions, however, are likely to exhibit typical money laundering indicators, including transactions in unusually high volumes shortly after the company is formed, inconsistencies between goods descriptions and supplier business profiles, unusual payment routing through A7 Network-controlled companies, and falsified or AI-altered invoices.[36]

FinCEN assesses that the layer of obfuscation provided by Sub-Agents has enabled the A7 Network to circumvent U.S. sanctions and anti-money laundering and countering the financing of terrorism (AML/CFT) controls, tainting the global financial system with billions in illicit funds stemming from, among other activities, Russian and Iranian sanctions evasion.

2. The A7 Network's Use of Financial Instruments Facilitates Illicit Cross-Border Trade

In a typical fiat transaction, the A7 Network facilitates international trade through extensive use of financial instruments, including bills of exchange or promissory notes (referred to as *veksels* in Russian), that record value inside the Network. Specifically, an A7 Network customer provides the A7 Network with information necessary to execute the transaction, which may include supplier information and trade documentation. The A7 Network then satisfies its customer's payment obligation through A7 Network-controlled settlement mechanisms that record value inside the Network.[37] Between September 30, 2024 and July

jurisdiction and institutions operating in the jurisdiction, that the purposes of this subchapter continue to be fulfilled, and to guard against international money laundering and other financial crimes.

[30] Open Source Centre, *The Big Shor: A7 and the Illusion of Russian Financial Innovation* (2026), at pp. 25–26, *https://static.opensourcecentre.org/assets/osc_a7_big_shor.pdf.*

[31] *See* Open Source Centre, *The Big Shor: A7 and the Illusion of Russian Financial Innovation* (2026), at p. 33, *https://static.opensourcecentre.org/assets/osc_a7_big_shor.pdf.*

[32] *A7 Abroad: How A7 Sells International Sanctions Evasion as a Service* (Oct. 2025), at p. 16, *https://www.info-res.org/app/uploads/2025/10/A7-Abroad-FINAL-Copy.pdf.*

[33] Open Source Centre, *The Big Shor: A7 and the illusion of Russian financial innovation* (2026), at pp. 41–42, *https://static.opensourcecentre.org/assets/osc_a7_big_shor.pdf.*

[34] *See* Centre for Information Resilience, *A7A5: Circumventing sanctions with stablecoin cryptocurrency* (June 25, 2025), at p. 15, *https://www.info-res.org/app/uploads/2025/06/A7A5-Report-June-2025-Final-Draft-1.pdf;* Open Source Centre, *The Big Shor: A7 and the Illusion of Russian Financial Innovation* (2026), at pp. 28, 68, *https://static.opensourcecentre.org/assets/osc_a7_big_shor.pdf.*

[35] *See* Open Source Centre, *The Big Shor: A7 and the Illusion of Russian Financial Innovation* (2026), at pp. 26, 39, *https://static.opensourcecentre.org/assets/osc_a7_big_shor.pdf.*

[36] *See* Alexander Osipovich, ''Russia's Hottest Startup Is a State-Backed Sanctions Evasion Network,'' The Wall Street Journal (Aug. 7, 2026). For more information about the use of AI to alter or generate fraudulent documents in furtherance of illicit finance schemes, see FinCEN, FIN–2024–Alert004, ''FinCEN Alert on Fraud Schemes Involving Deepfake Media Targeting Financial Institutions'' (Nov. 14, 2024), at pp. 3–5.

[37] *See* Open Source Centre, *The Big Shor: A7 and the Illusion of Russian Financial Innovation* (2026), at pp. 30–31, *https://static.opensourcecentre.org/assets/osc_a7_big_shor.pdf.*

22, 2025, the A7 Network's clients purchased more than 3,200 bills of exchange worth the equivalent of more than USD 25 billion, indicating that there is robust demand for A7 Network's services.[38] These bills of exchange are purchased by companies and traders—becoming the customer's credit within the system—and each purchase gets them on the A7 Network's ledger, reducing the need to do direct international bank transfers and helping to avoid scrutiny by banks. The A7 Network then assigns a foreign Sub-Agent to appear as the contracting or paying party on invoices, sales agreements, and payment instructions. This enables the payment to be executed from non-Russian bank accounts through correspondent banking and SWIFT channels.[39]

In particular, the A7 Network has honed its process for executing international payments through complex financial arrangements and its constellation of enabling Sub-Agents. The typical process requires a customer to provide the A7 Network with documentation outlining the foreign counterparty requiring payment and attendant bank details, description of the goods being bought, and price. The A7 Network then matches the intended transaction with a relevant Sub-Agent in its global network, many of which are industry-specific to provide plausible cover for transactions.[40] These Sub-Agents do not have any Russians on the board of directors or as shareholders and their bank accounts are managed by A7 Network staff in Russia via VPNs, all to appear as if the companies are being operated from within the country of registration.[41] The A7 Network then uses software that generates fake invoices and trade documents to make the transactions seem legitimate—including by stripping any reference to Russia.[42]

The A7 Network also reportedly maintains reserves of currency in foreign bank accounts, to pay individuals and entities outside of Russia without the need for cross-border transactions. The A7 Network keeps records of the money it receives from its clients in Russia, and the money it sends to external parties to maintain adequate funding on both sides of the border and balance the books, enabling the Russian clients of the A7 Network to evade sanctions and avoid disruption.[43] FinCEN assesses transactions involving the A7 Network's Sub-Agents enable its clients to send or receive money to nearly any country and in nearly any currency—including, U.S. dollars, yuan, dirhams, and euros—by using banks that have correspondent relationships with larger financial institutions that, but for obfuscation by the A7 Network, would not engage in these transactions, permitting illicit actors access to a money laundering platform and decreasing the risk of this activity being identified by investigating authorities.[44]

Using these settlement mechanisms, the A7 Network's clients have reportedly been able to transact with counterparties in Africa, Asia, Europe, North America, and South America despite the restrictive sanctions on Russian banks.[45]

3. The A7 Network's Creation and Use of the A7A5 Stablecoin

In parallel with its fiat settlement mechanism, the A7 Network may use digital assets, including A7A5, a ruble-backed stablecoin that operates on the Tron and Ethereum blockchains,[46] [47] to transfer value across A7 Network-linked actors where banking channels are restricted or less dependable.[48] Kyrgyz Republic-registered, OFAC-sanctioned digital assets firm Old Vector LLC worked with digital assets exchange Garantex, Garantex's successor exchange Grinex, and others in the creation, issuance, and trading of the A7A5 token.[49] A7 Network created the A7A5 stablecoin for Russian clients of OFAC-designated A7 LLC, a firm that provides cross-border settlement platforms frequently used for sanctions evasion.[50] Although A7A5 is issued by Kyrgyzstan-based Old Vector, each coin is backed by ruble deposits held at PSB, meaning for every A7A5 transaction, there is a corresponding nexus to a sanctioned Russian bank.[51]

The A7A5 tokens are used to conduct transactions outside of the formal financial system. The token serves as an internal accounting method for the network, moving across internal addresses to maintain a balanced ledger, effectively acting as part of a broader mirror system,[52] to the international

[38] *Id.* at pp. 30–31.

[39] *Id.,* at. pp. 32–34. Several sanctioned Russian financial institutions were removed from the SWIFT system in March 2022 shortly after its full-scale invasion of Ukraine, making it significantly harder for Russian financial institutions to conduct cross-border transactions. *See* SWIFT, ''An update to our message for the Swift Community'' (Mar. 20, 2022), *https://www.swift.com/news-events/news/message-swift-community.*

[40] Open Source Centre, *The Big Shor: A7 and the illusion of Russian financial innovation* (2026), at p. 41, *https://static.opensourcecentre.org/assets/osc_a7_big_shor.pdf.* The A7 Network's Sub-Agents are tailored, insofar as it is possible, to the industries for which they are moving payments to avoid scrutiny from financial institutions. However, there are some indications that the A7 Network at times struggles to match Sub-Agents with specific customer business profiles. *Id.* at p. 20.

[41] *Id.* at pp. 33, 39.

[42] *Id.* at pp. 41–42.

[43] *Id.* at p. 46.

[44] *Id.* at pp. 52–53.

[45] Open Source Centre, *The Big Shor: A7 and the illusion of Russian financial innovation* (2026), at pp. 25, 34, 37,*https://static.opensourcecentre.org/assets/osc_a7_big_shor.pdf.*

[46] The A7A5 tokens operate from smart contracts with addresses at 0x6fA0BE17e4beA2fCfA22ef89BF8ac9aab0AB0fc9 and TLeVfrdym8RoJreJ23dAGyfJDygRtiWKBZ. *See https://etherscan.io/token/0x6fA0BE17e4beA2fCfA22ef89BF8ac9aab0AB0fc9#code*; *https://tronscan.org/token20/TLeVfrdym8RoJreJ23dAGyfJDygRtiWKBZ/code.*

[47] Stablecoins are a type of digital asset for which the value of the token is tied to another asset, typically a fiat currency such as the U.S. dollar. Stablecoins are appealing to illicit actors due to their relative liquidity, ease of settlement, and exchange rate stability. *See* U.S. Department of the Treasury, *2026 National Proliferation Financing Risk Assessment* (Mar. 2026), at p. 16, *https://home.treasury.gov/system/files/246/2026-NPFRA.pdf*; *see also* U.S. Department of the Treasury, *2026 National Money Laundering Risk Assessment* (Mar. 2026), at pp. 52–53, *https://home.treasury.gov/system/files/246/2026-NMLRA.pdf.*

[48] *See* U.S. Department of the Treasury, Press Release, *Treasury Sanctions Cryptocurrency Exchange and Network Enabling Sanctions Evasion and Cyber Criminals* (Aug. 14, 2025), *https://home.treasury.gov/news/press-releases/sb0225.*

[49] Garantex, which had been previously sanctioned as a prolific money launderer for Russian cybercriminals and other illicit actors, executed a scheme to move its funds to a successor exchange, Kyrgyzstan-based Grinex, following disruptive action by U.S. law enforcement in March 2025. Garantex allowed its customers who lost their funds following the law enforcement disruptions to regain access to their accounts using the A7A5 token. *See* Treasury Press Release, ''Treasury Sanctions Russia-Based Hydra, World's Largest Darknet Market, and Ransomware-Enabling Virtual Currency Exchange Garantex'' (Apr. 5, 2026); *see also* Aug. 2025 Treasury Press Release, *supra* note 2. *See also* Etherscan, Contract, ''Token A7A5'' (accessed Aug. 17, 2026).

[50] U.S. Department of the Treasury, Press Release, *Treasury Sanctions Cryptocurrency Exchange and Network Enabling Sanctions Evasion and Cyber Criminals* (Aug. 14, 2025), *https://home.treasury.gov/news/press-releases/sb0225;* A7A5, *Homepage, https://www.a7a5.kg/trade_and_earn?chain=tron%3Flang%3Den. https://www.a7a5.kg/trade_and_earn?chain=tron%3Flang%3Den.*

[51] A7A5, *Why A7A5,* at p. 1, *https://www.a7a5.kg/why_a7a5*; Chainalysis, *How A7A5 and Grinex Enable The Russian Shadow Crypto Economy* (Aug. 14, 2025), at pp. 2–3, *https://www.chainalysis.com/blog/a7a5-grinex-russian-crypto-economy-ofac-sanctions-august-2025/.*

[52] The term ''mirror transactions'' or ''mirror transfer'' is used by U.S. law enforcement to describe a money laundering typology involving foreign currency exchange. The process typically happens within Chinese underground banking and black market peso exchange schemes and usually involves a money broker or an accountant who conducts two equal, but separate, transactions involving at least two parties who often are unaware of each other. In this scheme, the broker or accountant makes payments to each party using the other parties' currency, ''mirroring'' or balancing the transactions. In the instance of the A7 Network, transactions within Russia using the

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payments that the network makes.[53] This broader mirror system also involves the use of the aforementioned bills of exchange, known as ''veksels''. According to public and nonpublic information, the tokens are used for transfers within Russia that represent foreign payments and are made through nested digital asset wallets and financial accounts held in the name of A7 Network Sub-Agents. On the other side of the mirror trading system, the A7 Network employs its Sub-Agents to conduct fiat transactions—including U.S. dollars, yuan, dirhams, and euros—through the international financial system. FinCEN, through analysis of available financial data, found that more than 180 entities processed A7A5 transactions worth at least USD 179.1 billion, between February 2025 and June 2026. Historically, almost all of these transactions were processed through U.S.-, EU-, and/or UK-sanctioned entities, including Garantex and Grinex, and likely involved touchpoints with Russian banks;[54] however following an alleged hack of Grinex in April 2026,[55] A7A5 has been consolidated into unhosted wallets, suggesting the A7 Network may be moving away from using sanctioned exchanges.[56]

The A7 Network has most often used the A7A5 tokens as a non-freezable, bridging asset to convert into other, more widely accepted digital assets, such as the stablecoin Tether (USDT), and which may then be converted to the fiat currency of the customers choosing as another means of settling payments internationally.[57] In order to maintain the necessary liquidity to operate, the A7 Network uses its Sub-Agents or other trusted intermediary entities, such as digital asset exchanges. This includes over-the-counter digital asset brokers (OTCs)[58] outside of Russia operating in jurisdictions of concern for A7 Network activity—especially firms that are newly created or dramatically expanding their stablecoin trading operations—which could serve as A7 Network liquidity providers.[59] In addition, FinCEN analysis indicates that U.S. financial institutions may encounter use of derivative or ''wrapped'' tokens distinct from but ''pegged'' to the A7A5 token that serve as a representation of the A7A5 token on a blockchain to which A7A5 is not native;[60] wrapped tokens are often accessed through decentralized finance applications.[61]

The A7 Network's well-established and far-reaching digital asset channels are an appealing tool for a wide range of threat actors. Analysis of public and nonpublic information reveals that Iranian actors are leveraging the A7 Network, including the Central Bank of Iran and the IRGC. Other illicit actors known to have used this network include North Korea (DPRK); Iran-backed terrorist organizations; cybercriminals and ransomware actors.[62]

4. *The A7 Network's Sub-Agents Are Used in Furtherance of International Money Laundering and Sanctions Evasion in Connection With Russian Illicit Finance*

As demonstrated above, the A7 Network's Sub-Agents play a key role in enabling, and facilitating, the A7 Network's activities. Based on analysis of public and nonpublic information, FinCEN assesses that, in the aggregate, the A7 Network's Sub-Agents have processed more than 17 billion in USD-denominated transactions between January 2025 and June 2026. Moreover, FinCEN has identified and assessed hundreds of Sub-Agents of the A7 Network, finding that, based on public and nonpublic information, these Sub-Agents have (1) extensively facilitated transactions on behalf of, and for the benefit of, sanctioned Russian persons; (2) supported Russia's military operations in Africa; (3) enabled Iranian sanctions evasion, including transactions involving entities involved in the ''shadow fleet'' that Iran uses to illicitly sell oil; and (4) assisted at least one company involved in procurement for Iran's weapons programs.

For instance, publicly identified[63] Sub-Agents that FinCEN assesses engaged in illicit activity include:

- *Power Sphere LLC–FZ.* Power Sphere LLC–FZ is a Dubai, UAE-based electronics supplier that purportedly trades in energy products, agricultural products, consumer goods, and food and beverages.[64] However, FinCEN's

A7A5 token ''mirror'' movements of fiat currency through ''Sub-Agents,'' balancing the transactions while ensuring that the counterparties remain completely firewalled from one another. See Treasury, ''2024 National Money Laundering Risk Assessment'' (Feb. 2024), at pp. 29–30. For more information about Chinese underground banking and the black market peso exchange, *see* FinCEN, FIN–2025–A003, ''FinCEN Advisory on the Use of Chinese Money Laundering Networks by Mexico-Based Transnational Criminal Organizations to Launder Illicit Proceeds'' (Aug. 28, 2025).

[53] *See* June 2026 TRM Labs Report, *supra* note 12.

[54] *See* TRM Labs, ''The A7 Leaks: TRM's On-Chain Analysis of Russia's Cryptocurrency Connections'' (June 12, 2026), *https://www.trmlabs.com/resources/blog/the-a7-leaks-trms-on-chain-analysis-of-russias-cryptocurrency-connections.*

[55] *See* Elliptic, ''The fall of A7A5: how sanctions strangled the ruble stablecoin'' (July 29. 2026), *https://www.elliptic.co/insights/the-fall-of-a7a5-how-sanctions-strangled-the-ruble-stablecoin/.*

[56] *See* Hannah Curtis, ''One wallet now holds 94.5% of A7A5's supply,'' Crystal Intelligence (July 30, 2026), *https://crystalintelligence.com/stablecoin/one-wallet-now-holds-94-5-of-a7a5s-supply/.*

[57] *See* Elliptic, ''A7A5: The ruble-backed stablecoin crosses $100 billion in transactions'' (Jan. 21, 2026), *https://www.elliptic.co/insights/a7a5-the-ruble-backed-stablecoin-100-billion-in-transactions/; see also* Elliptic, ''The fall of A7A5: how sanctions strangled the ruble stablecoin'' (July 29. 2026), Centre for Information Resilience ''A7A5: Circumventing sanctions with stablecoin cryptocurrency'' (June 25, 2025), at p. 9, *https://www.info-res.org/app/uploads/2025/06/A7A5-Report-June-2025-Final-Draft-1.pdf.*

[58] OTCs are money services businesses (MSBs) that conduct peer-to-peer exchanges of digital assets for fiat currency, or digital assets for digitals assets, between two parties without the use of a centralized digital asset exchange and usually involving large volumes. As part of the money laundering process, illicit actors often seek to convert digital assets, specifically stablecoins, into fiat currency via diffuse networks of OTC brokers in third countries. These OTCs can receive substantial fees from illicit actors for providing cash-out services that leverage proxy accounts to circumvent digital asset service providers' Customer Due Diligence (CDD) processes or exploit providers with weaker AML/CFT controls, among other tactics. *See* U.S. Department of the Treasury, *2026 National Money Laundering Risk Assessment* (Mar. 2026), at p. 50, *https://home.treasury.gov/system/files/246/2026-NMLRA.pdf.*

[59] The A7A5 token is only available for purchase on a small number of exchanges, most of which are sanctioned by the U.S., EU and/or UK; however, it is also traded using peer-to-peer exchangers and decentralized exchanges. *See* Centre for Information Resilience ''A7A5: Circumventing sanctions with stablecoin cryptocurrency'' (June 25, 2025), at pp. 12–13, *https://www.info-res.org/app/uploads/2025/06/A7A5-Report-June-2025-Final-Draft-1.pdf.*

[60] A ''wrapped'' token is a digital asset that represents another digital asset on a non-native blockchain where the original asset is not offered. For example, a ''wrapped'' A7A5 token may offer trading of a representation of A7A5 on a blockchain other than A7A5's native blockchains. Wrapped tokens maintain a peg to the original asset, which is traditionally locked by a smart contract or maintained in a digital vault. *See* Securities and Exchange Commission and Commodity Futures Trading Commission, 17 CFR parts 231 RIN 3235–AN56 and 241 and 17 CFR part 1 RIN 3038–AF67, ''Application of the Federal Securities Laws to Certain Types of Crypto Assets and Certain Transactions Involving Crypto Assets'' (Mar. 23, 2026), *https://www.sec.gov/files/rules/interp/2026/33-11412.pdf.* Wrapped tokens may also be created on the same blockchain as the original token to make them compatible with decentralized exchanges. *See* Centre for Information Resilience ''A7A5: Circumventing sanctions with stablecoin cryptocurrency'' (June 25, 2025), at p. 13, *https://www.info-res.org/app/uploads/2025/06/A7A5-Report-June-2025-Final-Draft-1.pdf.*

[61] *See* Ethereum Foundation, ''Wrapped ether (WETH),'' *https://ethereum.org/wrapped-eth/* (last accessed Aug. 20, 2026).

[62] *See* TRM Labs, ''The A7 Leaks: TRM's On-Chain Analysis of Russia's Cryptocurrency Connections'' (June 12, 2026), *https://www.trmlabs.com/resources/blog/the-a7-leaks-trms-on-chain-analysis-of-russias-cryptocurrency-connections.*

[63] All of the Sub-Agents discussed below were identified as Sub-Agents of the A7 Network. *See* Centre for Information Resilience, *A7 Abroad: How A7 Sells International Sanctions Evasion as a Service* (Oct. 2025), at pp. 19–20, *https://www.info-res.org/app/uploads/2025/10/A7-Abroad-FINAL-Copy.pdf.*

[64] *Id.* at p. 19.

analysis of public and non-public information identified that between September 2023 and July 2025, Power Sphere LLC–FZ processed USD 61 million in illicit funds tied to Russian trade-based money laundering and procurement activities in the energy sector.

• *Hydrofusion Resources FZ–LLC.* Hydrofusion Resources FZ–LLC is a UAE-based energy commodities trader that also purportedly trades in various other products, such as food and beverages, electronics, and heavy machinery.[65] FinCEN's analysis of public and non-public information determined that between May and June 2025, Hydrofusion Resource FZ–LLC processed USD 3.6 million in illicit funds tied to Russian trade-based money laundering activity.

• *Gimli Trade LLC–FZ.* Gimli Trade LLC–FZ is a Dubai, UAE-based trading firm that purportedly trades in food and beverages, household goods, cosmetic products, machinery, oil trading, and general trading.[66] The company maintained an account at PSB in Russia, which was used to make ruble-denominated transactions.[67] Gimli Trade LLC–FZ was sanctioned by the United Kingdom on December 18, 2025, for its involvement in providing financial support to the Russian government.[68] FinCEN's analysis of public and non-public information determined that between May and June 2025, Gimli Trade LLC–FZ processed USD 1.5 million in illicit funds tied to Russian sanctions evasion.

• *Galadriel Trading FZCO.* Galadriel Trading FZCO is a Dubai, UAE-based agricultural trading firm that purportedly trades commodities such as wheat, corn, barley, chickpeas, and vegetable oils.[69] FinCEN's analysis of public and non-public information determined that between May and July 2025, Galadriel Trading FZCO processed more than USD 946,000 in illicit funds tied to Russian export control evasion.

• *Sigizmund FZCO.* Sigizmund FZCO is a Dubai, UAE-based marketing management, research, and support consultancy firm.[70] FinCEN's analysis of public and non-public information determined that between July and September 2025, Sigizmund FZCO processed USD 41,000 in illicit funds tied to Russian sanctions evasion, including the acquisition of dual-use goods.

• *Pearl Bridge.* Pearl Bridge is a Dubai, UAE-based trading firm that purportedly specializes in precious metals, commodities, and other general trade.[71] FinCEN's analysis of public and non-public information determined that in April 2025, Pearl Bridge processed approximately USD 30,000 in illicit funds tied to suspected Russian sanctions evasion activity.

Additionally, based on analysis of public and nonpublic information, there are indications that certain Sub-Agents have facilitated Iranian sanctions evasion efforts. One Sub-Agent engaged in direct transactions with other Sub-Agents and entities associated with Iran's shadow fleet—a network of oil tankers, shipping companies, and front companies used to transport and sell Iranian oil—indicating that Iranian actors have used the A7 Network and its infrastructure, including its Sub-Agents, in connection with sanctions-evasion activity. Between July 2023 and October 2025, the same A7 Sub-Agent and one of its sister companies received nearly USD 140 million from entities involved in Iranian sanctions evasion. In a separate instance, based on public and nonpublic information, FinCEN assess that another A7 Network Sub-Agent transferred approximately USD 1.6 million, between January 2024 and September 2025, to a company linked to Iranian sanctions evasion and weapons procurement efforts.

Across fiat and digital asset-based settlement mechanisms, the A7 Network's well-established and far-reaching constellation of Sub-Agents have provided a tool for threat actors to engage in a wide array of illicit activity, including sanctions evasion.

B. The Extent to Which Transactions Involving any Sub-Agent of the A7 Network Involve Legitimate Business Activity

In reaching its finding, FinCEN has considered the extent to which transactions involving any Sub-Agent are used for legitimate business purposes.[72] As discussed above, the A7 Network's Sub-Agents are used to facilitate illicit activities by illicit actors. Although some components of the A7 Network, including its known Sub-Agents, may offer services that could potentially be used by licit actors, the A7 Network's own creators, acknowledge its services are expressly designed to circumvent U.S. and international sanctions placed on the operators, owners, and enablers of the A7 Network[73] and licit actors would have access to other, more established channels through which they might direct financial activity. Accordingly, given the extensive flow of illegitimate funds through the A7 Network, FinCEN assesses that the need to protect U.S. financial institutions from the money laundering risks presented by the A7 Network outweighs any potential legitimate utility its services may provide.

C. The Extent to Which This Proposed Action Would Guard Against the Risks Posed by Transactions Involving any Sub-Agent of the A7 Network

A finding that transactions involving any Sub-Agent of the A7 Network are a class of transactions of primary money laundering concern in connection with Russian illicit finance establishes—and emphasizes—the significant illicit finance risks posed by the A7 Network and its Sub-Agents. This finding will place U.S. and foreign financial institutions and regulators on notice to guard against those risks.[74] Moreover, as Sub-Agents of the A7 Network are, by design, challenging to readily identify, such a finding—in combination with a prohibition on certain transmittals of funds by covered financial institutions—will safeguard the U.S. financial system, by assisting financial institutions in identifying Sub-Agent and severing access.

IV. Proposed Special Measure

Having found that transactions involving any Sub-Agent of the A7

[65] *Id.* at p. 20.

[66] Centre for Information Resilience, *A7 Abroad: How A7 Sells International Sanctions Evasion as a Service* (Oct. 2025), at p. 20, *https://www.info-res.org/app/uploads/2025/10/A7-Abroad-FINAL-Copy.pdf.*

[67] Open Source Centre, *The Big Shor: A7 and the illusion of Russian financial innovation* (2026), at p. 34, *https://static.opensourcecentre.org/assets/osc_a7_big_shor.pdf.*

[68] UK Foreign, Commonwealth and Development Office, *Gimli Trade LLC–FZ* (Dec. 18, 2025), *https://search-uk-sanctions-list.service.gov.uk/designations/RUS3177/Entity?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery.*

[69] Centre for Information Resilience, *A7 Abroad: How A7 Sells International Sanctions Evasion as a Service* (Oct. 2025), at p. 19, *https://www.info-res.org/app/uploads/2025/10/A7-Abroad-FINAL-Copy.pdf.*

[70] Centre for Information Resilience, *A7 Abroad: How A7 Sells International Sanctions Evasion as a Service* (Oct. 2025), at p. 19, *https://www.info-res.org/app/uploads/2025/10/A7-Abroad-FINAL-Copy.pdf.*

[71] *Id.*

[72] *See* 31 U.S.C. 5318A(c)(2)(B)(ii).

[73] Kommersant, *Investment Cooperation Between Russia and China: Growth Points. Kommersants Session at the Third Russia-China International Forum* (Aug. 19, 2025), at p. 2, *https://www.events.kommersant.ru/events/sessiya-na-rostki-2025.*

[74] *See* 31 U.S.C. 5318A(c)(2)(B)(iii).

Network are a class of transactions of primary money laundering concern in connection with Russian illicit finance, FinCEN proposes imposing a prohibition on certain transmittals of funds involving any of the A7 Network's Sub-Agents.[75] In making this determination and assessing which special measures may be appropriate, FinCEN has considered the relevant evidence in light of factors identified in 31 U.S.C. 5318A(a)(4)(B). While FinCEN is under no obligation pursuant to section 9714(a) to consider any particular factor or set of factors in selecting one or more special measures, it nonetheless finds these factors instructive in guiding the analysis set forth below.[76]

As noted above, OFAC has not only designated the A7 Network as a significant TCO, but also designated, and imposed restrictions upon, certain core actors and components of the A7 Network—namely, A7 LLC, A71 LLC, A7 Agent LLC, Old Vector LLC, Garantex, Grinex, InDeFi Bank, ExVed, Mendeleev, Ilan Shor, and PSB, as well as certain other persons whose property and interests in property have been blocked, by designation, order, or by operation of law. The proposed imposition of a special measure would reinforce those existing restrictions, and importantly, the purposes served by this proposed action differ from the purposes of the existing economic sanctions. Apart from the rationale and purposes of the existing sanctions, this action is specifically designed to address a significant money laundering threat to the U.S. and international financial systems premised on the Secretary's determination that transactions involving any Sub-Agent of the A7 Network poses an unacceptable risk of money laundering and other financial crimes.

Further, this action is intended to encourage other jurisdictions—as well as financial institutions throughout the world—to take similar steps to sever the A7 Network and its Sub-Agents from the international financial system.

Notwithstanding the differing purposes of the existing sanctions and the special measure proposed in this NPRM, the proposed special measure is intended to apply in concert, not conflict with the existing sanctions. Covered financial institutions should block and report to OFAC any accounts or transactions that are blocked pursuant to any applicable OFAC sanctions authority, and to the extent required or necessary, continue to maintain any blocked accounts in accordance with the Reporting Procedures and Penalties Regulations, 31 CFR part 501. And, for avoidance of doubt, if there is an apparent conflict between an obligation to block property or interests in property under existing OFAC sanctions and the requirements of this proposed special measure, covered financial institutions should comply with the obligation to block and, in doing so, would be deemed to comply with the requirements of this proposed special measure.

A. Whether the Proposed Special Measure Would Address the Money Laundering Concern in a Manner Consistent With U.S. National Security and Foreign Policy Interests

FinCEN has considered the effect this proposed special measure will have on U.S. national security and foreign policy, as well as the extent to which multilateral groups or other nations have taken similar action.[77] Given that the A7 Network's Sub-Agents' association with sanctioned persons and other actors involved in illicit activity, for the purpose of furthering sanctions evasion, FinCEN assesses that imposing a prohibition on certain transmittals of funds involving the A7 Network's Sub-Agents is necessary to safeguard U.S. national security and the U.S. financial system, as well as serve key U.S. national security objectives. Specifically, prohibiting certain transmittals of funds involving any of the A7 Network's Sub-Agents would insulate the U.S. financial system from international money laundering and other financial crimes, further ongoing U.S. efforts to curtail suspected sanctions evasion and related illicit activity tied to Russian and Iranian illicit finance, and sever a significant pathway that facilitates circumvention of U.S. and other sanctions, supporting the efficacy of U.S. sanctions and complementing previous actions taken by the U.S. government.

B. Whether the Proposed Special Measure Would Create Undue Burdens on Any Legitimate Activity of the A7 Network's Sub-Agents or Third Parties

FinCEN has considered whether the proposed prohibition on certain transmittals of funds would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States as affected third parties, as well as the extent to which the action could have a significant adverse systemic impact on legitimate business activities involving the A7 Network's Sub-Agents. As noted above, FinCEN assesses that to the extent the A7 Network Sub-Agents are engaged in licit activity, such activity is relatively minimal compared to the sanctions evasion and illicit financial activity that flows through these Sub-Agents. Moreover, these Sub-Agents operate companies in a variety of industries and the disperse nature of these businesses underscores that any overall impacts from any decrease in legitimate commercial or financial activity by these Sub-Agents is likely *de minimis.*

When considering the anticipated burden on covered financial institutions, FinCEN assesses that the proposed prohibition is unlikely to impose a significant competitive disadvantage on any one particular financial institution organized or licensed in the United States as a consequence of business forgone due to the proposed prohibition given that the A7 Network's Sub-Agents uses of hundreds of Sub-Agents across a wide number of financial institutions, globally. Further, compliance with the proposed prohibition on certain transmittals of funds set out in this NPRM should not require tools or competencies other than those already employed by domestic financial institutions to maintain their current AML/CFT compliance programs and/or sanctions compliance programs. To ensure that minimal additional burden would attach to compliance with the proposed rule, FinCEN has elected to

[75] In connection with this action, and consistent with 31 U.S.C. 5318A(a)(4)(A), FinCEN consulted with staff at the following Departments and agencies with regard to the proposed rule and prohibition: the Department of Justice; the Department of State; the Board of Governors of the Federal Reserve System; the Federal Deposit Insurance Corporation; the Securities and Exchange Commission; the Commodity Futures Trading Commission; the Office of the Comptroller of the Currency; and the National Credit Union Administration. Neither the Departments nor agencies objected to the issuance of this NPRM based on the information provided to staff at the time of this consultation.

[76] 31 U.S.C. 5318A(a)(4)(B) provides, as relevant here, that in selecting which special measure(s) to take, the Secretary shall consider:

(1) Whether similar action has been or is being taken by other nations or multilateral groups;

(2) Whether the imposition of any particular special measure would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States;

(3) The extent to which the action or the timing of the action would have a significant adverse systemic impact on the international payment, clearance, and settlement system, or on legitimate business activities involving the particular jurisdiction, institution, class of transactions, or type of account; and

(4) The effect of the action on United States national security and foreign policy.

[77] *See* 31 U.S.C. 5318A(a)(4)(B)(i), (iv).

provide for the rejection of certain transmittals of funds that are received from or originate with A7 Network Sub-Agents and outline the steps a covered financial institution should take in such circumstances to satisfy the proposed requirements. Further, upon issuance of a Final Rule, FinCEN is prepared to aid covered financial institutions in compliance with this NPRM, by providing additional information regarding known Sub-Agents, as appropriate, through a secure communications channel and proposes to limit the obligation on covered financial institutions to prohibit certain transmittals to only those entities on the provisioned list(s), which may be updated over time, as FinCEN, for instance, identifies additional Sub-Agents.

C. Whether Any Other Reasonable Alternatives or Special Measures Would Adequately Address the Money Laundering Concern

In assessing the appropriate special measure to impose, FinCEN considered alternatives to a prohibition on certain transmittal of funds, including the imposition of one or more of the first five special measures. Having considered these alternatives, FinCEN assesses, for the reasons set out below, that a special measure prohibiting certain transmittals of funds involving the A7 Network's Sub-Agents is the most appropriate means to adequately address the illicit finance risks posed by the A7 Network's Sub-Agents and the need to prevent it from accessing the U.S. financial system. None of the special measures set out in 31 U.S.C. 5318A—special measures one through five—would effectively address the illicit finance threat posed by the A7 Network's Sub-Agents.[78] Any additional recordkeeping, information collection, or reporting requirements, as described in 31 U.S.C 5318A(b)(1)–(4), would be insufficient to guard against the risks posed by covered financial institutions processing transmittals of funds involving the A7 Network's Sub-Agents. Those special measures would allow such transfers to continue to benefit illicit actors connected to Russian illicit finance and Iranian sanctions evasion. Further, prohibiting or placing conditions upon the opening or maintaining in the United States of correspondent accounts or payable-through accounts for or on behalf of the A7 Network's Sub-Agents, as described in 31 U.S.C 5318A(b)(5) would be similarly inadequate. Neither prohibiting nor imposing conditions on such accounts would safeguard the U.S. financial system to the same degree as prohibiting transmittals of funds, as such a special measure would not address the movement of funds outside of a strict correspondent or payable-through relationship, for example, through the movement of funds outside the traditional banking relationship, including because the types of CVC transactions, namely A7A5-related transactions (which are an integral part of the A7 Network's business model), do not rely on the correspondent banking system. FinCEN therefore assesses that such a prohibition is the most appropriate special measure to protect the U.S. financial system.

D. Whether the Proposed Prohibition Should Be Imposed by Order or Regulation

Pursuant to section 9714, the Secretary may impose specified special measures, including a prohibition on certain transmittals of funds, ''by order, regulation or otherwise as permitted by law.'' In determining the appropriate approach in this instance, FinCEN considered imposing special measures by order or regulation, taking into account the nature of the underlying threat, and determined that proceeding by an NPRM is the most appropriate course of action, as that approach appropriately balances the risks posed by the A7 Network, with the interest in ensuring that covered financial institutions have an opportunity to comment on the proposed mechanisms through which FinCEN will identify Sub-Agents (as discussed below).

A copy of this NPRM will be published in the **Federal Register**. To the extent the A7 Network's Sub-Agents or parties have information relevant to this NPRM, they may submit it to FinCEN at *http://www.fincen.gov/contact.*

V. Section-by-Section Analysis

The goal of this proposed rule is to combat and deter illicit activity, including Russian and Iranian sanctions evasion through the A7 Network's Sub-Agents, and to prevent the A7 Network's Sub-Agents from using the U.S. financial system to enable illicit financial activity. The subsections below discuss the respective portions of the proposed rule, which is separately presented in Section IX. Importantly, nothing in this NPRM should be construed to modify, impair, or otherwise affect any requirements or obligations to which a covered financial institution is subject pursuant to the BSA, including, but not limited to, the filing of Suspicious Activity Reports, or other applicable laws or regulations, such as the sanctions administered and enforced by OFAC.

A. Definitions

1. A7 Network

The term ''A7 Network'' means the core grouping of entities and persons involved in the operation of a Russian-Kyrgyzstan based sanctions evasion and money laundering network including: A7 LLC, A71 LLC, A7 Agent LLC, Old Vector LLC, Garantex, Grinex, InDeFi Bank, Mendeleev, Ilan Shor, and PSB, and any other persons whose property and interests in property have been blocked, by designation, order, or by operation of law, in light of their connection to the A7 Network.[79]

2. A7 Network Sub-Agents

The proposed rule would define the A7 Network Sub-Agents as including, but not limited to, the following: Galadriel Trading FZCO, Gimli Trade LLC–FZ, Hydrofusion Resources FZ–LLC, Pearl Bridge, Power Sphere LLC–FZ, and Sigizmund FZCO, and any other entity identified by FinCEN as a Sub-Agent of the A7 Network.

As suggested in this definition, to facilitate identifying entities that are

[78] Likewise, imposing conditions on transmittals of funds, pursuant to section 9714(a)(2), would be insufficient to address the threat. While imposing conditions, rather than a full prohibition, may be appropriate in circumstances where the institution provides services for legitimate business that are not easily replicated or where a complete prohibition on transactional activity would otherwise unduly harm legitimate economic activity, the A7 Network's Sub-Agents provide a service that, by design, is intended to benefit sanctioned persons. And, to the extent that the A7 Network carries on any legitimate activity, FinCEN assesses that such services would be easily obtainable for legitimate customers through other providers. Accordingly, in this case the value of any legitimate activity it may conduct is outweighed by the significant proportion of illicit financial activity identified and its lack of mandatory Know Your Customer controls.

[79] Persons whose property and interests in property are blocked pursuant to an Executive Order or regulations administered by OFAC (blocked persons) are considered to have an interest in all property and interests in property of an entity in which such blocked persons own, whether individually or in the aggregate, directly or indirectly, a 50 percent or greater interest. Consequently, any entity owned in the aggregate, directly or indirectly, 50 percent or more by one or more blocked persons is itself considered to be a blocked person. The property and interests in property of such an entity are blocked regardless of whether the entity itself is listed in the annex to an Executive order or otherwise placed on OFAC's List of Specially Designated Nationals. Accordingly, a U.S. person generally may not engage in any transactions with such an entity, unless authorized by OFAC. In certain OFAC sanctions programs (*e.g.,* Cuba and Sudan), there is a broader category of entities whose property and interests in property are blocked based on, for example, ownership or control. *See* OFAC, *Revised Guidance on Entities Owned by Persons Whose Property and Interests in Property are Blocked* (Aug. 13, 2014), *https://ofac.treasury.gov/media/6186/download?inline.*

deemed Sub-Agents of the A7 Network, FinCEN would be prepared to provide—through secure means—covered financial institutions with additional information regarding known A7 Sub-Agents, as appropriate, and proposes limiting the obligation on covered financial institutions to prohibit certain transmittals only as to those entities identified on that list. Specifically, FinCEN would share that list with covered financial institutions through FinCEN's ''FI-Portal,'' a secure messaging system that FinCEN and covered financial institutions utilize to securely exchange information, as appropriate. That list will be updated periodically, both to add additional Sub-Agents as well as to remove Sub-Agents. Given the nature of the A7 Network and its operations (as discussed above), FinCEN is opting to securely provide this list only to covered financial institutions, as FinCEN has assessed that a broader public distribution of the list would undermine the purposes of the proposed rule—allowing the A7 Network to circumvent the proposed special measure through additional and new Sub-Agents.

Importantly, as proposed in this NPRM, that list would identify known Sub-Agents, for the purposes of compliance with the proposed special measure, and covered financial institutions would only be prohibited from engaging in certain transmittals of funds involving those Sub-Agents. Covered financial institutions would not, however, be prohibited from disclosing that, in the context of any particular transaction, they have declined to proceed with the transaction because of party has been identified on FinCEN's list. Rather, as discussed below covered financial institutions would be required to affected persons associated with the transmittal of funds with which the covered financial institution maintains a direct commercial relationship.

And, as discussed below, should an entity seek to challenge being identified as a Sub-Agent, FinCEN has set out a process by which the aggrieved party may petition for reconsideration of their inclusion on the list. Should an aggrieved identified Sub-Agent successfully challenge the determination, FinCEN would update the list accordingly.

3. Convertible Virtual Currency (CVC)

The term ''convertible virtual currency (CVC)'' means a medium of exchange that either has an equivalent value as currency, or acts as a substitute for currency, but lacks legal tender status. Despite having legal tender status in at least one jurisdiction, for the purpose of this NPRM, the A7A5 stablecoin is included as a type of CVC.

4. Covered Financial Institution

The term ''covered financial institution'' has the same meaning as ''financial institution'' in 31 CFR 1010.100(t).

5. Transmittals of Funds

The term ''transmittals of funds'' means the sending and receiving of funds, including CVC. For avoidance of doubt, the definition of ''transmittals of funds'' proposed here would only apply to section 1010.668. The definition of transmittal of funds'' in section 1010.100(ddd) would not apply to section 1010.668.

6. Recipient

The Term ''Recipient'' means the person to be paid by the recipient's covered financial institution.

7. Meaning of Other Terms

All terms used but not otherwise defined herein shall have the meaning set forth in 31 CFR Chapter X, 31 U.S.C. 5312, and 21 U.S.C. 2302.

B. 1010.668(b)—Prohibition on Certain Transmittals of Funds for Covered Financial Institutions

1. Prohibition on Certain Transmittals of Funds

Proposed section 1010.668(b)(1) prohibits covered financial institutions from engaging in a transmittal of funds involving any A7 Network Sub-Agent, including any transmittal of funds from or to an A7 Network Sub-Agent, or from or to any account or CVC address administered by or on behalf of an A7 Network Sub-Agent.

In order to ensure that compliance with the proposed prohibition on certain transmittals of funds requires no tools or competencies other than those already employed by covered financial institutions to maintain their current AML/CFT compliance programs, FinCEN has elected to provide at proposed section 1010.668(b)(1)(i) for the rejection of certain transmittals of CVC that are received from or originate at A7 Network Sub-Agent or from an account or CVC address administered by or on behalf of an A7 Network Sub-Agent and outline the steps a covered financial institution should take in such circumstances. In providing for the rejection of CVC under certain limited circumstances, FinCEN acknowledges that, at this time, there may be technological limitations that may limit or preclude covered financial institutions from declining CVC transfers originating at addresses outside of their control, and compliant institutions may find themselves in receipt of CVC that, despite a desire and effort to limit such exposure, would implicate the proposed prohibition.[80] As such, proposed section 1010.668(b)(1)(i) allows covered financial institutions the flexibility to act with discretion based on the facts and circumstances of a particular transaction and comply with the proposed prohibition, even where the originating address is no longer accessible. Moreover, by providing for the rejection of CVC, this order ensures that covered financial institutions will not be subject to an undue cost or burden associated with compliance.

Further, as the proposed special measure is intended to apply in concert, not conflict, with the existing sanctions, a note to proposed section 1010.668(b)(1) provides that covered financial institutions should block and report to OFAC any accounts or transactions that are blocked pursuant to any applicable OFAC sanctions authority, and to the extent required or necessary, continue to maintain any blocked accounts in accordance with the Reporting Procedures and Penalties Regulations, 31 CFR part 501. As noted above and for avoidance of doubt, if there is an apparent conflict between an obligation to block property or interests in property under existing OFAC sanctions and the requirements of this proposed special measure, covered financial institutions should comply with the obligation to block and, in doing so, would be deemed to comply with the requirements of this proposed special measure.

2. Notification

As a corollary to the prohibition set forth in proposed section 1010.668(b)(1), proposed section 1010.668(b)(2) provides that, if a covered financial institution knows or has reason to believe a transmittal of funds involves any A7 Network Sub-Agent and that such transmittal of funds is prohibited pursuant to paragraph (b)(1), the covered financial institution must notify affected persons associated with the transmittal of funds with

[80] FinCEN notes that CVC payment systems are often designed to limit the control of specific financial institutions over transactions and to prevent rejections of funds by persons or entities other than the sender of funds. As a result, although covered financial institutions may institute an internal prohibition on the sending of CVC transactions to another address or entity, FinCEN assesses that there are few, if any, readily available ways for covered financial institutions to ''reject'' incoming CVC transactions (prior to receipt).

which the covered financial institution maintains a direct commercial relationship. The purpose of this requirement is to ensure that persons affected by the proposed prohibition have an opportunity to understand the nature and impact of the proposed prohibition on their interests, as well as to facilitate compliance and to aid cooperation in preventing transactions involving the A7 Network's Sub-Agents from accessing the U.S. financial system. Pursuant to this requirement, covered financial institutions may notify affected persons directly or, through financial institutions of other intermediaries, indirectly. Methods of compliance with the notice requirement could include, for example, transmitting a notice by mail, fax, or email. Importantly, FinCEN does not propose requiring covered financial institutions to obtain a certification to comply with this notice requirement.

3. Procedures for Removal From the List of A7 Network Sub-Agents

Pursuant to proposed section 1010.668(b)(3), FinCEN has proposed a mechanism through which entities identified as Sub-Agents might seek reconsideration. As set out in proposed section 1010.668(b)(2), covered financial institutions affected persons associated with the transmittal of funds with which the covered financial institution maintains a direct commercial relationship, including that a party to the transaction is a Sub-Agent of the A7 Network, and thus, identified on a list provided by FinCEN.

In proposed section 1010.668(b)(3), FinCEN has proposed a petition process through which a person identified as a Sub-Agent might submit arguments or evidence to establish that there is insufficient grounds to establish that the person is a Sub-Agent or that circumstances have changed such that the person should no longer be identified as a Sub-Agent. As set out in the proposed section, all such petitions should be submitted to FinCEN, in the first instance. FinCEN will then review and provide a written decision.

4. Special Due Diligence

Pursuant to proposed section 1010.668(b)(4), covered financial institutions shall take a risk-based approach when deciding what, if any, other due diligence measures it reasonably must adopt to guard against processing prohibited transmittals of funds associated with transactions involving any A7 Network Sub-Agent. As contemplated by the proposed section, any such due diligence should include implementing risk-based procedures designed to identify transactions involving, and any use of any account to process transactions involving, any A7 Network Sub-Agent. A covered financial institution would be expected to apply an appropriate screening mechanism to identify a transmittal of funds that involves any A7 Network Sub-Agent as an originator or beneficiary or otherwise references any A7 Network Sub-Agent in a manner detectable under the covered financial institution's normal screening mechanisms. An appropriate screening mechanism could be the mechanisms used by a covered financial institution to comply with various legal requirements, such as commercially available software programs used to comply with the economic sanctions programs administered by the OFAC.

5. Recordkeeping and Reporting

Proposed section 1010.668(b)(5) clarifies that the proposed rule does not impose any reporting requirement upon any covered financial institution that is not otherwise required by applicable law or regulation. A covered financial institution must, however, document its compliance with the notification requirement described above in section 1010.668(b)(3).

C. Reservation of Authority

The proposal provides that FinCEN reserves its authority to impose conditions on certain transmittals of funds and to grant appropriate exemptions from the requirements proposed in this NPRM.

D. Request for Comments

FinCEN is requesting comments for 30 days after the publication of this NPRM. Given the A7 Network and its Sub-Agents' consistent and longstanding ties to facilitating transactions for illicit actors, FinCEN assesses that a 30-day comment period for this NPRM strikes an appropriate balance between ensuring sufficient time for notice to the public and opportunity for comment on the proposed rule, while minimizing undue national security risk posed to the U.S. financial system in processing illicit transfers. FinCEN invites comments on all aspects of the proposed rule, including the following specific matters:

1. FinCEN's proposal of a prohibition on certain transmittal of funds, as opposed to imposing special measures one through five or imposing conditions under any special measure;

2. The form and scope of the notice to certain account holders that would be required under the rule; and

3. The appropriate scope of the due diligence requirement in this proposed rule.

VI. Executive Order 14294

Section 5 of Executive Order 14294 directs that all future notices of proposed rulemaking (NPRMs) and final rules published in the **Federal Register**, the violation of which may constitute criminal regulatory offenses, should include a statement identifying that the rule or proposed rule is a criminal regulatory offense and the authorizing statute.[81] Executive Order 14294 directs agencies to draft this statement in consultation with the Department of Justice.

Executive Order 14294 further directs that the regulatory text of all NPRMs and final rules with criminal consequences published in the **Federal Register** after May 9, 2025, should explicitly state a mens rea requirement for each element of a criminal regulatory offense, accompanied by citations to the relevant provisions of the authorizing statute.

Willful violations of any final regulations set forth in this proposed rule may be subject to criminal penalties pursuant to 31 U.S.C. 5322 and regulations promulgated in 31 CFR Chapter X. The statutory authority for criminal liability requires a mens rea of willfulness as an element pursuant to 31 U.S.C. 5322(a) and 31 U.S.C. 5322(b). FinCEN's existing regulation, 31 CFR 1010.840, that sets out criminal penalties for violations of regulations promulgated in 31 CFR Chapter X also includes a mens rea of willfulness. In drafting this statement, FinCEN has consulted with the Department of Justice.

VII. Regulatory Impact Analysis

FinCEN has analyzed this proposed rule under Executive Order 12866,[82] Executive Order 13563,[83] the Regulatory Flexibility Act (RFA),[84] the Unfunded Mandates Reform Act (UMRA),[85] and the Paperwork Reduction Act (PRA).[86] As discussed above,[87] the intended

[81] Executive Order 14294, *Fighting Overcriminalization in Federal Regulations,* 90 FR 20367 (issued May 9, 2025; published May 14, 2025), *https://www.federalregister.gov/executive-order/14294*.

[82] Executive Order 12866, *Regulatory Planning and Review,* 58 FR 51735 (issued Sept. 30,1993; published Oct. 4, 1993).

[83] Executive Order 13563, *Improving Regulation and Regulatory Review,* 76 FR 3821 (issued Jan. 18, 2011; published Jan. 21, 2011).

[84] 5 U.S.C. 601 *et seq.*

[85] 2 U.S.C. 1532.

[86] 44 U.S.C. 3507(a)(1)(D).

[87] *See supra* Section V.

effects of the imposition of the proposed special measure with respect to the any A7 Network Sub-Agent are twofold. The proposed rule is expected to: (1) combat and deter money laundering in facilitation of Russian and Iranian illicit financing by the A7 Network's Sub-Agents; and (2) prevent A7 Network Sub-Agents from using the U.S. financial system to enable illicit financial activity.

In the analysis below, FinCEN discusses the economic effects that are expected to accompany adoption of the rule as proposed and assesses such expectations in more granular detail. This discussion includes an explanation of how the assumptions in FinCEN's cost model and methodological choices have influenced FinCEN's conclusions. The public is invited to comment on all aspects of FinCEN's practice.[88]

A. Analysis of Impact

1. Institutional Baseline and Affected Parties

To assess potential economic impact of the proposed rule, FinCEN took into account the baseline population of potentially affected financial institutions to which the proposed definition of ''covered financial institution'' would apply. A summary of these populations by type of financial institution is presented in table 1.

TABLE 1—ESTIMATES OF COVERED FINANCIAL INSTITUTIONS BY TYPE

Financial institution type [1]	Number of financial institutions
Banks [2] or Persons Subject to Supervision by Any State or Federal Bank Supervisory Authority [3]	[4] 8,988
Broker-Dealers [5]	[6] 3,277
Money Services Businesses (MSBs) [7]	[8] 332,068
Telegraph Companies [9]	[10] 0
Casinos or Card Clubs [11]	[12] 1,304
Futures Commission Merchants (FCMs) or Introducing Brokers in Commodities (IBCs) [13]	[14] 954
Mutual Funds [15]	[16] 1,335
Total	347,926

[1] *See* 31 U.S.C. 5312(a)(2); *see also* 31 CFR 1010.100(t) (definition of financial institution).

[2] *See* 31 CFR 1010.100(t)(1); *see also* 31 CFR 1010.100(d).

[3] *See* 31 CFR 1010.100(t)(7)

[4] This includes 4,336 Federal Deposit Insurance Corporation- (FDIC-)insured depository institutions (*i.e.,* federally regulated banks) according to the FDIC's *Quarterly Bank Profile* for Q4 2025, p. 2 *(https://www.fdic.gov/quarterly-banking-profile/past-quarterly-banking-profiles)*. It also includes 4,287 National Credit Union Administration (NCUA) insured credit unions as of December 31, 2025, according to NCUA's *Quarterly Credit Union Data Summary: 2025 Q4,* p. I *(https://ncua.gov/analysis/credit-union-corporate-call-report-data/quarterly-data-summary-reports)*. The Board of Governors of the Federal Reserve System Master Account and Services Database *(https://www.federalreserve.gov/paymentsystems/master-account-and-services-database-existing-access.htm)* contains data as of November 30, 2025, on financial institutions that use Federal Reserve Bank financial services, including those with no additional Federal regulator. FinCEN used this data to identify 365 banks and credit unions with no additional Federal regulator using Federal Reserve Bank financial services. It is unclear to FinCEN at this time whether any entities exist in the ''Persons subject to supervision by any state or Federal bank supervisory'' category that, for purposes of being counted towards unique potentially affected parties that could incur burdens associated with regulations issued pursuant to 31 CFR 1010.668, are not already captured by concurrent status in another category of financial institution under the 31 CFR 1010.100(t) definition. To the extent that additional data can better inform this estimate, public comment including provision of such data is invited.

[5] *See* 31 U.S.C. 5312(a)(2)(G); *see also* 31 CFR 1010.100(t)(2).

[6] This estimate is based on U.S. Securities and Exchange Commission (SEC) data on active broker-dealers available at ''Company Information About Active Broker-Dealers'' *(https://www.sec.gov/foia-services/frequently-requested-documents/company-information-about-active-broker-dealers)*, which listed 3,277 active broker-dealers registered with the SEC as of December 31, 2025.

[7] *See* 31 U.S.C. 5312(a)(2)(J,K,R); *see also* 31 CFR 1010.100(t)(3) and 31 CFR 1010.100(ff) (definition of MSB).

[8] The definition of MSB (31 CFR 1010.100(ff)) covers both principal and agent MSBs. FinCEN estimated there were 24,856 uniquely identifiable registered principal MSBs with indicia of active business operations as of the three year-ends 2023–2025. FinCEN has estimated that the number of agent MSBs is approximately 307,212 based on internal data.

[9] *See* 31 CFR 1010.100(t)(4)

[10] As an estimate of uniquely registered, potentially affected entities, FinCEN expects this category to contain no additional persons or organizations not already included in other counts, particularly as money transmitters.

[11] *See* 31 U.S.C. 5312(a)(2)(X); *see also* 31 CFR 1010.100(t)(5)–(6).

[12] This includes 1,304 casinos, as of December 31, 2025, from the American Gaming Association, *State of the States 2026: The AGA Analysis of the Commercial Casino Industry,* May 2026, p. 17 *(https://www.americangaming.org/wp-content/uploads/2026/05/AGA-State-of-the-States-2026.pdf)*.

[13] *See* 31 U.S.C. 5312(a)(2)(H); *see also* 31 CFR 1010.100(t)(8–9).

[14] According to Commodity Futures Trading Commission data on FCMs available at ''Financial Data for FCMs'' *(https://www.cftc.gov/MarketReports/financialfcmdata/index.htm)*, there were 66 registered FCMs as of December 31, 2025. The number of IBCs as of December 31, 2025 (888) was obtained from the National Futures Association ''NFA Membership and Registration'' website *(https://www.nfa.futures.org/registration-membership/membership-and-directories.html)*. Because deduplication of entities registered as both FCMs and IBCs was not feasible, this estimate may double-count some entities registered in both categories. FinCEN, however, believes this subpopulation may be small.

[15] *See* 31 U.S.C. 5312(a)(2)(I); *see also* 31 CFR 1010.100(t)(10) and 31 CFR 1010.100(gg).

[16] This estimate is based on the number of registered investment companies filing Form N–1A in SEC's *Annual Registered Investment Company Update: Form N–CEN Data, Period Ending December 2025,* May 2025, table1.3, p. 4 *(https://www.sec.gov/files/annual-registered-investment-company-update-20260512.pdf)*.

FinCEN also took certain current market practices into consideration as well as the regulatory baseline against which the proposed rule's expected effects can most meaningfully be assessed. These considerations include both the (1) current legal requirements and (2) the processes and technologies financial institutions use to comply with those requirements related to sanctions compliance, AML/CFT

[88] *See* Sections VI and VIII.D.

program obligations, and the BSA, more broadly.

2. Description of the Proposed Requirements

The proposed rule would require covered financial institutions to take reasonable steps not to process a transaction in the United States if such a transaction involves a Sub-Agent of the A7 Network. Covered financial institutions, under the proposed rule, must notify affected persons associated with the transmittal of funds with which the covered financial institution maintains a direct commercial relationship where the covered financial institution knows or has reason to believe the transmittal of funds is associated with any transaction that involves any A7 Network Sub-Agent and that such transmittal is prohibited. Further, covered financial institutions would be required to take a reasonable, risk-based approach to the adoption of any additional due diligence measures necessary to guard against the use of correspondent accounts to process transactions involving Sub-Agents of the A7 Network.

3. Expected Economic Effects on Covered Financial Institutions

FinCEN expects the economic effects of the proposed rule to vary substantially across financial institutions. As a threshold matter, of those financial institutions to whom the proposed definition of ''covered financial institution'' would apply, many may not experience any economic impact beyond a *de minimis* cost of being familiarized with the proposed regulatory obligations if in practice they do not process any transactions involving Sub-Agents of the A7 Network nor would be likely to at a given point in the future. Furthermore, not all expected affected covered financial institutions would face the same costs associated with compliance due to the nature of the proposed rule, which includes certain provisions that allow for a covered financial institution's exercise of discretion and other provisions that are only required of certain, but not all, types of financial institutions.

FinCEN conservatively estimates that of the population of 347,926 potentially affected covered financial institutions, only ten percent, or approximately 35,000 are likely to incur more than a *de minimis* compliance burden in connection with the proposed special measure. This upper-bound estimate exceeds the observed proportions—which range from 0.8 to one percent, of select subpopulations where the incidence or absence of a relevant policy nexus is observable for all institutions within a category of financial institutions over a given time period (which is not available across all covered types)—by a full order of magnitude.

Of those more substantively impacted by the proposed rule, FinCEN expects that certain covered financial institutions would need to take on a broader set of newly required activities, and that, on average, this would amount to double the burden borne by covered financial institutions that would not face the expanded, or full, scope of the rule's proposed obligations. In particular, covered financial institutions that undertake notification activities and must consider and/or adopt additional due diligence measures on a risk-basis would be expected to incur additional costs accordingly. For purposes of burden estimation, FinCEN conservatively assumes that the full population of covered financial institutions it has previously estimated to maintain foreign correspondent accounts would incur the expanded, or full, burden, including those elements over which the proposed rule would allow the exercise of discretion. Population estimates of this subpopulation are presented in table 2.

TABLE 2—ESTIMATES OF FINANCIAL INSTITUTIONS WITH CORRESPONDENT ACCOUNTS BY TYPE

Financial institution type	Number of financial institutions
Banks or Persons Subject to Supervision by Any State or Federal Bank Supervisory Authority:	
Banks with a Federal Functional Regulator (FFR)	[1] 66
Banks Without an FFR	[2] 12
Broker-Dealers	[3] 29
FCMs or IBCs	[4] 9
Mutual Funds	[5] 12
Total	128

[1] Data are from the Federal Financial Institutions Examination Council (FFIEC) Central Data Repository for Reports on Condition and Income (Call Reports) and Uniform Bank Performance Reports, available for most FDIC-insured institutions. Using this source of data, FinCEN determines that as of Q4 2025, approximately 66 banks (as defined by FinCEN regulations, *see* 31 CFR 1010.100(d)) would be affected by this proposed rule in any given year. Specifically, as of Q4 2025, there were approximately 66 banks that reported non-zero values for deposit liabilities of banks in foreign countries. Deposit liabilities in a foreign country is an indication that a bank maintains correspondent accounts with a foreign financial institution.

[2] The Board of Governors of the Federal Reserve System Master Account and Services Database contains data on financial institutions that use Federal Reserve Bank financial services, including those with no additional Federal regulator. FinCEN used this data to identify an additional 12 international banking entities with no additional Federal regulator and that do not file Call Reports, but that are also likely to maintain correspondent accounts with a foreign financial institution.

[3] Broker-dealers, unless they are publicly traded, are not required to make reports indicating whether they have foreign correspondent accounts or hold foreign deposits. FinCEN reviewed financial statement data from 10–Q and 6–K filings with the SEC and identified nine publicly traded broker-dealers with U.S. operations that reported foreign deposits. FinCEN also examined Suspicious Activity Reports filed by broker-dealers in 2024 to identify another two non-publicly traded broker-dealers who appeared likely to be maintaining foreign deposits. However, because many broker-dealers are not publicly traded—so there may be less information about their business publicly available—and because many did not file Suspicious Activity Reports, FinCEN conservatively estimates that the proportion of broker-dealers with foreign correspondent accounts is similar to the proportion for banks (approximately 0.9 percent). 0.9 percent of 3,277 active broker-dealers is approximately 29 broker-dealers assumed to have foreign correspondent accounts.

[4] FCMs, IBCs, and mutual funds generally use intermediary U.S. banks to move and maintain client deposits and funds for investment. Therefore, it is unlikely that many of these institutions maintain direct correspondent accounts with foreign financial institutions outside of their existing upstream banking relationships. However, because these institutions may in some cases receive deposits from, make payments or other disbursements, or otherwise transact directly with foreign financial institutions, FinCEN conservatively estimates that the proportion of FCMs, IBCs, and mutual funds with foreign correspondent accounts is similar to the proportion for banks (approximately 0.9 percent). 0.9 percent of 954 active FCMs and IBCs is approximately nine FCMs and IBCs assumed to have foreign correspondent accounts.

[5] 0.9 percent of 1,335 active mutual funds is approximately 12 mutual funds assumed to have foreign correspondent accounts.

As described further in the PRA Analysis in Section VIII.E below, FinCEN anticipates that the recordkeeping and disclosure costs to covered financial institutions, on aggregate, may be up to approximately USD 18 million per year. However, given the volume of transactions conducted via the A7 Network, FinCEN considers the necessity to curtail facilitation by A7 Network Sub-Agents and the enhanced ability to do so via imposition of the proposed special measure commensurate.

4. Consideration of Alternatives

As part of its analysis, FinCEN took into consideration select alternatives to the rule as proposed. These considerations, as discussed in Section IV.C, are incorporated here by reference.

B. Executive Orders

Executive Orders 12866 and 13563 direct agencies to assess costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects; distributive impacts; and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility.

Based on the analysis in Section VIII.A, it has been determined that this proposed rule is not an economically significant regulatory action under section 3(f) of Executive Order 12866. Accordingly, further regulatory impact analysis is not required. Public comment is invited on the reasonableness and accuracy of this assessment.

C. Regulatory Flexibility Act

When an agency issues a rulemaking proposal, the RFA requires the agency to ''prepare and make available for public comment an initial regulatory flexibility analysis'' that will ''describe the impact of the proposed rule on small entities.'' [89] However, section 605 of the RFA allows an agency to certify a rule, in lieu of preparing an analysis, if the proposed rulemaking is not expected to have a significant economic impact on a substantial number of small entities.

The population of affected covered financial institutions under the proposed rule is presented in table 3, which includes the estimated proportion, by category of financial institution, that would be considered small entities for purposes of RFA analysis.

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[89] 5 U.S.C. 603(a).

Table 3. Estimated Percentage of Small Entities by Covered Financial Institution Type

Financial Institution Type		Total Number of Financial Institutions[1]	Estimated Percentage that are Small Entities
Banks or Persons Subject to Supervision by Any State or Federal Bank Supervisory Authority	FDIC	2,738	80.1%[2]
	Board of Governors of the Federal Reserve System (FRB)	703	62.6%[3]
	NCUA	4,287	58.6%[4]
	Office of the Comptroller of the Currency (OCC)	895	68.0%[5]
	Banks Without a FFR	365	99.7%[6]
Broker-Dealers		3,277	38.9%[7]
MSBs	Principal MSBs	24,856	95.0%[8]
	Agent MSBs	307,212	100.0%[9]
Telegraph Companies		0	N/A
Casinos or Card Clubs		1,304	68.5%[10]
FCMs or IBCs		954	93.7%[11]
Mutual Funds		1,335	92.5%[12]
Total		**347,926**	**98.1%**

[1] *See* supra table 1.

[2] OCC, FDIC, and NCUA, *Anti-Money Laundering and Countering the Financing of Terrorism Programs*, 91 FR 18034, 18323. Based on FFIEC Call Reports data as of September 30, 2025. FinCEN estimated the percentage of small entities by dividing FDIC's estimated number of small entities (2,221) by the estimated number of FDIC-regulated banks (2,772) in September 30, 2025; *FDIC, Quarterly Banking Profile – Q3 2025*, p. 32. Table III-C. Estimated FDIC-Insured Deposits by Type of Institution, https://www.fdic.gov/quarterly-banking-profile/quarterly-banking-profile-third-quarter-2025-pdf.pdf.

[3] Based on consultation with FRB staff. FinCEN estimated the percentage of small entities by dividing FRB's estimated number of small entities (440) by the estimated number of FRB-regulated banks (703).

[4] Based on consultation with NCUA staff. The NCUA estimated that 2,514 of 4,287 federally insured credit unions met their operational definition of small, which requires that a credit union have less than $100 million in assets.

[5] OCC, FDIC, and NCUA, *Anti-Money Laundering and Countering the Financing of Terrorism Programs*, 91 FR 18034, 18322. The OCC estimates the number of small entities based on the SBA's size thresholds for commercial banks and savings institutions, and trust companies, which are $850 million and $47 million, respectively. FinCEN estimated the percentage of small entities by dividing the OCC's estimated number of small entities (609) by the estimated number of OCC-regulated banks (895).

[6] To FinCEN's knowledge, only one bank without an FFR exceeds the $850 million threshold criteria for small.

[7] The SEC defines a small entity as a broker-dealer that had total capital of less than $500,000 on the date in the prior fiscal year as of which its audited financial statements were prepared or, if not required to file such statements, a broker-dealer that has total capital of less than $500,000 on the last business day of the preceding fiscal year. 12 CFR 240.0-10(c). FinCEN estimated the percentage of small entities by dividing the SEC's estimated number of small entities (1,275), which was submitted to the Office of Information and Regulatory Affairs on January 23, 2026, as part of SEC's PRA information collection for the renewal of Rule 15b1-1 by the estimated number of broker-dealers (3,277). *See* SEC, Application for Registration of Brokers or Dealers, https://www.reginfo.gov/public/do/PRAViewIC?ref_nbr=202509-3235-012&icID=193354.

[8] The SBA thresholds for a small business in this category (North American Industry Classification System (NAICS) codes 522320 and 522390) are $47 million and $28.5 million, respectively. The U.S. Census 2022 Statistics of U.S. Businesses ("2022 SUSB data") indicate that 3,357 out of 3,532 firms in NAICS code 522320 received under $50 million in annual receipts and 2,844 out of 2,977 firms in NAICS code 522390 received under $30 million in annual receipts (https://www.census.gov/data/tables/2022/econ/susb/2022-susb-annual.html). This results in an average of 95.0 percent.

[9] This estimate is based on the assumption that all agent MSBs are small entities.

[10] The SBA thresholds for a small business in this category (NAICS codes 713210 and 713290) are $34 million and $40 million, respectively. The 2022 SUSB data on the number of firms by receipts size indicate that 97 out of the 198 firms that received over $1 million in annual receipts in NAICS code 713210 received between $1 million and $35 million in annual receipts, and 674 out of the 766 firms that received over $1 million in annual receipts in NAICS code 713290 received between $1 million and $40 million in annual receipts. This results in an average of 68.5 percent.

Under the proposed special measure, covered financial institutions would be prohibited from facilitating or participating in certain transmittal of funds involving A7 Network Sub-Agents. As discussed above in Section VIII.A, FinCEN does not expect the rule to affect all financial institutions that it proposes to cover equally, and many, if not most small entities are less likely to incur substantive costs than *de minimis* ones because of their lower likelihood of interaction with A7 Network Sub-Agents.

While small covered financial institutions would be required to take reasonable measures to detect and prevent the transmittal of funds involving A7 Network Sub-Agents, neither set of newly required activities proposed is expected to introduce significant incremental burdens relative to those covered financial institutions' current obligations and ongoing diligence activities. For example, all U.S. persons, including U.S. financial institutions, must comply with OFAC sanctions, and most covered U.S. financial institutions generally have suspicious activity reporting requirements and systems in place to screen transactions to comply with OFAC sanctions and section 9714(a) special measures administered by FinCEN. The systems that U.S. financial institutions have in place to comply with these requirements are expected to be easily modified to adapt to this proposed rule. FinCEN believes that the increase in burden would be minimal in part because FinCEN would provide a comprehensive list of A7 Network Sub-Agents known to FinCEN to covered financial institutions, who in turn would simply incorporate the list into their existing screening tools and processes. Thus, the special due diligence that would be required under the proposed rule—*i.e.,* preventing the transmittal of funds involving A7 Network Sub-Agents and the transmittal of notification to certain correspondent account holders—is not expected to require a significant change in due diligence activities for small U.S. financial institutions. For these reasons, FinCEN certifies that the proposals contained in this rulemaking are not expected to have a significant impact on a substantial number of small businesses.

FinCEN invites comments from members of the public who believe there would be a significant economic impact on small entities from the imposition of a prohibition under the proposed special measure regarding A7 Network Sub-Agents.

D. Unfunded Mandates Reform Act

Section 202 of the UMRA [90] requires that an agency prepare a budgetary impact statement before promulgating a rule that may result in expenditure by the state, local, and tribal governments, in the aggregate, or by the private sector, of USD 193 million or more in any one year (USD 100 million in 1995, adjusted for inflation).[91] [92] If a budgetary impact statement is required, section 202 of the UMRA also requires an agency to identify and consider a reasonable number of regulatory alternatives before promulgating a rule.

FinCEN has determined that this proposed rule would not result in expenditures by state, local, and tribal governments in the aggregate, or by the private sector, of USD 193 million or more in any one year. Accordingly, FinCEN has not prepared a budgetary impact statement or considered the regulatory alternatives outlined in Section IV.C above within the framework of the UMRA.

E. Paperwork Reduction Act

The recordkeeping and disclosure requirements contained in this proposed rule that qualify as ''collections of information'' under the PRA will be submitted to the Office of Management and Budget (OMB) for review in accordance with the PRA.[93] Under the PRA, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the OMB.[94] Written comments and recommendations for the proposed prohibition can be submitted by visiting *www.reginfo.gov/public/do/PRAMain.* Find this particular document by selecting ''Currently under Review—Open for Public Comments'' or by using the search function. Comments are welcome and must be received by November 4, 2026. In accordance with requirements of the PRA, 44 U.S.C. 3506(c)(2)(A), and its implementing regulations, 5 CFR part 1320, the following information concerning the collection of information as required by 31 CFR 1010.668 is presented to assist those persons wishing to comment on the information collections.

The provisions in this proposed rule pertaining to the collection of information can be found in section 1010.668(b). The notification requirement in section 1010.668(b)(2) are intended to aid cooperation from foreign account holders in preventing transactions involving any A7 Network Sub-Agent from being processed by the U.S. financial system. The information required to be maintained by section 1010.668(b)(5) would be used by federal agencies and certain self-regulatory organizations to verify compliance by covered financial institutions with the requirements in section 1010.668(b). The collection of information would be mandatory.

Frequency: As required.

Description of Affected Financial Institutions: Only those covered financial institutions defined in section 1010.668(a)(4) that are engaged in certain transmittals of funds as defined in proposed section 1010.668(a)(5) with, or processing transactions potentially involving, A7 Network Sub-Agents as defined in section 1010.668(a)(1) and (2) are expected to incur incremental economic effects.[95]

Estimated Number of Potential Respondents: 347,926 covered financial institutions.

Estimated Number of Expected Respondents: 34,793 covered financial institutions.

Estimated Average Annual Burden in Hours per Affected Financial Institution: Imposing the special measure described in this proposed rule is expected to result in a new, incremental recordkeeping and potential disclosure burden on certain

[90] 2 U.S.C. 1532, Public Law 104–4 (Mar. 22, 1995).

[91] *Id.*

[92] The U.S. Bureau of Economic Analysis reports the annual value of the gross domestic product implicit price deflator for calendar year 1995 (the year UMRA was enacted), as 66.939, and as 128.974 for the calendar year 2025 (the most recent available). Thus, the inflation-adjusted estimate for $100 million is 128.974 ÷ 66.939 × $100 million, or $192.7 million. U.S. Bureau of Economic Analysis, *Table 1.1.9. Implicit Price Deflators for Gross Domestic Product,* BEA Interactive Data Application.

[93] *See* 44 U.S.C. 3507(a)(1)(D). The PRA defines a ''collection of information'' as ''the obtaining, causing to be obtained, soliciting, or requiring the disclosure to third parties or the public, of facts or opinions by or for an agency, regardless of form or format, calling for either (i) answers to identical questions posed to, or identical reporting or recordkeeping requirements imposed on, ten or more persons, other than agencies, instrumentalities, or employees of the United States; or (ii) answers to questions posed to agencies, instrumentalities, or employees of the United States which are to be used for general statistical purposes[.]'' *See* 44 U.S.C. 3502(3).

[94] 44 U.S.C. 3507(a)(3).

[95] FinCEN recognizes that the petition process that would be provided under proposed 31 CFR 1010.668(b)(3) would also generate required paperwork and thereby impose burden on affected respondents. However, because (1) a petition is only expected to be undertaken by a listed A7 Network Sub-Agent that believed itself capable of demonstrating why it should be removed from the list and (2) the likelihood of this occurring 10 or more times in a given year is exceptionally low, FinCEN has not estimated or assigned a separate PRA burden to the reporting, recordkeeping, or disclosure activities accompanying proposed subsection 1010.668(b)(3).

covered financial institutions as described above.

The estimated burden includes the time required to determine whether a notification is required, prepare and transmit any notifications required under 1010.668(b)(2), and create and maintain the records required under 1010.668(b)(5). This estimated average annual burden in this proposed rule is, in total, one business day, or eight hours per affected financial institution with expanded obligations (n = 128) and, in total, one-half business day, or four hours per affected financial institution under more limited requirements (n = 34,665).

Estimated Total Annual Burden: Approximately 139,700 hours.[96]

Estimated Total Annual Cost: Approximately USD 17,740,000.[97]

General Request for Comments: Comments are invited on: (1) whether the proposed collection of information found in section 1010.668(b)(5) is necessary for the proper performance of the mission of FinCEN, including whether the information would have practical utility; (2) the accuracy of FinCEN's estimate of the burden of the proposed collection of information; (3) ways to enhance the quality, utility, and clarity of the information required to be maintained; (4) ways to minimize the burden of the required collection of information, including through the use of automated collection techniques or other forms of information technology; and (5) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to report the information.

VIII. Regulatory Text

List of Subjects in 31 CFR Part 1010

Administrative practice and procedure, Banks, banking, Brokers, Crime, Foreign banking, Terrorism.

Authority and Issuance

For the reasons set forth in the preamble, FinCEN proposes amending 31 CFR part 1010 as follows:

PART 1010—GENERAL PROVISIONS

■ 1. The authority citation for part 1010 continues to read as follows:''

Authority: 12 U.S.C. 1829b and 1951–1959; 31 U.S.C. 5311–5314, 5316–5336; title III, sec. 314, Pub. L. 107–56, 115 Stat. 307; sec. 2006, Pub. L. 114–41, 129 Stat. 458–459; sec. 701 Pub. L. 114–74, 129 Stat. 599; sec. 6403, Pub. L. 116–283, 134 Stat. 3388.''

■ 2. Add 1010.668 to read as follows:

1010.668 Special measures regarding any A7 Network Sub-Agent.

(a)*Definitions.* For purposes of this section, the following terms have the following meanings. To the extent there is a differing definition in § 1010.100 of this chapter, the definition in this Section is what applies to this Section.

(1) *A7 Network.* The term ''A7 Network'' means the core grouping of entities and persons involved in the operation of a Russian-Kyrgyzstan based sanctions evasion and money laundering network including: A7 Liability Company, A71 Limited Liability Company, A7 Agent Limited Liability Company, Old Vector LLC, Garantex, Grinex, Independent Decentralize Finance Smartbank and Ecosystem, ExVed, Sergey Mendeleev, Ilan Shor, and Promsvyazbank Public Joint Stock Company, and any other persons whose property and interests in property have been blocked, by designation, order, or by operation of law, in light of their connection to the A7 Network, an OFAC-designated TCO.

(2) *A7 Network Sub-Agents.* The term ''A7 Network Sub-Agents'' means businesses including, but not limited to, the following: Galadriel Trading FZCO, Gimli Trade LLC–FZ, Hydrofusion Resources FZ–LLC, Pearl Bridge, Power Sphere LLC–FZ, and Sigizmund FZCO, and any other entity identified by FinCEN as a Sub-Agent of the A7 Network.

(3) *Convertible Virtual Currency (CVC).* The term ''convertible virtual currency (CVC)'' means a medium of exchange that either has an equivalent value as currency, or acts as a substitute for currency, but lacks legal tender status. Despite having legal tender status in at least one jurisdiction, for the purpose of this NPRM, the A7A5 stablecoin is included as a type of CVC.

(4) *Covered Financial Institution.* The term ''covered financial institution'' has the same meaning as ''financial institution'' in 31 CFR 1010.100(t).

(5) *Transmittals of Funds.* The term ''transmittals of funds'' means the sending and receiving of funds, including convertible virtual currency. For avoidance of doubt, for this section this definition of transmittal of funds applies rather than the definition of transmittal of funds in section 1010.100(ddd).

(6) *Recipient.* The Term ''Recipient'' means the person to be paid by the recipient's covered financial institution.

(7) *Meaning of Other Terms.* All terms used but not otherwise defined herein shall have the meaning set forth in 31 CFR Chapter X, 31 U.S.C. 5312, and 21 U.S.C. 2302.

(b) Prohibition on transmittals of funds and due diligence requirements for covered financial institutions.

(1) *Prohibition of certain transmittals of funds.* A covered financial institution is prohibited from engaging in a transmittal of funds involving any A7 Network Sub-Agent, including any transmittal of funds from or to an A7 Network Sub-Agent, or from or to any account or CVC address administered by or on behalf of an A7 Network Sub-Agent.

(i) A covered financial institution will be deemed not to have violated this prohibition where, upon determining that it received CVC that originated from an A7 Network Sub-Agent or from an account or CVC address administered by or on behalf of an A7 Network Sub-Agent, that covered financial institution, if required under other authorities, blocks the CVC or rejects the transaction, preventing the intended Recipient from accessing such CVC and returning the CVC to the A7 Network Sub-Agent, or to the account or CVC address from which the CVC originated.

Note 1 to paragraph (b)(1): Covered financial institutions should block and report

[96] (128 financial institutions with expanded obligations × 8 hours per institution) + (34,665 financial institutions with limited obligations × 4 hours per institution)) = 139,682 hours = ~ 139,700 hours.

[97] The wage rate applied here is a general composite hourly wage (USD 89.24), scaled by a private-sector benefits factor of 1.42 (USD 127.03 = USD 89.24 × 1.42). This incorporates Bureau of Labor Statistics (BLS) mean wage data associated with the six occupational codes (11–1010: Chief Executives; 11–3021: Computer and Information Systems Managers; 11–3031: Financial Managers; 13–1041: Compliance Officers; 23–1010: Lawyers and Judicial Law Clerks; 43–3099: Financial Clerks, All Other) for each of the nine groupings of North American Industry Classification System industry codes that FinCEN determined are most directly comparable to its 11 categories of potentially affected financial institutions as delineated in 31 CFR parts 1020 to 1030. *See* BLS, *May 2025—National industry-specific and by ownership, https://www.bls.gov/oes/tables.htm.* Given that many occupations provide benefits beyond wages (*e.g.,* insurance and paid leave), FinCEN applies the private sector benefit factor to the unloaded wage rate to reflect the total cost to the employer. The benefit factor is the ratio of total compensation (which includes wages and benefits) to wages. Total compensation = USD 45.65 and Wages and salaries = USD 32.07 (1.42 = USD 45.65 ÷ USD 32.07) as of June 2025, based on the private industry workers series data downloaded from BLS, Employer Costs for Employee Compensation data, *https://www.bls.gov/news.release/archives/ecec_09122025.pdf.* 139,682 total annual burden hours multiplied by USD 127.03 per hour equals a total annual cost of USD 17,743,855, or approximately USD 17,740,000.

See discussion of how compliance with the proposed rule is expected to be integrated into covered financial institutions' broader OFAC sanctions and 311 special measures compliance activities at Section X.B.

See FinCEN, *Renewal Without Change of Prohibition on Correspondent Accounts for Foreign Shell Banks; Records Concerning Owners of Foreign Banks and Agents for Service of Legal Process,* 90 FR 21987, 21994 (May 22, 2025), *https://www.federalregister.gov/d/2025-09162/p-134.*

to OFAC any accounts, property, or interests in property that are blocked pursuant to any OFAC sanctions authority and in compliance with the Reporting Procedures and Penalties Regulations, 31 CFR part 501.

(2) *Notification.* If a transmittal of funds is prohibited pursuant to paragraph (b)(1) or is blocked consistent with Note 1 to paragraph (b)(1), the covered financial institution must notify affected persons associated with the transmittal of funds with which the covered financial institution maintains a direct commercial relationship.

(3) *Procedures for Removal from the List of A7 Network Sub-Agents.*

(i) A person identified by FinCEN as an A7 Network Sub-Agent may submit petition presenting arguments or evidence that the person believes establishes that insufficient basis exists for the person to be identified as an A7 Network Sub-Agent or that the circumstances resulting in being identified as an A7 Network Sub-Agent no longer apply. This submission must be made via email to *Globalinvestigations@fincen.gov.*

(ii) For the purposes of such petitions:

(A) The information submitted by the person submitting a petition will be reviewed by FinCEN, which may request clarifying, corroborating, or other additional information.

(B) A person submitting a petition may request a meeting with FinCEN; however, such meetings are not required, and FinCEN may, at its discretion, decline to conduct such meetings prior to completing a review of the petition.

(C) After FinCEN has conducted a review of the petition, it will provide a written decision to the person that submitted the petition.

(4) *Special Due Diligence.* A covered financial institution shall take a risk-based approach when deciding what, if any, other due diligence measures it reasonably must adopt to guard against processing prohibited transmittals of funds associated with transactions involving any A7 Network Sub-Agent.

(5) *Recordkeeping and reporting.*

(i) A covered financial institution is required to document its compliance with the notification requirement set forth in this section.

(ii) Nothing in paragraph (b) of this section shall require a covered financial institution to report any information not otherwise required to be reported by law or regulation.

Jimmy L. Kirby,

Deputy Director, Financial Crimes Enforcement Network.

[FR Doc. 2026–20371 Filed 10–2–26; 8:45 am]

BILLING CODE 4810–02–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

45 CFR Part 1355 and 1357

RIN 0970–AD32

Reforming Federal Reporting and Assessments in Child Welfare

AGENCY: Children's Bureau (CB), Administration on Children, Youth and Families (ACYF), Administration for Children and Families (ACF), Department of Health and Human Services (Department).

ACTION: Notice of proposed rulemaking.

SUMMARY: ACF proposes to remove regulations that implement title IV–B of the Social Security Act (the Act) because they are outdated and refer to dates that have passed, have been superseded by subsequent amendments to the Act, duplicate or restate requirements already in title IV–B of the Act or other Federal law, and/or impose administrative and reporting requirements on agencies that do not meaningfully support Federal program oversight and administration of title IV–B programs. Four of these regulatory requirements are redesignated to the regulations addressing titles IV–E and IV–B plan requirements. ACF also proposes to remove the regulation that articulates the principles of child and family services reviews because it does not prescribe any requirements that states and tribes must follow, but rather provides unenforceable recommendations, and to remove redundant cross-references.

DATES: Comments on this proposed rule must be received by November 4, 2026.

ADDRESSES: You may submit written comments, identified by docket number ACF–2026–0562 and/or Regulatory Information Number (RIN) 0970–AD32, through the Federal eRulemaking Portal: *https://www.regulations.gov* on or before the due date. Follow the instructions for submitting comments. All comments received will be posted without change to *www.regulations.gov,* including any personal information provided. In accordance with 5 U.S.C. 553(b)(4), a summary of this proposed rule may be found at [INSERT *REGULATIONS.GOV* CITE].

FOR FURTHER INFORMATION CONTACT: Jennifer Haight, 202–329–6464; Administration on Children, Youth and Families, Administration for Children and Families, Department of Health and Human Services; *cbcomments@acf.hhs.gov.*

SUPPLEMENTARY INFORMATION:

I. Statutory Authority

The Department published this NPRM under the authority granted to the Secretary of the Department of Health and Human Services (the Secretary) by Section 1102 of the Social Security Act (the Act), 42 U.S.C. 1302, which authorizes the Secretary to publish regulations, not inconsistent with the Act, as may be necessary for the efficient administration of the functions with which the Secretary is charged under the Act.

II. Background

Title IV–B of the Act provides funding to states (including Washington, DC, territories, insular areas, (herein referred to as states) and Indian tribes, Tribal organizations and tribal consortia (herein referred to as tribes) to develop, expand, and coordinate child and family services programs that use community-based agencies for family support services, family preservation services, adoption promotion and support services, and family reunification services to ensure all children are raised in safe, loving families. The Stephanie Tubbs Jones Child Welfare Services Program authorized under title IV–B, subpart 1 of the Act (herein referred to as ''subpart 1'') funds preventive intervention, alternative placements, and reunification efforts to keep families together (section 421 *et seq.* of the Act). The MaryLee Allen Promoting Safe and Stable Families Program authorized under title IV–B, subpart 2 of the Act (herein referred to as ''subpart 2'') funds family support services, family preservation services, family reunification services, and services to support adoptions (section 430 *et seq.* of the Act).

To receive Federal funding under title IV–B, a state or tribal child welfare agency (agency) submits a Child and Family Services Plan (CFSP) for ACF approval (section 432 of the Act). The CFSP is a five-year strategic plan that consolidates the requirements in title IV–B subparts 1 and 2. It identifies goals for the continuum of child welfare services, focusing on safety, permanency, and the well-being of children and families (section 432(a)(2) of the Act). Annually, agencies submit to ACF a review of progress toward accomplishment of those goals in the Annual Progress and Services Report (APSR), revise the goals of the CFSP if necessary, and describe services that they will provide in the subsequent fiscal year (section 432(a)(2)(C) and (5) of the Act). In addition, agencies must

annually report expenditures to ACF on Form CFS–101 (section 432(a)(8)(B) of the Act). In the fifth year of the CFSP, agencies submit a final report to ACF on progress toward accomplishment of the goals (section 432(a)(2)(C) of the Act).

Federal regulations require that agencies use the CFSP, APSR, and final report to provide ACF information for title IV–B subpart 1 and 2 programs as well as information on the John H. Chafee Foster Care Program for Successful Transition to Adulthood (section 477 of the Act, hereafter referred to as Chafee) and the child abuse and neglect state grant programs under the Child Abuse Prevention and Treatment Act (CAPTA) (42 U.S.C. 5101 *et seq.*). Federal regulations at 45 CFR 1357.10. 1357.15, 1357.16 and 1357.20 set forth the program information that ACF requires agencies to submit. Sections 1357.30 and 1357.32 identify the fiscal requirements for state agencies and sections 1357.40 and 1357.50 provide the fiscal requirements for tribal agencies, and the information agencies must report through the CFS–101.

III. Purpose of the Proposed Rule

This NPRM proposes to remove the regulations in § 1357 because they: (1) refer to timeframes and dates that have passed, (2) refer to subsequently repealed or amended statutory changes, (3) duplicate federal law, and (4) increase administrative and reporting burdens on title IV–B agencies. Additionally, we propose to redesignate four regulatory requirements from § 1357 to § 1355.21, because they are necessary to retain and are more appropriately addressed as title IV–B plan requirements. We also propose conforming changes to § 1355; removal of 1355.21, which provides unenforceable suggestions; and removal of 1355.30, which duplicate other federal requirements. This proposal is consistent with the requirements in section 441 of the Act (42 U.S.C. 6291) and the Administration's priorities set forth in E.O. 14192 and E.O. 14219. If this NPRM becomes final, it would impact state and tribal title IV–B agencies. This NPRM does not propose any new requirements.

1. Remove Implementation Timeframes and Dates That Have Passed

The regulations for title IV–B of the Act were first issued in 1996 (61 FR 58655, Nov. 18, 1996, here after referred to as the 1996 final rule). We propose to remove regulations in § 1357 that refer to the original consolidation of the title IV–B planning requirements from the 1996 final rule. The transition period for the consolidation is complete, and the dates no longer serve any operational or legal purpose.

2. Remove Regulatory Requirements That Were Subsequently Repealed or Amended by Statutory Changes

Since the 1996 final rule, Congress has extensively amended requirements under title IV–B, however the regulations have not been substantially updated to reflect these statutory changes. Therefore, we propose to remove regulatory requirements that have been superseded by subsequent amendments to title IV–B.

3. Remove Requirements That Duplicate Federal Law

The duplicative regulations are those that carry no impact because the authority and requirements stated in the regulation appear elsewhere in statute and other regulations. Our proposal will not change the agency's obligations to follow the law, because the statutory requirements continue to apply. The removal of these duplicative regulations will eliminate potential confusion between the statute, regulation and guidance.

4. Reduce Administrative Burden

The Supporting America's Children and Families Act (Pub. L. 118–258), signed into law on January 4, 2025, requires that the Department reduce administrative burden on the title IV–B program to eliminate duplication and streamline reporting requirements, specifically to reduce the burden of administering title IV–B and reduce the number of hours required for compliance by at least 15 percent (section 441 of the Act). It also requires ACF to modify subpart 2 reporting requirements imposed on tribes with a total allotment of not more than $50,000 per fiscal year (section 428(b) of the Act). In this NPRM, we propose to meet these mandates by removing obsolete requirements from § 1357 and reducing administrative and reporting burdens on title IV–B agencies. Additionally, our proposal to remove unnecessary and burdensome administrative and reporting requirements is consistent with the Department's commitment to reducing unnecessary regulatory and paperwork burden, as described in E.O. 14219 and section 441 of the Act, which requires the Department to reduce the administrative burden of the title IV–B program.

The provisions in § 1357 that impose significant administrative and reporting requirements, beyond what is required by statute, do not meaningfully support Federal program oversight and administration of title IV–B programs. Reducing unnecessary paperwork will allow agencies to focus resources on activities that directly support child and family outcomes. A recent report found that APSRs averaged 256 pages, with an average reading time of 7.18 hours and 41 to 78 percent of the language in each agency's APSR is the same as what they submitted for the previous year.[1]

ACF understands that the reporting burden is due in large part to the regulations that require agencies to report duplicative information. ACF assesses that CFSPs and APSRs have become primarily compliance documents, rather than useful tools to improve the continuum of child welfare service delivery. This NPRM intends to correct this by removing the regulations above in order to eliminate duplication and streamline reporting requirements. As we describe in Section V., if this NPRM becomes final, we estimate an annual burden reduction of 60.78 percent.

July 2025 Federal Register Request for Public Comments

The Department's proposal is informed by public comments we received in response to ACF's **Federal Register** Notice Providing Technical Assistance Related to the Indian Child Welfare Act published on July 22, 2025 (90 FR 34506, hereafter referred to as the 2025 FRN) that requested broad input regarding implementation of new requirements from the Supporting America's Children and Families Act, including ways to reduce administrative burden for title IV–B program grantees. We received 23 comments in response to the 2025 FRN. The comments are available in the docket for this action on *Regulations.gov* (Docket ID ACF–2025–0038). We received 10 comments from state child welfare agencies and courts; four comments from tribes; three comments from organizations representing American Indians/Native Americans, interests; three comments from national advocacy, public interest, philanthropic, and professional organizations (organizations); and three comments from individuals. The Department carefully reviewed all the comments received in response to the 2025 FRN. The Department is using feedback to inform a myriad of work, including guidance, technical assistance, guidance and regulatory reform. The feedback on reducing the

[1] Abbott, Marissa, Jessica Rendon, and Jennifer Burnszynski. No States Have Ever Passed the Child and Family Services Reviews: Findings from an Analysis Over the Last 25 Years. Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services. November 2025.

administrative burden for title IV–B programs that we used to inform this NPRM is further explained in IV. Section-by-Section Discussion of Proposed Regulatory Changes.

Tribal Consultation

The Department's proposal is also informed by a series of consultations with tribal leaders that were hosted by ACF in: Arizona on September 25, 2025, Washington on November 18, 2025, Minnesota on August 25, 2025, and Washington, DC, on February 11, 2026 (collectively referred to as ''tribal consultations''). Over 100 tribal leaders and partners participated in the consultations and ACF received 20 written submissions. A Summative Tribal Consultation Report from the consultations is available on CB's website. Like the 2025 FRN, the Department is using this feedback from the tribal consultations to inform a myriad of work, including guidance, technical assistance, and regulatory reform. The feedback that we used to inform this NPRM is further explained in section V. Section-by-Section Discussion of Proposed Regulatory Changes and section VI. Tribal Consultation Statement.

Severability

The provisions of this NPRM, once it becomes final, are intended to be severable, such that, in the event a court were to invalidate any particular provision or deem it to be unenforceable, the remaining provisions would continue to be valid. None of the provisions contained herein are central to an overall intent of the proposed rule, nor are any provisions dependent on the validity of other, separate provisions.

IV. Section-by-Section Discussion of Proposed Regulatory Changes

Section 1355.25 Principles of Child and Family Services

Section 1355.25 recommends guiding principles for child and family services that provide direction to states and tribes in developing, operating, and improving the continuum of services available. ACF agrees that many of the topics covered in this section are effective guiding principles, however, we propose to remove this section because it does not prescribe any requirements that states and tribes must follow but rather provides unenforceable recommendations. We believe these principles are more appropriate to set forth in a sub-regulatory guidance document. This proposal does not indicate a departure from ACF's position on what constitutes effective principles of child and family services.

Section 1355.30 Other Applicable Regulations

We propose to remove § 1355.30, which cites to other federal regulations applicable to state and tribal programs funded under titles IV–B and IV–E of the Act. We propose to remove this section because the regulations cited are applicable to states and tribes and enforced regardless of § 1355.30. We believe a list of other applicable regulations is helpful but are more appropriate in a sub-regulatory guidance document.

Section 1357.10 Scope and Definitions

We propose to remove § 1357.10(a), which describes the scope of § 1357. Since we propose to remove § 1357, the paragraph is no longer necessary.

We propose to remove § 1357.10(b) and redesignate it as § 1355.21(c)(2), ''Plan requirements for titles IV–B and IV–E.'' Paragraph (b) ensures that individuals who move from one state or tribal jurisdiction to another are able to obtain title IV–B services without being required to reside in the new state or tribal jurisdiction for a specified period before receiving services and that services are provided on the basis of need. We continue to believe that these requirements are important for ensuring continuity of title IV–B services and preventing barriers to children and families receiving services. However, we determined that this prohibition is more appropriately addressed in the regulations at § 1355.21, which govern title IV–B plan requirements. Therefore, agencies will continue to be prohibited from denying title IV–B services based on income or length of residence in a state or tribe's jurisdiction.

Section 1357.10(c) defines terms used in § 1357, including: child and family services plan, child welfare services, children, community-based services, families, family preservation services, family support services, and joint planning. We propose to remove the definitions because they are either superseded by subsequent statutory amendments or are already defined in section 475 of the Act and § 1355.20. Therefore, this proposed change will not alter the agency's obligations.

Section 1357.15 Comprehensive Child and Family Services Plan Requirements

Section 1357.15 describes the requirements for the five-year CFSP. In response to the 2025 FRN, two states, two tribes, and one tribal organization reported that the CFSP is not useful for purposes other than meeting the Federal title IV–B reporting requirements, because agencies must write very lengthy reports in response. Those two states reported that none of their state oversight entities use them. However, comments received from two other states indicated they use the CFSP and APSRs to inform agency leadership about where improvements are needed in the child welfare system. Several other commenters responding to the 2025 FRN and participating in tribal consultations expressed that the amount of reporting far exceeds the benefit of the minimal funding that smaller tribes receive. During the tribal consultations, Tribal Leaders and their representatives shared that reducing the administrative burden for tribal child welfare programs will help ensure that tribal resources are used for direct services to families rather than consumed by excessive reporting requirements. ACF agrees that the extensive reporting requirements are an undue administrative burden on agencies when compared with the CFSPs utility and propose corresponding changes in this NPRM. Although the reporting requirements for the CFSP are rooted in statute, which is beyond the scope of a rulemaking, the Department assesses that the following proposal to remove § 1357.15 will help eliminate some burdensome reporting requirements.

Section 1357.15(a) describes what must be included in the CFSP. Current paragraph (a)(1) requires an agency to use one consolidated CFSP to meet the plan requirements for both title IV–B subpart 1 and subpart 2. As a result, tribal agencies that operate only a subpart 1 program must still follow the CFSP framework, including the planning cycle, submission timelines, and reporting structure associated with subpart 2, even though they do not operate a subpart 2 program. Section 432(b) of the Act does not require agencies to submit one consolidated plan covering both subpart 1 and subpart 2.

The Department now assesses that requiring one consolidated CFSP creates unnecessary administrative burden for tribal agencies that only receive subpart 1 funds. It also limits state and tribal agency flexibility in managing plan submissions and timelines. Therefore, we propose to remove paragraph (a)(1), which means that the regulations will not require agencies to follow the CFSP planning cycle and submission deadlines to receive title IV–B subpart 1 funds.

Section 1357.15(a)(2) requires agencies to report in their CFSP information on the independent living program in section 477 of the Act

(Chafee), and for states, CAPTA grants. While Chafee and CAPTA contain their own statutory requirements, the regulation incorporated their planning and reporting elements into the CFSP submission, because focus groups convened by the Children's Bureau (CB) to develop the 1994 NPRM (59 FR 50646, issued October 4, 1994), urged ACF to consolidate the planning and reporting for these programs to streamline administration and reduce redundancy for agencies by creating a single, integrated planning and reporting process rather than multiple separate submissions. In response to the 2025 FRN, we received several comments about whether submitting separate plans as opposed to one consolidated CFSP is less burdensome. Three states believe that continuing to combine the plans into one report is less burdensome than submitting separate program reports because it promotes program coordination within the state. In contrast, one state felt that separating program reporting would be less burdensome because it would allow them to manage workflow and deadlines. One tribe recommended consolidating all funding requirements into a single agreement or plan. In contrast, a tribal organization recommended separating the reporting requirements by individual program because clearly identifying which requirements apply to tribes would help tribes manage Federal reporting requirements more effectively. The Department now assesses that requiring agencies to consolidate Chafee and CAPTA requirements and reporting into one CFSP creates undue administrative burden on agencies and removes the agency's flexibility to report on each program using statutory timeframes. Our proposal to remove paragraph (a)(2) of this section means that agencies may submit separate plan information for title IV–B subpart 1, subpart 2, CAPTA and Chafee funding, following the timelines and reporting requirements set forth in statute for each such program. We believe allowing agencies to submit each program report in accordance with its statutory time frame will provide greater flexibility for agencies to determine how to meet timelines and program requirements and re-directs limited agency administrative capacity back towards program implementation. For example, title IV–B subpart 2, CAPTA and Chafee programs require agencies to report certain information and data annually; however, only subpart 2 and Chafee require agencies to submit annual data by June 30th of each year.

We propose to remove paragraph (a)(3) of this section, which explains that states must meet all requirements of § 1357.15 except those that apply only to tribal agencies. Tribal agencies must meet the requirements of § 1357.15 only as specified in the regulation. Because we propose to remove § 1357 in its entirety, this paragraph is no longer necessary.

We propose to remove paragraph (a)(4) of this section, which requires agencies to consolidate subparts 1 and 2 into a CFSP by June 30, 1997. The paragraph refers to phase-in dates that have passed, and therefore no longer serves any operational or legal purpose.

Section 1357.15(b) identifies the eligibility requirements for title IV–B funding. Paragraph (b)(1) of this section requires title IV–B agencies to submit a consolidated CFSP and annual CFS–101 for subparts 1 and 2. First, as we explained above, section 432(b) of the Act only requires that agencies submit a plan for the subpart 2 program. Second, the statute does not require agencies receiving only subpart 1 funding to submit a CFS–101. Therefore, we propose to remove paragraph (b)(1) because it imposes significant reporting requirements beyond what is required by statute. This means that regulations will no longer require tribes operating only subpart 1 programs to submit a CFS–101. If an agency operates both a subpart 1 and 2 program, it must submit a CFS–101 for both programs, as required in section 432(a)(8)(B)(ii) of the Act.

Section 1357.15(b)(2), (3), (5), and (7) refers to phase-in dates that have passed. Paragraphs (b)(2) and (3) require agencies to submit a consolidated CFSP, the first APSR, and the first CFS–101 certain dates in 1997. Paragraph (b)(5) requires agencies to submit the first APSR and CFS 101 by June 30, 1996. Paragraph (b)(7) requires agencies to submit the CFSP for FYs 1995–1999 by June 30, 1995. We propose to remove these paragraphs because they no longer serve any operational or legal purpose. This proposal will not alter the agency's obligations because agencies do not currently rely on these outdated paragraphs.

Section 1357.15(b)(4) requires agencies to jointly develop the CFSP and APSR with ACF, tribes, and a wide range of public and non-profit private agencies and community-based organizations. We propose to remove (b)(4) of this section because the requirement to jointly develop with ACF duplicates statutory requirements in sections 422(a) and 432(b)(1)(A) of the Act that already require joint planning between the agency and ACF. Additionally, the requirement in section 432(b)(1)(A) of the Act requiring broad consultation with a wide range of stakeholders is applicable only to subpart 2, however § 1357.15(b)(4) applies the broad consultation requirement to subpart 1 plans. Based on 2025 FRN comments and our experience administering this program, the Department now concludes that this results in undue administrative and reporting burden on tribal agencies. The less time an agency spends on administrative tasks, the more time agency staff can spend working with children and families receiving services under title IV–B. The proposal to remove paragraph (b)(4) is consistent with comments on the 2025 FRN to eliminate the requirement to report on consultation and coordination. It means the regulation will no longer require that agencies consult with a wide range of public and non-profit private agencies and community-based organizations to develop a plan for subpart 1. Agencies that operate subpart 2 programs must continue to develop the subpart 2 plan and annual report in broad consultation with a wide range of stakeholders, but only those identified in statute.

Section 1357.15(b)(6) requires agencies to develop the APSR jointly with ACF and meet the requirements of § 1357.16 in order to receive title IV–B subpart 1 and 2 funding. We propose later in this document to remove § 1357.16, which makes this paragraph unnecessary. Additionally, section 432(a)(2)(C)(i) of the Act requires that agencies perform an interim review of progress toward accomplishment of the subpart 2 goals in the subpart 2 plan, and on the basis of the interim review, revise the statement of goals, if necessary, to reflect changed circumstances. Consistent with the statute, we propose to remove paragraph (b)(6) of this section. This means the regulation will no longer require tribal agencies operating only a subpart 1 program to submit an APSR.

Section 1357.15(c) describes the assurances agencies must provide to ACF. Paragraphs (c)(1) and (2) of this section require agencies to assure that they will participate in evaluations required by the Department and administer the CFSP in accordance with methods the Department determines are proper and efficient. These assurances duplicate requirements already established for subpart 2 in section 432(a)(8) of the Act. Thus, we propose to remove paragraphs (c)(1) and (2), which means that agencies receiving subpart 1 funding will provide the assurances in accordance with section

422 of the Act and agencies receiving subpart 2 funding will continue to provide assurances consistent with section 432(a)(8) of the Act.

Section 1357.15(c)(3) and (4) requires agencies to assure that they have a plan for training and employing paid paraprofessional staff and assure that they apply the childcare standards in title XX to the services under the CFSP. The Child and Family Services Improvement Act of 2006 (Pub. L. 109–288) removed these assurances from the Act. Therefore, we propose to remove paragraphs (c)(3) and (4) because they are obsolete.

Section 1357.15(d) requires agencies to develop a CFSP planning process that coordinates consultation with a wide range of stakeholders, title IV–B services with other Federal programs and collects information to determine which populations are most vulnerable or at risk. We propose to remove paragraph (d) of this section because it duplicates requirements already established in sections 422(b)(2) and 432(a)(3) and (b)(1)(A) of the Act and imposes additional burdensome requirements beyond what is required by statute. This proposed removal will not alter the agency's obligations to continue to coordinate services and benefits under other Federal or Federally assisted programs serving the same populations and state programs that have a relationship to title IV–B services as required in law. While we continue to believe that agencies should participate in robust consultation, we propose that agencies have more flexibility regarding whether to consult with a wide range of public and non-profit private agencies and community-based organizations and parents.

Section 1357.15(e) applies to states and requires the CFSP name the agency that will administer the title IV–B program, ensure the same agency also administers title IV–E and XX programs, and submit documentation of the organization and function of the agency with organization charts. Similarly, § 1357.15(f) applies to tribes and requires the CFSP name the Indian tribal organization that will administer the title IV–B subpart 1 and 2 programs, if appropriate, and submit documentation of the organization and function of the agency with organization charts. These duplicate requirements in section 422(b)(1) of the Act, and the Department now assesses that requiring agencies to provide further information, such as organizational charts, is not necessary for the Department to carry out effective oversight of title IV–B programs or to assess compliance with applicable Federal requirements. Agencies will continue to report to ACF the name of the title IV–B agency that administers subpart 2, title IV–E, and title XX programs as required in section 422(b)(2) of the Act.

Section 1357.15(g) requires agencies to describe a vision statement in the CFSP. Focus groups convened by CB to develop the 1994 NPRM (59 FR 50646) recommended agencies have a vision statement to encourage development of a realistic yet forward-looking CFSP. We propose to remove paragraph (g) of this section because title IV–B of the Act does not require agencies to describe a vision statement and based on our experience administering title IV–B programs, the vision statement has limited utility for agencies and does not materially enhance our ability to evaluate program performance or compliance. This means agencies will not need to provide a vision statement in the subpart 2 plan.

Section 1357.15(h) requires that agencies specify the goals, based on the vision statement, they will achieve by the end of the five-year CFSP. The goals must be expressed in terms of improved outcomes for and the safety, permanency, and well-being of children and families, and in terms of a more comprehensive, coordinated, and effective child and family service delivery system. However, based on our experience administering title IV–B, the information collected under paragraph (h) of this section has limited utility for agencies, Federal monitoring, and does not materially enhance our ability to evaluate program performance or compliance. In addition, the requirements in paragraph (h) of this section extend beyond the statutory requirements in section 432(a)(2) of the Act by applying this requirement to agencies receiving subpart 1 funds and by directing all agencies to describe the goals in specific ways. Therefore, we propose to remove paragraph (h) of this section because based on our experience administering title IV–B programs, the Department now assesses the burden on agencies to report these details outweigh the benefit. The less time an agency spends on administrative tasks, the more time agency staff can spend working with children and families receiving services under title IV–B. Removing paragraph (h) means the regulations will not require agencies to include goals for the subpart 1 program, and agencies administering subpart 2 may identify their goals in the subpart 2 plan in a way that is appropriate for their needs, as required in section 432(a)(2) of the Act.

Section 1357.15(i) requires agencies to describe in the CFSP the objectives for each goal and their progress providing title IV–B services to additional political subdivisions. The Act does not require agencies to describe objectives in the CFSP. Consistent with our proposal to remove paragraph (h) of this section above, the information collected under paragraph (i) of this section has limited utility for agencies, Federal monitoring, and does not materially enhance our ability to evaluate program performance or compliance. Based on comments received in response to the 2025 FRN and our experience administering title IV–B programs since the rule was published, the Department now assesses the burden on agencies to report these details outweighs the benefit. The less time an agency spends on administrative tasks, the more time agency staff can spend working with children and families receiving services under title IV–B. Therefore, we propose to remove paragraph (i) of this section, which means that regulations will not require agencies to describe objectives.

Section 1357.15(j) requires agencies to describe in the CFSP the methods used to measure progress toward meeting the goals and objectives. It duplicates requirements already established in section 432(a)(2)(b) of the Act and the Department now asserts that paragraph (j) extends the statutory requirement by requiring that agencies also describe the specific processes and procedures for assuring the production of valid and reliable data and information. This requirement was added by the 1996 final rule to give states flexibility in how to measure goal progress while states were still developing and implementing automated information systems. We propose to remove paragraph (j) because agencies now have automated information and reporting systems in place that identifies the methods to measure progress, therefore, requiring a narrative in the title IV–B plans on the process for validating reliable information is not useful for agencies or for ACF to evaluate program performance. This means the regulations will no longer require agencies to describe the specific measures of progress.

Section 1357.15(k) prescribes requirements for agencies to use and submit baseline information and trends on indicators of family needs and wellbeing that are used to measure progress over the five-year CFSP. We propose to remove paragraph (k)(1) because it is applicable to the original consolidation of title IV–B planning requirements from the 1996 final rule and longer serves any operational or legal purpose.

Section 1357.15(k)(2) and (3) requires agencies to collect, analyze, and report in the CFSP extensive state-wide/tribe-wide information about title IV–B services. This was originally added to the 1996 final rule because focus groups convened for the 1994 NPRM and respondents' comments emphasized the importance of baseline data to developing responsive goals and objectives. At that time, national child welfare data systems were still evolving and there was no standardized Federal data infrastructure. The CFSP narrative was one of the primary mechanisms for gathering baseline data. The Department now assesses this function is largely fulfilled by electronic information systems, eliminating the need for the narratives required from paragraphs (k)(2) and (3) of this section. This proposal means that instead of providing a narrative description of baseline data in the CFSP, agencies receiving subpart 2 funds will continue data collection and performance monitoring through their automated information systems.

Section 1357.15(l) requires agencies to consult with a broad range of stakeholders/partners and describe the consultation process used to inform the CFSP's development. It duplicates requirements already established in section 432(b)(1)(A) of the Act where agencies are required to identify stakeholders and partners with whom the agency must consult when developing the subpart 2 plan. However, the Department now takes the position that the 1996 final rule expanded paragraph (l) beyond the requirements in the Act. When CB convened focus groups to inform the 1994 NPRM, participants thought agencies would benefit from engaging in a broader and more active consultation process, therefore the 1996 final rule added additional stakeholders with whom the agency must consult. The Department now assesses it is best to align requirements more closely with the statute to give agencies greater flexibility in determining stakeholders for robust engagement. Accordingly, we propose to remove paragraph (l) of this section to give agencies the flexibility in determining which additional stakeholders and partners, beyond those required by statute, are most appropriate to consult in developing their plan for subpart 2 programs. This means agencies will continue to develop the plan for subpart 2 with appropriate public and nonprofit child agencies and community-based organizations identified in section 432(b)(1)(A) of the Act, but the regulation will not require agencies to describe the consultation process. In addition, agencies are not required to follow these requirements for the subpart 1 program.

Section 1357.15(m) requires agencies to describe in the CFSP how they coordinate services with other social and health services. This paragraph duplicates statutory requirements in sections 422(b)(2) and 432(a)(3) of the Act, which require agencies to consult and coordinate with relevant agencies and service providers as a condition of receiving title IV–B funding. The Department now concludes that requiring agencies to describe the process of coordination in the CFSP does not meaningfully enhance Federal oversight, improve service delivery, or strengthen accountability. Accordingly, we propose to remove paragraph (m) of this section, which means that agencies will not need to describe the process but must continue to consult and coordinate as required by sections 422(b)(2) and 432(a)(3) of the Act.

Section 1357.15(n) requires agencies to describe services and report financial information. Paragraphs (n)(1) and (2) require agencies to describe the publicly funded child welfare services continuum. We propose to remove paragraphs (n)(1) and (2) of this section because they duplicate statutory requirements in sections 422(b)(3) and 432(a)(5)(A) of the Act. Additionally, statutory amendments in the Adoption and Safe Families Act of 1997 (Pub. L. 105–89) revised the service categories within title IV–B, rendering these paragraphs outdated.

Section 1357.15(n)(3) requires that agencies provide estimates for the next fiscal year for the subparts 1 and 2 services in either the CFSP or the CFS–101, including: the population the agency will serve, the geographic area where the agency will provide services, number of individuals the agency will serve, and the estimated expenditures for title IV–B, Chafee and CAPTA. In response to the 2025 FRN, three states recommend streamlining the CFS–101 to reduce duplication and burden in reporting expenditure and service information. Suggestions included eliminating parts II and III of the CFS–101 because they are duplicative. Commenters also suggested reporting only high-level expenditure summaries in the CFSP/APSR and not estimated expenditure amounts, noting the expenditure reporting is duplicative across the CFSP, CFS–101, and CB–496. One tribe and a tribal organization recommend creating tribe-specific CFS–101 forms and simplifying the CFS–101 by eliminating reporting anticipated expenditures. Another tribe recommended allowing tribes to submit Parts I and II only after allocation amounts are confirmed.

We propose to remove (n)(3) because it duplicates the requirements for the CFS–101 in section 432(a)(8)(B)(i) of the Act. This proposed change will not alter the agency's obligations under the statute, which continues to require that agencies report the following information: (1) the planned child and family services expenditures by the agency for the next fiscal year, and (2) for the most recent fiscal year, the number of families and children, the population served, the geographic areas served, and the actual expenditures of title IV–B funds. Consistent with our proposal to remove § 1357.15(a)(1), the regulation will not require tribes receiving only subpart 1 funding to submit a CFS–101. Although CFS–101 reporting requirements are rooted in statute beyond the scope of a rulemaking, we believe that removing paragraph (n)(3) will help eliminate some of the burdensome reporting requirements.

Section 1357.15(o) requires agencies to explain in the CFSP linkages and coordination between family preservation and family support services with other programs. Paragraphs (o)(1) and (3) of this section require agencies to explain how funds will be used to develop or expand services and how services are coordinated across other public service programs. We propose to remove paragraphs (o)(1) and (3) of this section because they duplicate statutory requirements in sections 422(b)(2) and 432(a)(3) of the Act and impose additional burdensome requirements beyond what is required by the statute. This proposed change will not alter the agency's obligations to describe coordination between federal and state programs, because the statutory requirements continue to apply. However, the regulatory requirement to describe in detail how title IV–B funds will be used to develop or expand family support and preservation services and how those services are coordinated with existing services across the child and family services continuum, other public systems (*e.g.,* health, education, housing, substance abuse, and courts), and federally and non-federally funded public and nonprofit programs is unnecessarily burdensome.

Section 1357.15(o)(2) requires states to describe how CAPTA and Chafee funds are coordinated with and integrated into the child and family services continuum. This provision was included in the 1996 final rule to ensure

that the CFSP included all components of the broader child and family services continuum. However, title IV–B of the Act does not require states to include information about CAPTA or Chafee coordination in the CFSP. CAPTA separately requires states to assure, to the maximum extent practicable, that the CAPTA plan is coordinated with the title IV–B plan (42 U.S.C. 5106a(b)(2)), and section 477 of the Act does not contain such a requirement. We propose to remove paragraph (o)(2) of this section because coordination is already addressed through CAPTA's statutory requirements, and Chafee does not impose a title IV–B coordination requirement. Therefore, the Department now assesses that paragraph (o)(2) of this section is unnecessary and duplicative. This proposal means agencies will no longer need to explain how they coordinate and integrate CAPTA and Chafee programs into the service continuum.

Section 1357.15(p) requires that agencies describe in the CFSP how title IV–B services are designed to assure the safety and protection of children, consistent with the service principles in 45 CFR 1355.25. The 1996 final rule codified the child and family services principles in § 1355.25 to assure that services designed with title IV–B funding would be consistent with a vision expressed by practitioners in the field and used as the basis for development of effective, responsive, and quality services programs. However, based on ACF's experience administering funding for title IV–B programs, this narrative in the CFSP has limited practical value for agencies or Federal oversight and we now believe it is burdensome, diverting agency resources from activities that directly support child and family outcomes. Therefore, we propose to remove paragraph (p) of this section and 1355.25, which means the regulations applicable to title IV–B will no longer require agencies to describe how services are consistent principals of child and family services.

Section 1357.15(q) requires states to explain in the CFSP how services help meet the requirements in section 422(b)(8) of the Act (previously codified at section 422(b)(9) of the Act) and how states will comply with section 422(b)(8) of the Act with respect to Indian children who may be under the jurisdiction of, or served by, a tribe. Section 422(b)(8) of the Act requires agencies to assure they operate and implement specific child welfare protections, including: a statewide information system; a case review system; a service program designed to help children achieve permanency; a preplacement prevention services program; and procedures for children abandoned at or shortly after birth (often referred to collectively as ''protections''). We propose to remove the first sentence of paragraph (q) because it duplicates the statutory requirements in sections 422(b)(8) and 471 of the Act. We propose to remove and redesignate the second sentence of paragraph (q) that requires states to describe in the CFSP the arrangements made with the tribe for protections in section 422(b)(8) of the Act to Indian children under both state and tribal jurisdiction, to § 1355.21(d). It is important for states to clearly identify and describe any arrangements with tribes to ensure that all children receive the protections and that no child is inadvertently excluded. A tribe may, pursuant to an agreement with the state, assume responsibility for providing these protections for Indian children, however, the state retains ultimate statutory responsibility for ensuring that the protections in section 422(b)(8) of the Act are provided to all children in foster care. The requirements of paragraph (q) are not specifically duplicated in statute, therefore we propose to remove and redesignate the second sentence of paragraph (q) to § 1355.21(d) to better align this requirement with the broader regulatory framework governing title IV–B and IV–E plan assurances and oversight.

Section 1357.15(r) requires title IV–B agencies to explain in the CFSP the process they use to select agencies and organizations for funding and how these agencies and organizations meet the requirement that family support services be community-based. This requirement was included in the regulations because focus groups convened by CB to develop the 1994 NPRM encouraged states to closely examine the work and accomplishments of community-based organizations. However, the Act does not require title IV–B agencies to provide this narrative in the CFSP. ACF therefore assesses that the existing regulatory requirement extends beyond what is necessary to implement the statutory requirements of title IV–B of the Act.

Moreover, in the decades since this requirement was established, title IV–B agencies have integrated the selection process for agencies and organizations into their policies, laws, systems, and routine practices for planning and delivering title IV–B services to children and families. ACF preliminarily determines that the purpose underlying the narrative is now largely fulfilled through these existing state policies, laws, systems, and practices, eliminating the need to require title IV–B agencies to separately describe their provider selection process in the CFSP. Based on the ACF's experience administering title IV–B programs since this regulation was promulgated, this narrative is also not necessary for effective Federal oversight.

Accordingly, ACF proposes to remove paragraph (r) to eliminate a reporting requirement that is not required by statute and is no longer necessary to achieve its intended purpose, thereby reducing unnecessary reporting burden on agencies. The less time an agency spends on administrative tasks, the more time agency staff can spend working with children and families receiving services under title IV–B. Removing paragraph (r) does not change title IV–B agencies' responsibilities for developing their title IV–B, subpart 2 plans with appropriate community-based agencies and organizations or otherwise complying with applicable title IV–B requirements. Rather, title IV–B agencies will continue to select community-based agencies and organizations through their established practices, policies, laws, and systems.

Section 1357.15(s) requires that states spend a ''significant portion'' (defined as 25 percent) of subpart 2 funding on two service categories: family support and family preservation services (this does not apply to tribes). The Act does not define ''significant portion'' and subsequent amendments to the Act expanded the subpart 2 program from two to four service categories, adding family reunification services and adoption promotion and support services (see section 431(a)(1), (2), (7), and (8) of the Act). As a result, section 432(a)(4) of the Act requires that agencies spend significant portions of subpart 2 expenditures for each of the four service categories. In response to the addition of two subpart 2 service categories, ACF issued sub-regulatory guidance re-interpreting ''significant portion'' to mean 20 percent for each of the four service categories (see ACYF–ACF–CB–PI–25–02, Attachment B). These changes rendered paragraph (s) of this section obsolete thus we propose to remove it. This proposal will not change states' current funding responsibilities because they must continue to follow the statutory requirements in section 432(a)(4) of the Act.

Section 1357.15(t) requires agencies to describe in the CFSP specific information on their staff training, technical assistance, and evaluation planning. Paragraph (t)(1) of this section requires agencies to describe in the CFSP the staff development and training

funded under subparts 1 and 2 and under title IV–E of the Act. However, subpart 2 does not require agencies to report a training plan. The 1996 final rule consolidated these training plan descriptions within the CFSP to ensure that training supported by various Federal funding streams was coordinated and presented in a single location. We considered removing § 1357.15(t), however, this would eliminate the only requirement that ensures a unified training plan across title IV–B programs, potentially leading to fragmentation. Therefore, we propose removing and redesignating the requirement for a staff development and training plan to 45 CFR 1355.21(c)(3), which governs general Title IV–B plan requirements, and amending the language to require that agencies develop, maintain and implement a staff development and training plan applicable to programs funded under title IV–B of the Act. This preserves the requirement while aligning it with a program-wide framework rather than a subpart 2-specific plan.

Section 1357.15(t)(2) and (3) requires agencies to describe in the CFSP any technical assistance, evaluation, and research activities that support the agencies' goals and objectives. The Act does not require agencies to include this description in the CFSP. Thus, we propose to remove paragraphs (t)(2) and (3) of this section because the Department now obtains sufficient information on the agency's technical assistance activities through other required submissions and ongoing oversight processes, including CFSRs, program improvement plans, CB technical assistance centers and ongoing communication between CB regional office specialists and agencies.

Section 1357.15(u) requires agencies to describe in the CFSP the quality assurance system used to assess programs and services provided under the CFSP. This requirement was included in the 1996 final rule in response to a 1994 report issued by the HHS Office of Inspector General recommending that ACF require states to implement quality assurance systems. Since that time, ACF has implemented comprehensive regulatory and oversight frameworks to address quality assurance more directly and systematically in § 1355.34(b)(3). Therefore, we propose to remove paragraph (u) because it duplicates the regulatory requirement in § 1355.34(b)(3) and the Department now takes the position that a separate reporting requirement is not necessary to ensure accountability. We propose to make conforming amendments to § 1355.34(c)(3) to remove references to § 1357.15(u) under this section, as described later in this preamble.

Section 1357.15(v) requires agencies to describe how they will make the CFSP and APSR available to interested parties and how the state and tribal agency will exchange the documents with each other. We propose to remove paragraph (v) because the statutory requirements in section 432(a)(5)(A) of the Act and § 1355.21(c), that require plans to be available to the public, do not require the agency to provide a description of how they will do it. In addition, the statute does not specifically require state and tribal agencies to exchange their CFSP/APSR with one another. These requirements impose an additional burden on agencies beyond what is required by the statute. This proposed change will not alter the agency's obligation to make the title IV–B plans available to the public because the statutory and other regulatory requirements continue to apply.

Section 1357.16 Annual Progress Reviews and Services Reports

Section 1357.16 describes the information agencies must include in the APSR and final five-year report.

Section 1357.16(a) requires agencies to conduct an interim review of the progress made in the previous year and submit a report to ACF (the APSR). Paragraphs (a)(1) through (8) of this section require that agencies include in the APSR: (1) the specific accomplishments toward meeting the agency's goals and objectives; (2) a description of any necessary revisions to the goals, objectives, or training plan to reflect changed circumstances; (3) a summary of the child welfare and/or family preservation and family support services the agency will provide in the upcoming fiscal year, noting any changes in services or program design and including the information required under § 1357.15(n); (4) a description of planned activities in training, technical assistance, research, evaluation, and management information systems that support the plan's goals and objectives; (5) for states, an update on the Chafee program; and (6) for states, information demonstrating compliance with the maintenance of effort requirements in section 432(a)(7) and (8) of the Act.

In contrast, section 432(a)(2)(C) and (5) of the Act requires grantees receiving funding under subpart 2 to annually: (1) perform an interim review of progress toward accomplishment of the goals; (2) revise the statement of goals in the plan, if necessary; (3) report a description of the services the grantee will provide in the next fiscal year and (4) estimate the populations the agency will serve in the next fiscal year. There is no annual review/reporting requirement in subpart 1. We propose to remove paragraphs (a)(1) through (8) of this section because the Department assesses that they significantly expand annual reporting requirements beyond the statutory requirements in section 432(a)(2)(C) and (5) of the Act. Based on our experience administering title IV–B, the information collected pursuant to paragraph (a) of this section has limited utility for grantees and Federal monitoring and does not materially enhance our ability to evaluate program performance or compliance. These requirements impose substantial administrative burden on agencies, including staff time dedicated to compiling narrative summaries and preparing documentation that frequently reiterates previously submitted material. This burden redirects limited agency administrative capacity and resources away from program implementation. This means that for the subpart 2 program only, agencies will perform an interim review of progress and report the information required in section 432(a)(2)(C) and (5) of the Act, but the regulation will not require agencies to annually report on progress for the subpart 1 program.

Section 1357.16(b) establishes the submission deadlines for the APSR and the CFS–101. Paragraphs (b)(1), (2), and (3) of this section require agencies to submit the APSR and the CFS–101 for both subparts 1 and 2 to the ACF Regional Office no later than June 30 of each year. As written, the regulation applies these reporting and submission deadlines to tribal agencies receiving only subpart 1 funding. However, neither section 422 nor 432 of the Act require tribal agencies only receiving subpart 1 funds to submit the APSR nor the CFS–101. The Department preliminarily determined this imposes obligations for subpart 1-only tribal agencies beyond those specified in statute. Accordingly, we propose to remove § 1357.16(b)(1), (2), and (3) to eliminate requirements that exceed statutory authority. This means tribal agencies receiving only subpart 1 funds will not be required to submit an APSR or CFS–101 by June 30th of each fiscal year.

Section 1357.16(b)(4) describes the APSR and CFS–101 submission requirements for FY 1996 through 1998. We propose to remove paragraph (b)(4) of this section because the phase-in dates have passed and no longer serve any operational or legal purpose.

Section 1357.16(c) describes the APSR requirements for 1994. We

propose to remove paragraph (c) of this section because it refers to phase-in dates that have passed and no longer serves any operational or legal purpose.

Section 1357.16(d) requires agencies to make the APSR available to the public. This requirement duplicates the statutory requirement in section 432(a)(5)(A) of the Act and § 1355.21(c) for the subpart 2 program. In addition, paragraph (d) of this section extends beyond the statutory language by requiring states and tribes to describe the exchange of APSRs between them. Since both states and tribes are independently required to make their APSR publicly available per section 432(a)(5)(A) of the Act, the Department now concludes that paragraph (d) is obsolete. Removing paragraph (d) of this section will not substantively change the grantee's obligations, because the statutory requirements continue to apply.

Section 1357.16(e) addresses requirements for the FY 1999 final review. We propose to remove paragraph (e) of this section because it refers to the phase-in dates that have passed and no longer serves any operational or legal purpose.

Section 1357.16(f) requires agencies to develop a five-year plan for FY 2000. We propose to remove paragraph (f) of this section because it refers to the phase-in dates that have passed and no longer serves any operation or legal purpose.

Section 1357.20 Child Abuse and Neglect Programs

Section 1357.20 requires the state to assure that any child abuse and neglect programs or projects funded under the title IV–B program meet the requirements of section 106(b)(1) and (2) of CAPTA, which are plan requirements for the CAPTA Basic State Grant. Section 106(b)(2)(A) of CAPTA requires states to assure that the CAPTA Basic State Grant plan is coordinated, to the maximum extent practicable, with the subpart 1 and 2 plans. Because CAPTA already governs and enforces requirements on coordination of services between subparts 1 and 2 and CAPTA, the Department now assesses that § 1357.20 is unnecessary.

Section 1357.25 Requirements for Eligibility for Additional Payments Under Section 427

Section 1357.25 describes the requirements agencies must meet to comply with section 427 of the Act. Section 427 of the Act previously addressed requirements for compliance reviews and provided the protections that are currently in section 422(a)(8) of the Act. Subsequently, the Social Security Act Amendments of 1994 (Pub. L. 103–432) repealed section 427 effective for fiscal years beginning after April 1, 1996, therefore we propose to remove § 1357.25 because it is obsolete.

Section 1357.30 State Fiscal Requirements (Title IV–B, Subpart 1, Child Welfare Services)

Section 1357.30 describes the fiscal requirements for states under subpart 1, including allotments, re-allotments, payments, enforcement and termination, matching or cost-sharing, maintenance of effort, and time limits on expenditures.

Section 1357.30(a) defines the scope of § 1357.30 to include subpart 1 funding for state agencies. We propose removing paragraph (a) of this section because we propose to remove the entire section.

Section 1357.30(b) and (c) identifies section 421 of the Act as the authority for determining state allotments and section 423 of the Act as the authority for subpart 1 funding. These paragraphs merely cite the relevant statutory authority therefore we propose to remove paragraphs (b) and (c) of this section because they provide no utility. Our proposal to remove this duplicative information will not change the agency's obligations to follow the law, because the statutory requirements continue to apply

Section 1357.30(d) identifies 2 CFR 200.339–200.340 as the authority for enforcement and termination of subpart 1 funding, in the event of an agency's failure to comply with the terms of the grant. We propose to remove paragraph (d) of this section because it duplicates government-wide requirements applicable to Federal grant awards at 2 CFR Parts 200 and 300.

Section 1357.30(e) describes the matching or cost sharing requirements for state subpart 1 grants. Paragraph (e)(1) of this section allows the state's contribution to be cash, donated funds, and non-public third-party in-kind contributions. We propose to remove paragraph (e)(1) of this section because it duplicates requirements described in § 200.306. This proposal will not change the allowable sources of non-Federal match.

Section 1357.30(e)(2) and (3) identifies limits on using subpart 1 funding for daycare, foster care, and adoption assistance payments, according to base year 1979. We propose to remove these paragraphs because they are superseded by amendments to section 424(c) and (d) of the Act. The statute now establishes FY 2005 as the base year for purposes of the subpart 1 expenditure limit. There is no impact on agencies because they must continue to follow the statutory requirements.

Section 1357.30(f) prohibits agencies from using subpart 1 funding for the purchase or construction of facilities. We propose to remove paragraph (f) of this section because it is inconsistent with the government-wide requirements applicable to Federal grant awards at 2 CFR Parts 200 and 300.

Section 1357.30(g) addresses requirements for the state's maintenance of effort and uses FY 1979 as the base year for purposes of the subpart 1 Federal and non-Federal expenditures. Subsequent amendments to section 424(c) of the Act updated the base year to 2005, thus, we propose to remove paragraph (g) of this section because it no longer serves any operation or legal purpose. There is no impact on agencies because they must continue to follow the statutory requirements.

Section 1357.30(h) explains how ACF will reallot unused subpart 1 funding. It duplicates the framework for reallotment identified in section 423(e) of the Act and is therefore unnecessary. We propose to remove paragraph (h) of this section, which will not change the grantee's obligations because the statutory requirements in section 423(e) of the Act continue to apply.

Section 1357.30(i) places a time limit on the expenditure of subpart 1 funds. We propose to remove paragraph (i) of this section, because it duplicates ACF's Supplemental Terms and Conditions for the Stephanie Tubbs Jones Child Welfare Services Program, available on the ACF website at *https://acf.gov/grants/manage-grant/grant-award/award-terms* and therefore is not necessary. This proposal will not change the grantee's obligations, because the grant terms and conditions continue to apply. Agencies continue to have two fiscal years to spend the funds. After that period ends, the money is no longer available.

Section 1357.32 State Fiscal Requirements (Title IV–B, Subpart 2, Family Preservation and Family Support Services)

Section 1357.32 describes the fiscal requirements for states under subpart 2, including: allotments, re-allotments, payments, matching or cost sharing, maintenance of effort and time limits for expenditures.

Section 1357.32(a) defines the scope of § 1357.32 to include subpart 2 funding for state agencies. We propose to remove paragraph (a) of this section because we propose to remove the entire section, and therefore defining the scope is unnecessary.

Section 1357.32(b) and (c) identifies section 433 of the Act as the authority for determining state allotments and section 434 of the Act as the authority for title IV–B subpart 2 funding. These paragraphs merely cite the relevant statutory authority. We propose to remove paragraphs (b) and (c) of this section, which will not change the obligation of the state agency to adhere to statutory requirements.

Section 1357.32(d) describes the matching or cost sharing requirements for subpart 2 grants. Paragraph (d)(1) of this section allows the state's contribution to be cash, donated funds, and non-public third-party in-kind contributions. This paragraph duplicates requirements described in 2 CFR 200.306. We propose to remove paragraph (d)(1) of this section because it is duplicative of government-wide requirements applicable to Federal grant awards at 2 CFR Parts 200 and 300.

Paragraph (d)(2) of this section prohibits states from using other Federal funding to meet the state's match. We propose to remove paragraph (d)(2) of this section because it duplicates the requirements described in section 434(b)(1) of the Act and therefore is not necessary. The state must continue to abide by the prohibition in statute.

Section 1357.32(e) prohibits the agency from using subpart 2 funds for the purchase or construction of facilities. We propose to remove paragraph (e) of this section because it is inconsistent with the government-wide requirements applicable to Federal grant awards at 2 CFR Parts 200 and 300.

Section 1357.32(f) prohibits states from using subpart 2 funds to supplant Federal or non-Federal funds for family preservation and family support services and sets the base year as 1992. Subsequent amendments to subpart 2 expanded the service categories from two to four. This paragraph duplicates statutory requirements in section 432(a)(7)(A) of the Act requiring states to assure that subpart 2 funding will not supplant Federal or non-Federal funds for existing services and activities, which promote the purposes of subpart 2. Therefore, we propose to remove paragraph (f) of this section. This proposal will not alter the obligations of state agencies because agencies must continue to adhere to the requirements in section 432(a)(7)(A) of the Act.

Section 1357.32(g) places a two-year time limit on the expenditure of funds. We propose to remove it because it duplicates requirements in section 434(b)(2) of the Act and is therefore unnecessary. This proposal will not change the state agency's obligations because they will continue to follow the statute.

Section 1357.32(h) places limitations on using subpart 2 funding for the state's administrative costs. We propose to remove paragraph (h)(1) of this section, which prohibits states from using subpart 2 funds for more than 10 percent of costs necessary to administer the program because it duplicates the requirements in section 432(a)(4) of the Act. This proposal will not impact state agency obligations because states must abide by the requirements in statute.

Section 1357.32(h)(2) and (3) defines administrative costs and clarify that costs related to developing and implementing the CFSP are program costs. When the regulation was issued in 1996, it defined ''administrative costs'' and ''program costs'' in response to comments on the 1994 NPRM and clarified that planning/preparation of the CFSP is a program cost and therefore not subject to the 10 percent administrative cap limitation. Since that time, agencies have reported such costs separate from the administrative costs on the CFS–101. Therefore we propose to remove paragraphs (h)(2) and (3) of this section because we believe this clarification is no longer necessary. The distinction between administrative and program costs is now well established in title IV–B reporting and agencies will continue to identify and report these costs as program costs through the CFS–101 and in accordance with applicable cost principles and ACF instructions. Removing these paragraphs will not change the treatment of allowable planning and preparation costs, rather, it would eliminate regulatory text that is no longer needed.

Section 1357.40 Direct Payments to Indian Tribal Organizations (Title IV–B, Subpart 1, Child Welfare Services)

Section 1357.40 describes the fiscal requirements applicable to tribal agencies under title IV–B, subpart 1, including: eligibility, development of a five- year plan, child welfare services and protections, grants, enforcement and termination, matching or cost sharing, and time limits on expenditures.

Section 1357.40(a) allows Indian tribal organizations, consortia or other group of eligible tribal organizations to apply for a subpart 1 grant. We propose to remove this paragraph because it duplicates section 428 of the Act, and therefore it is unnecessary. This change does not result in any substantive changes for tribal agencies because they will continue to follow the statute.

Section 1357.40(b)(1) requires tribal agencies to have an approved CFSP to receive funding under subpart 1. This requires that tribal agencies operating only the subpart 1 program adhere to the CFSP framework, including the same planning cycles, submission timelines, and reporting structures that were statutorily required only for agencies that receive subpart 2 funding. Consistent with the proposal in § 1357.15(a) the Department now assesses that requiring tribal agencies receiving only subpart 1 to adhere to the CFSP requirements creates undue administrative burden and removes their flexibility to manage timeframes. Therefore, we propose to remove paragraph (b)(1) of this section, which means the regulations will no longer require tribal agencies receiving only subpart 1 funding to submit a CFSP.

Section 1357.40(b)(2) only requires tribal agencies to comply with section 422(b)(1) through (8) of the Act and § 1355 because at the time this paragraph was promulgated, section 422(b) only contained eight paragraphs. Subsequent statutory amendments added section 422(b)(9) through (19) to the Act. These requirements are applicable to tribal agencies, but this regulation was never updated to reference paragraphs (9) through (19). Specifically, section 422(b)(9), (10), (11), and (12) of the Act was added by the Adoption and Safe Families Act of 1997, paragraphs (13) and (14) were added by the Fostering Connections to Success and Increasing Adoptions Act of 2008 (Pub. L.110–351), paragraphs (15) and (16) were added by the Preventing Sex Trafficking and Strengthening Families Act (Pub. L. 113–183), enacted in 2014, and paragraphs (17), (18), and (19) were added by the Family First Prevention Services Act (Pub. L. 115–123) enacted in 2018. Therefore, we propose to remove § 1357.40(b)(2) because it is out of date.

Section 1357.40(c)(1) requires tribes to describe how they work with states for providing child welfare services and the protections in section 422(b)(8) of the Act for children under both state and tribal jurisdiction. We propose to remove paragraph (c)(1) of this section because it duplicates § 1357.15(q), which we proposed to redesignate as § 1355.21(d)(2). As we described in § 1357.15(q), a tribe may, pursuant to an agreement with the state, assume responsibility for providing these protections for Indian children. However, the state retains ultimate statutory responsibility for ensuring that the protections required by section 422(b)(8) are provided to all children in foster care, including Indian children. We determined that this prohibition is more appropriately addressed in the

regulations at § 1355.21, which govern title IV–B plan requirements, thus, agencies will continue to be required to provide the protections.

Section 1357.40(c)(2) and (3) requires tribal agencies to describe: its legal responsibility for children in foster care on the reservation and those awaiting adoption, the tribes' jurisdiction in civil and criminal matters, whether the tribe has a court and the type of court and codes. We propose to remove paragraphs (c)(2) and (3) of this section because ACF does not use this information for any specific purpose, nor to evaluate program performance or compliance. This means the regulations will not require tribal agencies to describe their legal responsibilities, jurisdiction, and court structure.

Section 1357.40(c)(4) requires that tribal agencies receiving subpart 1 funding identify the standards for foster family homes, institutional care, and day care. We propose to remove paragraph (c)(4) of this section because we now conclude that it imposes a requirement on tribal agencies that are not similarly imposed on state agencies administering comparable child welfare programs. We cannot identify a reason why ACF now needs this information and requiring it only for tribes creates an unnecessary administrative burden for tribal agencies. Removing paragraph (c)(4) of this section would promote regulatory parity and reduce administrative burden on tribes without compromising the safety and well-being of children in care.

Section 1357.40(c)(5) requires tribes to describe their political subdivisions. We propose to remove paragraph (c)(5) of this section because ACF does not use this information to evaluate program performance or compliance. The Department assesses this requirement imposes a burden on tribal agencies without any corresponding benefits. This proposal means the regulation will no longer require tribal title IV–B agencies operating a subpart 1 program to submit information about its political subdivisions.

Section 1357.40(c)(6), (7), and (8) requires that tribal organizations provide documentation demonstrating that the tribal organization is controlled, sanctioned, or chartered by the governing body of the Indians to be served, along with Tribal resolution(s) authorizing the application for a direct subpart 1 grant. We propose redesigning these requirements as § 1355.21(e)(2) because we believe this information is important to retain as a reporting requirement. A tribal organization represents a group of tribes, however, in some circumstances, not all tribes in the organization may opt to participate in the title IV–B program. Clearly identifying which tribes in the organization are applying for the title IV–B grant, and the tribe's authorization, is essential for determining an accurate grant allotment. The requirements of paragraphs (c)(6), (7) and (8) are not specifically duplicated by a statutory requirement, thus, we propose to remove and redesignate them to § 1355.21(e)(2) to better align this requirement with the broader regulatory framework governing title IV–B and IV–E plan assurances and oversight.

Section 1357.40(d)(1) requires a tribe receiving only a subpart 1 grant to submit a CFSP. This requires that tribal agencies operating only the subpart 1 program adhere to the CFSP framework, including the same planning cycles, submission timelines, and reporting structures that were statutorily required only for entities that receive subpart 2 funding. Consistent with the proposal to remove § 1357.15(a), the Department now assesses that requiring tribal agencies receiving only subpart 1 to adhere to the CFSP requirements creates undue administrative burden and removes their flexibility to manage timeframes. Therefore, we propose to remove paragraph (d)(1) of this section, which means that the regulations will no longer require tribal agencies receiving only subpart 1 funding to submit a CFSP.

Section 1357.40(d)(2) describes the process for determining the tribal allotment of subpart 1 funds. We propose to remove paragraph (d)(2) of this section because it duplicates section 428(b) of the Act. This proposal will not change the tribal agency's obligations, because the statutory requirements continue to apply.

Section 1357.40(d)(3) explains that if a tribal title IV–B agency's service area includes population from more than one state, a proportionate amount of the subpart 1 grant will be paid from each state's allotment. We propose to redesignate (d)(3) to § 1355.21(e)(1) because it is important to retain information for agencies and applicants on how ACF determines the formula for Federal funding.

Section 1357.40(d)(4) prohibits tribes from using subpart 1 funds to supplant Federal or non-Federal funds. We propose to remove this requirement because it is better suited to be included in the grant terms and conditions.

Section 1357.40(d)(5) describes the fiscal and administrative requirements that apply to tribal agencies that receive subpart 1 funding. We propose to remove paragraphs (d)(5)(i) and (ii)(A) of this section because it duplicates the government-wide regulations applicable to Federal grants. This will not change the obligations of tribal agencies because 2 CFR Parts 200 and 300 continue to apply.

Section 1357.40(d)(5)(ii)(B) specifies the total amount of allowable Federal funding and permissible sources of non-Federal match for tribes. We propose to remove paragraph (ii)(B) of this section because it is superseded by amendments to section 424(c) and (d) of the Act. The statute now establishes FY 2005 as the base year for purposes of the subpart 1 expenditure limit. There is no impact on tribal agencies because they will continue to meet the statutory requirements.

Section 1357.40(d)(5)(ii)(c) allows the tribal agency's match for subpart 1 funds to include foster care maintenance payments in any amount. We propose to remove this paragraph because it duplicates ACF's Supplemental Terms and Conditions for the Stephanie Tubbs Jones Child Welfare Services Program, available on the ACF website at *https://acf.gov/grants/manage-grant/grant-award/award-terms.*

Section 1357.40(d)(5)(iii) prohibits tribal agencies from using title IV–B subpart 1 funding for the purchase or construction of facilities. We propose to remove paragraph (5)(iii) of this section because it is addressed in the government-wide requirements applicable to Federal grant awards at 2 CFR parts 200 and 300.

Section 1357.40(d)(5)(iv) places a time limit on the expenditure of funds by tribal agencies. We propose to remove this paragraph because it duplicates ACF's Supplemental Terms and Conditions for the Stephanie Tubbs Jones Child Welfare Services Program, available on the ACF website at *https://acf.gov/grants/manage-grant/grant-award/award-terms.* This will not change the agency's obligations, because the grant terms and conditions continue to apply. Tribal agencies continue to have two fiscal years to spend the funds. After that period ends, the money is no longer available for the tribal agency to spend.

Section 1357.40(d)(6) explains the formula for determining how much Federal funding will be available to tribes. We propose to redesignate (d)(6) to § 1355.21(e)(1), because it is important to retain information for tribal agencies and applicants on how ACF determines the formula for Federal funding.

Section 1357.50 Direct Payments to Indian Tribal Organizations (Title IV–B, Subpart 2, Family Preservation and Support Services)

Section 1357.50 identifies the fiscal and administrative requirements applicable to tribes administering grants under subpart 2, including: eligibility for funding, allotments, exemptions of certain requirements, matching requirements, and time limits on expenditures.

Section 1357.50(a) defines the terms, ''Alaska Native Organization,'' ''Indian tribe,'' and ''tribal organization.'' We propose to remove paragraph (a) of this section because these terms are defined in section 431(a)(5) and (6) of the Act. Removing the regulatory definitions will not impact tribal agencies.

Section 1357.50(b), (c), and (d) explains tribal eligibility requirements for phase-in dates that passed. We propose to remove paragraphs (b), (c), and (d) of this section because they are obsolete.

Section 1357.50(e) explains tribal allotments are based on section 433 of the Act. We propose to remove paragraph (e) of this section because it merely cites the relevant statutory authority, and, therefore, it is not necessary. This proposal will not impact tribal agencies because the statute continues to apply.

Section 1357.50(f) identifies subpart 2 exemptions for tribal agencies. Section 432(b)(2)(A) of the Act authorizes the Secretary to exempt tribes from the 10 percent limit on administrative costs and the requirement that tribal agencies use a significant portion of funds toward each of the service categories. Paragraph (f) exercises the Secretary's statutory authority to waive these requirements. However, we propose to remove paragraph (f) of this section to provide the Secretary more flexibility to make such determinations based on changes in statute and child welfare programs.

Section 1357.50(g)(1) and (2) identifies the tribal matching requirements for subpart 2 grants. We propose to remove paragraphs (g)(1) and (2) of this section because it duplicates requirements in section 434(a)(1) of the Act and 2 CFR part 200. Removing paragraphs (g)(1) and (2) will not change the tribe's obligations because the statute and regulatory requirements continue to apply.

Section 1357.50(g)(3) allows tribal agencies operating a subpart 2 program to use funds received under the Indian Child Welfare Act of 1978 (ICWA), the Indian Self-Determination and Education Assistance Act (ISDEAA), and the Community Development Block Grant (CDBG) program as matching funds. In general, whether Federal funds may be used to satisfy a non-Federal matching requirement depends on the statutory authority governing those funds. At the time the 1996 final rule was promulgated, the statutes authorizing ICWA, ISDEAA, and CDBG funds permitted their use as non-Federal matching funds in certain circumstances (see for example, 25 U.S.C. 1931(b) and 25 U.S.C. 5322(c)). We propose to remove paragraph (g)(3) of this section because, at this time, it duplicates the relevant statutes' authority to use Federal funds as match. This proposal also prevents the regulation from becoming outdated or inconsistent with the law, whenever there is a change to the statute. There is no change for tribal agencies at this time. The tribal agency may continue to use other Federal funds to meet the title IV–B non-Federal match as permitted by the applicable statute.

Section 1357.50(h) places a time limit on the expenditure of subpart 2 funds. We propose to remove paragraph (h) of this section because it duplicates requirements in section 434(b)(2) of the Act and is therefore unnecessary. This will not change the agency's obligations, because the statutory requirements continue to apply. Tribal agencies continue to have two fiscal years to spend the funds. After that period ends, the money is no longer available for the tribal agency to expend.

Section 1355.21 Plan Requirements for Titles IV–E and IV–B

We propose the following changes in 45 CFR 1355.21.

We propose revising § 1355.21(c) to redesignate it as paragraph (c)(1), reference the title IV–B subpart 1 plan, and remove references to § 1357.15 and § 1357.16 consistent with our proposal to remove § 1357.

We propose a new paragraph § 1355.21(c)(2) to include the regulatory requirements we proposed to redesignate to § 1355 from § 1357.10(b). As previously explained, this continues to ensure that individuals who move from one state or tribal jurisdiction to another are able to obtain title IV–B services without being required to reside in the new state or tribal jurisdiction for a specified period before receiving services and that services are provided on the basis of need.

We propose a new paragraph § 1355.21(c)(3) to include the regulatory requirements we proposed to redesignate to § 1355 from § 1357.15(t), requiring title IV–B agencies to develop, maintain, and implement a staff development and training plan applicable to programs funded under title IV–B subparts 1 and 2 of the Act.

We propose adding a new § 1355.21(d) consistent with our proposal to redesignate the requirements in § 1357.15(q) to § 1355.21. As previously explained, states must continue to describe the arrangements made with the tribe to provide for protections in section 422(b)(8) of the Act to Indian children under both state and tribal jurisdiction and a statement of legal responsibility for children in foster care on the reservation and those awaiting adoption.

We propose adding a new § 1355.21(e) addressing tribal title IV–B programs consistent with our proposal to redesignate the requirements in § 1357.40(d)(3) and (6) to § 1355.21. We propose to add a new § 1355.21(e)(1) to continue providing tribal agencies and applicants information on how ACF determines the formula for Federal funding for tribes under title IV–B subpart 1.

We propose adding a new § 1355.21(e)(2) consistent with our proposal to redesignate the requirements in § 1357.40(c)(6), (7), and (8) to § 1355.21. As previously explained, tribes and tribal organizations must continue to provide documentation demonstrating that the tribal organization is controlled, sanctioned, or chartered by the governing body of the Indians to be served, along with Tribal Resolution(s) authorizing the application for a direct subpart 1 grant, and subpart 2 if applicable.

Section 1355.33 Procedures for the Review

We propose conforming changes in 45 CFR 1355.33.

We propose revising § 1355.33(a)(2)(ii) to remove the reference to 45 CFR 1357.15(l) and replace it with a reference to the statutory authority in section 432(b)(1) of the Act. This is consistent with our proposal to remove § 1357.

We propose revising § 1355.33(c)(4)(iv) to remove the reference to reference to 45 CFR 1357.15(l) consistent with our proposal to remove § 1357.

Section 1355.34 Criteria for Determining Substantial Conformity

We propose the following conforming changes in 45 CFR 1355.34.

We propose revising § 1355.34(b)(2)(ii), which addresses both title IV–B subpart 1 and 2 requirements and assurances, to remove the reference to the CFSP. This edit is consistent with

our proposal to remove § 1357.15(a)(1), which means that agencies will only report subpart 2 requirements.

We propose revising § 1355.34(b)(2)(A) and (B) to remove the references to § 1357.15(p) consistent with our proposal to remove § 1357.

We propose revising § 1355.34(c)(3) to remove the reference to § 1357.15(u). We propose revising paragraph (c)(3)(ii) to remove ''CFSP'' and replace it with ''title IV–B plans'' because a title IV–E agency will be evaluating the quality of services under both subparts 1 and 2. This is consistent with the proposal to remove § 1357.15(a)(1).

We propose revising § 1355.34(c)(4) to remove the reference to § 1357.15(t) consistent with our proposal to remove § 1357.

We propose revising § 1355.34(c)(4)(i) to remove the reference to objectives consistent with our proposal to remove § 1357.

We propose revising § 1355.34(c)(4)(iv) to remove the reference to the CFSP and replace it with ''title IV–B plans'' because a title IV–E agency will provide ongoing training for both the subpart 1 and subpart 2 programs pursuant to § 1355.21(d).

We propose revising § 1355.34(c)(5) to remove the reference to § 1357.15(n) consistent with our proposal to remove § 1357.

We propose revising § 1355.34(c)(6)(i) through (6)(iv) to remove references to § 1357.15 and replace them with references to the statutory authority in section 432(a) and (b) of the Act consistent with our proposal to remove § 1357.

Section 1355.35 Program Improvement Plans

We propose revising § 1355.35(f) to remove the reference to ''objectives'' and replace the reference to § 1357.16 with a reference to the statutory authority section 432(b)(a)(2)(C) of the Act. These proposed revisions are consistent with our proposal to remove § 1357.

V. Regulatory Impact Analysis

1. Introduction

We have examined the impacts of the proposed rule under E.O. 12866, Executive Order 13563, Executive Order 14192, the Regulatory Flexibility Act (5 U.S.C. 601–612), and the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4).

Executive Orders 12866 and 13563 direct us to assess all benefits and costs of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits. Executive Order 14192 requires that any new incremental costs associated with significant new regulations ''shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least ten prior regulations.'' The Office of Information and Regulatory Affairs (OIRA) has determined that this proposed rule is a significant action under Executive Order 12866 Section 3(f). This analysis indicates that the proposed rule, if finalized, would be a deregulatory action under Executive Order 14192 because it is anticipated to result in $1.4 million in annualized savings.

The Regulatory Flexibility Act (RFA) requires agencies to consider the impact of their regulatory proposals on small entities. This proposed rule affects state and tribal title IV–E/IV–B agencies, and those entities are not considered to be small entities for purposes of the RFA. Further, the proposed rule would reduce the burden on these entities. Therefore, this analysis concludes, and HHS certifies, that the proposed rule would not have a significant economic impact on a substantial number of small entities.

The Unfunded Mandates Reform Act of 1995 (UMRA) generally requires that each agency conduct a cost-benefit analysis; identify and consider a reasonable number of regulatory alternatives; and select the least costly, most cost-effective, or least burdensome alternative that achieves the objectives of the rule before promulgating any proposed or final rule that includes a Federal mandate that may result in expenditures of more than $100 million (adjusted for inflation) in at least one year by State, local, and tribal governments, in the aggregate, or by the private sector. Each agency issuing a rule with relevant effects over that threshold must also seek input from State, local, and tribal governments. The current threshold, after adjustment for inflation using the gross domestic product implicit price deflator, is $193 million, reported in constant 2025 dollars. This proposed rule would not result in an expenditure in any year that meets or exceeds this amount.

2. Analysis of Economic Impacts

We have assessed the likely economic impacts of the proposed rule by comparing the policy scenario with a baseline scenario of the relevant regulations (45 CFR 1357 that implement title IV–B of the Social Security Act) continuing without modification. We anticipate the most notable economic impacts would relate to a reduction in burden for child welfare agencies from reduced time spent on administrative and reporting requirements related to title IV–B programs, and corresponding reductions in time spent by ACF staff receiving and reviewing these reports. The ''Paperwork Reduction Act'' Section of this document describes our approach to quantifying these impacts, which generally entails a comparison of our quantitative projection of the time and costs under the baseline scenario with a similar projection corresponding to the policy scenario of the NPRM. That analysis identifies annual cost savings of about $1.4 million for child welfare agencies (Table 3) and about $0.3 million in annual cost savings for ACF, both reported in 2025 dollars. Combined, we estimate total annual cost savings of about $1.7 million. For the purposes of this analysis, we assume that these cost savings would begin to accrue in 2027 and occur in every subsequent year. Given that these cost savings are constant over time, we report annualized estimates of $1.7 million, which are unaffected by the choice of discount rate (*e.g.,* 3% or 7%, per Office of Management and Budget (OMB) Circular A–4), or the chosen time horizon of analysis (*e.g.,* 1 year). This estimate is most relevant for Executive Order 12866.

Following the Accounting Methods under Executive Order 14192, we also report an estimate that adjusts these estimates to 2024 dollars using the GDP Deflator and adopts a base year for discounting of 2024. For this calculation, we assume the NPRM would not result in any economic impacts any year prior to 2027, and that the identified annual cost savings would accrue in perpetuity. With these assumptions, we report an annualized cost savings of $1.4 million for the purposes of Executive Order 14192.

3. Alternatives Considered

ACF considered removing only sections of the regulation that agencies no longer rely on because they are obsolete, superseded or duplicated in statute. However, agencies are not currently reporting this information, therefore, this option does not reduce the regulatory burden as required by the Supporting America's Children and Families Act.

4. Assessment of Federal Regulations and Policies on Families

The Treasury and General Government Appropriations Act of 1999 requires Federal agencies to determine whether a policy or regulation may negatively affect family well-being (Pub.

L. 105–277, 654, 112 Stat. 2681–528). If the agency determines a policy or regulation negatively affects family well-being, then the agency must prepare an impact assessment addressing seven criteria specified in the law. ACF concluded it is not necessary to prepare a family policymaking assessment because this NPRM will not have any impact on the autonomy or integrity of the family as an institution.

5. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (Pub. L. 104–13) seeks to minimize government-imposed burden from information collections on the public. In keeping with the notion that government information is a valuable asset, it also is intended to improve the practical utility, quality, and clarity of information collected, maintained, and disclosed. The Paperwork Reduction Act defines ''information'' as any statement or estimate of fact or opinion, regardless of form or format, whether numerical, graphic, or narrative form, and whether oral or maintained on paper, electronic, or other media (5 CFR 1320.3(h)). This includes requests for information to be sent to the government, such as forms, written reports and surveys, recordkeeping requirements, and third-party or public disclosures (5 CFR 1320.3(c)). Collection requirements for Title IV–B, Chafee and CAPTA programs are currently authorized under OMB number 0970–0426. There is no new burden to the Federal government or to states and tribes as a result of this proposed regulation. However, we provide the following burden estimate because the Supporting America's Children and Families Act requires that the Department reduce the administrative burden required for compliance with the title IV–B program by at least 15 percent and modify subpart 2 reporting requirements imposed on tribes with a total allotment of not more than $50,000 per fiscal year (section 441(a)(2) of the Act).

2025 FRN comments: In response to the 2025 FRN, one commenter estimated that the current cost to tribal agencies of developing an application and complying with reporting requirements can easily reach $5,000 per year, with as much as $8,000 in staff time to develop the CFSP and $4,000 to develop the APSR. Another commenter reported that a tribe receiving $5,000 annually spent $7,000 annually to complete the CFSP and APSR. We also received a comment that estimated a state agency spends 500 hours of work with stakeholders and contracted providers for APSR and over 600 hours for CFSP. ACF considered the information provided by these commenters as we developed the burden estimate for this NPRM. However ACF could not use this information to calculate the average burden hours/cost of this NPRM because there were too few commenters and the information was not sufficiently detailed to generalize to all agencies.

Burden Estimate

Baseline Estimated Burden Hours: We used data from the 2023—2026 Information Collection Request for the CFSP, APSR and Form CFS–101 (herein referred to as ''Information Collection'') as the baseline for the current burden hours per respondent associated with the requirements in section 1357. This NPRM is considered a deregulatory action because we propose to reduce the burden associated with implementing the and monitoring the title IV–B, CAPTA, and Chafee programs. To determine the burden reduction, we took the number of requirements that agencies must report in the Information Collection and estimated the burden hours associated with each reporting requirement. See Table 1.

TABLE 1—ESTIMATED BURDEN HOURS WITH NO CHANGES TO THE REGULATION

	Number of reporting requirements	Average hours per requirement	Total burden hours per respondent from #0970–0426	Number of respondents	Total annual burden hours
APSR	55	1.49	82	235	19,270
CFSP	56 (every 5 years)/11.2 per year	10.98	123	235	28,905
CFS–101	3	1.66	5	235	1,175
Total					49,350

Assumptions for Estimates

We made the following assumptions when calculating the burden and costs associated with the changes to remove section 1357:

- We estimate 235 respondents receive title IV–B subpart 2 funding, which is comprised of 56 states, territories and insular areas and 179 tribes.
- We used Bureau of Labor Statistics (BLS) wage data from May 2024 to determine the cost per hour, applying the same estimates for our baseline and proposed rule scenario. We used the BLS job code for Social and Human Services Assistants [21–1093] and wage data from May 2024, which is $22.64 per hour. To account for fringe benefits and overhead the rate was multiplied by two and adjusted to constant 2025 dollars using the GDP deflator, resulting in a fully loaded average hourly wage of $46.56. As a point of comparison that does not factor into our assessment of the change in burden under this proposed rule, this represents a 22.3 percent nominal increase in the estimated labor rate from the Information Collection, which used the BLS wage data from May 2022, which was $18.52 per hour.
- The Information Collection includes the number of responses for the title IV–B subpart 1 and subpart 2, CAPTA, and Chafee programs in the burden estimated for the CFSP, APSR and CFS–101. Agencies must submit the final report once every five years, therefore it is included in reporting requirements under the CFSP, which is also due once every five years. We reviewed the statutory requirements, regulations and sub-regulatory instructions to estimate that agencies report approximately 56 requirements every five years for the CFSP (for purposes of this cost estimate, this is 11.2 requirements per year), 55 requirements for the APSR, and 3 requirements for the CFS–101. Removing section 1357 eliminates many of the regulatory reporting requirements, which will drastically reduce the burden estimated to be associated with the CFSP, APSR, and CFS–101 under this NPRM.
- The baseline Information Collection for the CFSP, APSR and CFS–101 shows each respondent annually spends 123

hours completing the CFSP, 82 hours completing the APSR, and 5 hours completing the CFS–101.

- To determine how much time it takes agencies to report each item, we divided the burden hours identified in the Information Collection by the number of requirements agencies must report (total burden hours ÷ number of reporting requirements). We estimate respondents spend 10.98 hours reporting each requirement for the CFSP, 1.49 hours reporting each requirement for the APSR, and 1.66 hours reporting each requirement for the CFS–101. This is an estimated average across all respondents.
- To estimate the annualized costs to the Federal government, we used the hourly wage information for a GS–12 step 5 from the 2025 Office of Personnel Management Pay Tables to estimate the salary, expenses, operating costs, etc. bore by CB to review the CFSP, APSR, and CFS–101. The hourly rate is $55.07/hour. To account for fringe benefits and overhead we multiplied the average hourly wage by two, which is $110.14/hour.

Burden Hours Associated With This NPRM

This NPRM does not impose any new reporting requirements for agencies. We propose to remove 1355.25 and 1355.30, however there are no significant burden hours or costs associated with those regulations because they do not require agencies to report any information. We propose to remove section 1357, which eliminates many requirements that agencies currently report in the CFSP, APSR, and CFS–101. We estimate the burden of this NPRM by calculating the burden hours associated with reporting on the remaining requirements for the CFSP, APSR, and CFS–101. Currently, information for the CAPTA and Chafee programs is included in the CFSP, APSR, and CFS–101, thus the burdens associated with them are part of the Information Collection baseline. By removing section 1357 the regulations will no longer require agencies to report on requirements for the CAPTA and Chafee programs in the CFSP, APSR, and CFS–101, although they may still choose to do so. Thus, for purpose of this burden estimate, we continue to include those reporting requirements in the CFSP, APSR, and CFS–101 burden estimates for consistency. This is an estimated average across all respondents.

TABLE 2—ESTIMATED BURDEN HOURS IF THE NPRM BECOMES FINAL

NPRM burden hours	Number of proposed reporting requirements in NPRM	Average hours per requirement	Total burden hours per respondent	Number of respondents	Total annual burden hours
APSR	7	1.49	10.43	235	2,451.05
CFSP	32 (every 5 years) 6.4 annually	10.98	70.27	235	16,513.92
CFS–101	1	1.66	1.66	235	390.1
Total					19,355.07

Estimated number of reporting requirements in NPRM. We estimate agencies will report approximately 32 requirements in the CFSP and final report every five years (6.4 annually), 7 requirements in the APSR annually, and 1 requirement for the CFS–101 annually.

Total Burden hours per respondent. To estimate the burden hours per respondent, we took the number of hours we estimated that each agency spends on individual requirements for the CFSP, APSR, and CFS–101, then multiplied that by the number of requirements that remain. For the CFSP, 32 five-year reporting requirements remain after removal of § 1357 (6.4 annually), multiplied by 10.98 hours per year to complete each requirement, equals 70.27 annual hours to complete the CFSP per agency. For the APSR, 7 requirements remain, multiplied by 1.49 hours to complete each requirement, equals 10.43 hours to complete the APSR per agency. For the CFS–101, 1 requirement remains, multiplied by 1.66 hours to complete each requirement, equals 1.66 hours to complete the CFS–101 per agency. This is an estimated average across all respondents.

Total annual burden hours. We estimate that the 235 agencies will spend a total of 16,513.92 hours annually reporting the CFSP, 2,451.05 hours annually reporting the APSR, and 390.1 hours annually reporting the CFS–101. This is a total of 19,355.07 annual burden hours. (CFSP: 70.272 hours per requirement × 235 respondents = 16,513.92 hours. APSR: 10.43 hours per requirement × 235 respondents = 2,451.05 hours. CFS–101: 1.66 hours per requirement × 235 respondents = 390.1 hours. CFSP/APSR/CFS–101:16,513.92 + 2,451.05 + 2,390.1 = 19,355.07 total hours). Under our baseline scenario, we estimated 49,350 total burden hours. Thus, we anticipate that the impact of the proposed rule if finalized would be a reduction of 29,994 burden hours representing a 60.78 percent reduction in administrative burden ((49,350 − 19,355.07)/49,350 × 100 = 60.78%).

Total Annual Cost. We multiplied the total annual burden hours by $46.56 per hour fully loaded wage rate, calculated above, to estimate the total annual cost of $901,258 (19,355.07 total burden hours × $46.56). This is an estimated average across all respondents under the proposed rule. Thus, we anticipate that the impact of the proposed rule, if finalized would result in a savings of $1,396,520.64 ($46.56 × 29,994 reduction in burden hours) per year.

TABLE 3—BURDEN REDUCTION AND COST SAVINGS OF THIS NPRM

	Estimated total burden hours if the regulation remains unchanged	Estimated total annual burden hours for NPRM	Estimated difference (hours)	Estimated difference (cost)
FY 2027	49,350	19,355.07	29,995	$1,396,520.64

Annualized Costs to the Federal Government

As explained above, the cost to the Federal government is estimated to be $110.14/hour based on a GS–12 step 5. The baseline Information Collection estimated 5,082 hours of CB Regional and Central Office staff time to review and approve agency submissions. As a result of the proposed changes in this NPRM, we estimate CB would only need 1,993.16 hours of CB staff time annually, which represents a 60.78 percent reduction of CB staff time relative to the baseline $((5,082-1,993.16)/5,082\times 100 = 60.78\%)$. This brings the estimated annualized federal costs to be $219,526.54 (1,993.16 hours × $110.14= $219,526.54). This represents annual savings of $340,204.83 $((5,082-1,993.16)\times \$110.14)$.

VI. Tribal Consultation Statement

Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, requires agencies to consult with Indian tribes when regulations have substantial direct effects on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes and either impose substantial direct compliance costs on tribes or preempt state law. Similarly, ACF's Tribal Consultation Policy provides that consultation is triggered by a rulemaking that significantly affects tribes, meaning the proposed rule has substantial direct effects on one on more Indian tribes, on the amount or duration of ACF program funding, on the delivery of ACF programs or services to one or more Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

ACF held consultations with Tribal leaders and their representatives in Arizona (September 25, 2025), Minnesota (August 25, 2025), Washington (November 18, 2025), and Washington, DC (February 11, 2026). More than 100 Tribal Nations and partners participated and 20 tribes and partners submitted written statements. ACF appreciates the thoughtful input shared by tribes and partners throughout this consultation and values the opportunity to engage in meaningful government-to-government dialogue. A Summative Tribal Consultation Report from the consultations is available on CB's website. The Department is using this feedback to inform a myriad of on-going work, including guidance, technical assistance, or ongoing policy development. The Department used the following feedback to inform development of the NPRM:

- Current reporting requirements are duplicative and the data collected is rarely useful for tribal program management. Limiting reporting requirements to applicable statutory requirements and eliminating duplicative requirements enables tribal child welfare programs to focus resources on serving families rather than meeting extensive administrative and reporting requirements.
- For smaller tribes, application and reporting costs often outweigh the funding received. Scaling reporting requirements based on funding level and tribal capacity may help address the imbalance by creating a more reasonable reporting framework and timeline.
- The CFS–101 Parts I and II are often difficult to use, not tailored to tribal needs, duplicative of other Federal reports, and of limited practical use. Simplifying and improving the usability of the form may help streamline reporting structures across federal programs and reduce administrative burden.

We believe the proposals in the NPRM are consistent with the feedback from tribes and partners. For example, if this proposal becomes a final rule:

- Regulations will no longer require tribes receiving title IV–B subpart 1 funds to submit an APSR, CFSP, or CFS–101 or follow the CFSP planning cycle and submission deadlines. Tribes could choose to submit subpart 1 plan requirements at the time of application, unless a substantial change is made. In addition, the regulation will no longer require that agencies identify goals nor consult with a wide range of public and non-profit private agencies and community-based organizations to develop a plan for subpart 1.
- The reporting requirements in regulations for tribes receiving subpart 2 funding will be significantly reduced. For example, the regulations will no longer require tribes to describe a vision statement nor objectives.
- We propose to eliminate reporting requirements that do not serve a specific purpose. For example, regulations will no longer require tribes to provide organizational charts and descriptions of tribal office structures, legal responsibilities, jurisdiction, political subdivisions, court structure, standards for foster family homes, institutional care, and day care. The remaining data that ACF requests will focus on oversight or program improvement.
- For tribes receiving subpart 2 funds, regulations will no longer require duplicative and low-value reporting in the CFS–101.

Together, these regulatory proposals move toward reducing unnecessary administrative burden and better aligning Federal requirements with tribal priorities and practices. By streamlining reporting and increasing flexibility, the NPRM supports more effective use of tribal resources to serve children and families. We welcome any comments or feedback on how the proposals in this NPRM impact tribal nations and agencies, as well as community, families, and children.

List of Subjects

45 CFR Part 1355

Adoption and foster care, Child welfare, Computer technology, Grant programs—social programs, Reporting and recordkeeping requirements.

45 CFR Part 1357

Adoption and foster care, Child welfare, Grant programs—social programs, Indians, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, ACF proposes to amend 45 CFR part 1355 as follows:

PART 1355—GENERAL

■ 1. The authority citation for part 1355 continues to read as follows:

Authority: 42 U.S.C. 620 *et seq.,* 42 U.S.C. 670 *et seq.,* 42 U.S.C. 1302.

■ 2. In § 1355.21, revise paragraph (c) and add paragraphs (d) and (e) to read as follows:

§ 1355.21 Plan requirements for titles IV–E and IV–B.

* * * * *

(c) The State agency and the Indian Tribe must:

(1) Make available for public review and inspection the title IV–B subpart 1 plan, subpart 2 plan and annual updates. The title IV–E agency also must make the title IV–E plan available for public review and inspection.

(2) Provide child and family services under title IV–B, subparts 1 and 2 on the basis of need for services and must not deny services on the basis of income or length of residence in the State or within the Indian Tribe's jurisdiction.

(3) Develop, maintain, and implement a staff development and training plan applicable to programs funded under title IV–B subparts 1 and 2 of the Act.

(d) The title IV–B State plan must describe child welfare services and protections for Indian children, including:

(1) the arrangements, jointly developed with the Indian Tribes within its borders, made for the provision of the child welfare services and protections in section 422(b)(8) of the Act to Indian children under both State and Tribal jurisdiction; and

(2) a statement of the legal responsibility, if any, for children who are in foster care on the reservation and those awaiting adoption.

(e) Tribal title IV–B programs.

(1) To determine the amount of Federal funds available under title IV–B subpart 1 for a direct grant to an eligible Indian tribe, Tribal organization, or consortium, the Department shall first divide the State's title IV–B allotment by the number of children in the State, then multiply the resulting amount by a multiplication factor determined by the Secretary, and then multiply that amount by the number of Indian children in the Indian tribe, Tribal organization or consortium population. The multiplication factor will be set at a level designed to achieve the purposes of the act and revised as appropriate. If an Indian tribe, Tribal organization or consortia includes population from more than one State, a proportionate amount of the grant will be paid from each State's allotment.

(2) The Tribal agency must describe in the title IV–B plan(s):

(i) Whether the Tribal organization is controlled, sanctioned or chartered by the governing body of Indians to be served and if so, documentation of that fact;

(ii) Any limitations on authorities granted to the Indian Tribal organizations; and

(iii) The Tribal resolution(s) authorizing an application for a direct title IV–B, subpart 1 and if applicable, subpart 2.

* * * * *

§ 1355.25 [Removed and Reserved]

■ 3. Remove and reserve § 1355.25

§ 1355.30 [Removed and Reserved]

■ 4. Remove and reserve § 1355.30

■ 5. In § 1355.33, revise paragraphs (a)(2)(ii) and (c)(4)(iv) to read as follows:

(a) * * *

(2) * * *

(ii) Representatives selected by the title IV–E agency, in collaboration with the ACF Regional Office, from those with whom the title IV–E agency was required to consult in developing its title IV–B subpart 2 plan, as described and required in section 432(b)(1) of the Act;

* * * * *

(c) * * *

(4) * * *

(iv) Interviews with key stakeholders, both internal and external to the agency, which, at a minimum, must include those individuals who participated in the development of the State's or Tribal title IV–E agency's subpart 2 plan, courts, administrative review bodies, children's guardians ad litem and other individuals or bodies assigned responsibility for representing the best interests of the child.

* * * * *

■ 6. In § 1355.34, revise paragraphs (b)(2)(ii)(A) and (B), (c)(3), (c)(3)(i) and (ii), (c)(4) and (c)(4)(i) and (iv), (c)(5), and (c)(6)(i)–(iv) to read as follows:

§ 1355.34 Criteria for determining substantial conformity.

* * * * *

(b) * * *

(2) * * *

(ii) Implemented the following title IV–B requirements or assurances:

(A) Services designed to assure the safety and protection of children and the preservation and support of families;

(B) Permanency provisions for children and families in sections 422 and 471 of the Act;

* * * * *

(c) * * *

(3) *Quality assurance system:* The title IV–E agency has developed and implemented standards to ensure that children in foster care placements are provided quality services that protect the safety and health of the children (section 471(a)(22)) and is operating an identifiable quality assurance system that:

(i) Is in place in the jurisdictions within the State/Tribal service area where services included in the title IV–B plans are provided;

(ii) Is able to evaluate the adequacy and quality of services provided under the title IV–B plans.

* * * * *

(4) *Staff training:* The title IV–E agency is operating a staff development and training program that:

(i) Supports the goals in the title IV–E agency's title IV–B subpart 2 plan;

* * * * *

(iv) Provides ongoing training for staff that addresses the skills and knowledge base needed to carry out their duties with regard to the services included in the title IV–B plans; and,

* * * * *

(5) *Service array:* Information from the assessment and on-site review determines that the title IV–E agency has in place an array of services (section 422(b)(8)(A)(iii) and (iv) of the Act) that includes, at a minimum:

* * * * *

(v) Services that are accessible to families and children in all political subdivisions and/or the entire title IV–B service area.

(6) Agency responsiveness to the community:

(i) The title IV–E agency, in implementing the provisions of the title IV–B subpart 2 plan, engages in ongoing consultation with a broad array of individuals and organizations representing the State/Tribal and county/local agencies responsible for implementing the plan and other major stakeholders in the services delivery system including, at a minimum, Tribal representatives, consumers, service providers, foster care providers, the juvenile court, and other public and private child and family serving agencies (section 432(a)(3) and (b) of the Act);

(ii) The agency develops, in consultation with these or similar representatives, annual reports of progress and services delivered pursuant to section 432(b)(a)(2)(C) of the Act;

(iii) There is evidence that the agency's goals included in the title IV–B subpart 2 plan reflect consideration of the major concerns of stakeholders consulted in developing the plan and on an ongoing basis (section 432(a)(3) and 432(b)(1) of the Act); and

(iv) There is evidence that the services under the plan are coordinated with services or benefits under other Federal or Federally assisted programs serving the same populations to achieve the goals in the plan (sections 422(b)(2), 432(a)(3) and 432(b)(1) of the Act).

■ 7. In § 1355.35, revise paragraphs (e)(2) and (f) to read as follows:

(e) * * *

(2) The frequency of evaluating progress will be determined jointly by the title IV–E agency and Federal team members, but no less than annually. Evaluation of progress will be performed in conjunction with the annual updates of the title IV–E agency's title IV–B subpart 2 plan, as described in paragraph (f) of this section;

* * * * *

(f) Integration of program improvement plans with title IV–B subpart 2 planning. The elements of the program improvement plan must be incorporated into the goals of the title IV–E agency's subpart 2 plan. Progress in implementing the program improvement plan must be included in the annual reviews and progress reports related to the plan required in section 432(b)(a)(2)(C) of the Act.

PART 1357 [Removed and Reserved]

■ 8. Under the authority of 42 U.S.C. 620 *et seq.,* 42 U.S.C. 670 *et seq.,* and 42 U.S.C. 1302, remove and reserve part 1357.

Robert F. Kennedy, Jr.,

Secretary, Department of Health and Human Services.

[FR Doc. 2026–20329 Filed 10–2–26; 8:45 am]

BILLING CODE 4184–25–P

GENERAL SERVICES ADMINISTRATION

48 CFR Parts 541 and 552

[GSAR Case 2026–G502; Docket No. GSA–GSAR–2026–0595; Sequence No. 1]

RIN 3090–AL14

General Services Administration Acquisition Regulation; GSAR Implementation of Executive Order 14275, Acquisition of Utility Services

AGENCY: Office of Acquisition Policy, General Services Administration (GSA).

ACTION: Proposed rule.

SUMMARY: GSA is proposing to amend the General Services Administration Acquisition Regulation (GSAR) part 541 which outlines procedures and guidance for the procurement of utility services. GSA guidance does not apply to agencies using their special authorities listed in Federal Acquisition Regulation (FAR) section 41.103(a)(2) and (3). This proposed rule would align the GSAR with the FAR Council's proposed rule for FAR part 41.

DATES: Interested parties should submit written comments to the Regulatory Secretariat Division at the address shown below on or before November 4, 2026 to be considered in the formation of the final rule.

ADDRESSES: Submit comments in response to GSAR case 2026–G502 to: *https://www.regulations.gov* via the Federal eRulemaking portal by searching for ''GSAR Case 2026–G502''. Select the link ''Comment Now'' that corresponds with GSAR Case 2026–G502. Follow the instructions provided at the ''Comment Now'' screen. Please include your name, company name (if any), and ''GSAR Case 2026–G502'' on your attached document. If your comment cannot be submitted using *https://www.regulations.gov,* call or email the points of contact in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternate instructions.

To view the docket summary, click on ''View docket'' on the top left corner of the screen.''

Instructions: Please submit comments only and cite GSAR Case 2026–G502, in all correspondence related to this case. Comments received generally will be posted without change to *https://www.regulations.gov,* including any personal and/or business confidential information provided. To confirm receipt of your comment(s), please check *https://www.regulations.gov,* approximately two to three days after submission to verify posting.

FOR FURTHER INFORMATION CONTACT: For clarification of content, contact Bryon Boyer at *GSARPolicy@gsa.gov* or call 202–430–0972 and cite ''GSAR Case 2026–G502''. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202–501–4755 or *GSARegSec@gsa.gov.* Please cite GSAR Case 2026–G502.

SUPPLEMENTARY INFORMATION:

I. Background

Office of Federal Procurement Policy (OFPP), Office of Management and Budget (OMB); Department of Defense (DoD); General Services Administration (GSA); and National Aeronautics and Space Administration (NASA) (collectively referred to as the Federal Acquisition Regulatory Council or FAR Council) are working to amend the FAR to implement Executive Order (E.O.) 14275, Restoring Common Sense to Federal Procurement. The E.O. directs the elimination of excessive acquisition regulations to stop the inefficient use of American taxpayer dollars. In response to E.O. 14275, the Office of Management and Budget issued memorandum M–25–26, Overhauling the Federal Acquisition Regulation. The Memo directed the FAR Council to complete a ''revolutionary overhaul'' of the FAR (herein referred to as ''Revolutionary FAR Overhaul'' or ''RFO''). The FAR Council is issuing several proposed rules that collectively will streamline the FAR in its entirety.

One of the FAR Council's RFO proposed rules (FAR case 2026–002) revises FAR part 41, acquisitions of utility services, to only include regulations applicable to the Department of Defense and Department of Energy when using their special statutory authorities (see FAR 41.103), and directs other agencies (and Department of Defense and Department of Energy when not using their special statutory authorities) to use the procedures and guidance provided by GSA. As a result, GSA is proposing to amend the GSAR to adopt relevant regulations in GSAR part 541.

II. Discussion and Analysis

This proposed change would simplify the acquisition process for agencies when ordering utility services, and further encourages the use of GSA's ''areawide'' contracts, which are governmentwide ordering vehicles, to ensure efficient and consolidated procurement to the maximum extent practicable.

A. General

The proposed revisions move the regulations governing utilities currently found in FAR part 41 to GSA's Federal Acquisition Supplement—the GSAR—which reflects the principles of the RFO and directs agencies to contact GSA prior to making any utility-related acquisition. This will allow GSA subject-matter experts to ensure the most efficient procurement strategy, typically use of GSA areawide contracts.

B. Summary of Changes

1. Statutory Requirements

Statutory requirements and principles retained in the revised ordering procedures include 40 U.S.C. 501, Services for Executive Agencies.

2. Plain Language Requirements

The revised utility services acquisition procedures align with the federal plain language guidelines as directed by the Plain Writing Act of 2010 (Pub. L. 111–274). Plain language revisions include the following:

- Changes to active voice.
- Edits to improve readability and clarity.
- Reorganization to present information more logically.
- Replacing the term ''shall'' with ''must'' or ''will,'' as appropriate.

3. Harmonization With the RFO

The proposed rule harmonizes utility services ordering requirements and moves them to the GSAR in support of the RFO. Revisions include moving requirements into the GSAR and directing agencies to follow GSA guidance and collaborate with GSA prior to making acquisitions.

4. Applicability to Agencies and GSA's Guidance

The proposed rule directs agencies to first contact GSA for assistance prior to acquiring utility services (so that GSA can offer expert advice and direct agencies to the most efficient vehicles for acquiring utility services). Next, the proposed rule provides a mechanism for agencies to request GSA to delegate contracting authority and specific contracting assistance requests, specific to utilities-related acquisitions.

5. Transfer of Provisions and Clauses

This proposed rule moves the provisions and clauses and their prescriptions from the FAR into the GSAR.

III. Expected Impact of the Rule

This proposed rule creates no significant new or additional costs. The rule moves the procedures from the FAR to GSA and streamlines the language.

The revisions proposed by this rule will significantly benefit the agencies. GSA anticipates that these revisions will result in qualitative benefits, such as: (1) improving agency satisfaction and agency costs (*e.g.,* time) associated with acquiring utility services; (2) reducing administrative costs for agencies who acquire utility services; and (3) encouraging the use of consolidated procurement vehicles (namely GSA areawide contracts) in the name of efficient procurement.

GSA anticipates minimal non-recurring costs associated with familiarization and training related to the rule, as the primary message is to obtain utility services through GSA. Entities looking to award their own utility contracts will need to take the time to familiarize themselves with the new location of the utility procedures (*i.e.,* from FAR part 41 to GSAR part 541).

GSA calculates the estimated cost for ordering activities to familiarize themselves with the proposed rule as $5,000 (rounded).[1] GSA calculates the estimated cost for existing utility business concerns to familiarize themselves with the proposed rule as $3,047 (rounded).[2]

In whole, the streamlined procedures—removing unnecessary requirements not based in statute or executive order—and the qualitative benefits outlined offset any new, de minimis non-recurring costs identified above.

GSA anticipates no additional or new recurring costs beyond those exclusively due to moving utility procedures from FAR part 41 to GSAR part 541.

IV. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is a significant regulatory action under section 3(f) of E.O. 12866 and, therefore, was subject to review under Section 6(b) of E.O. 12866.

V. Executive Order 14192

This proposed rule, if finalized as proposed, is not an E.O. 14192 regulatory action because it does not impose any more than de minimis regulatory costs. See discussion in the ''Expected Impact of the Rule'' section of this preamble.

VI. Regulatory Flexibility Act

GSA does not expect this proposed rule to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.,* because this rule is simply removing the existing procedures from the FAR and placing them into the GSAR. However, an Initial Regulatory Flexibility Analysis (IRFA) has been prepared consistent with 5 U.S.C. 603.

The analysis is summarized as follows:

1. *Reasons for the action.*

OFPP, DoD, GSA, and NASA (collectively referred to as the Federal Acquisition Regulatory Council or FAR Council) are proposing to amend the Federal Acquisition Regulation (FAR) to implement Executive Order (E.O.) 14275, Restoring Common Sense to Federal Procurement, and Office of Management and Budget issued memorandum M–25–26, Overhauling the Federal Acquisition Regulation. This effort is collectively referred to as the Revolutionary FAR Overhaul (RFO).

One of the FAR Council's proposed rules includes the complete revision to FAR part 41, which currently contains requirements, guidance, and procedures for ordering utility services. The FAR Council's proposed rule proposes to apply only to the Department of Defense and Department of Energy (when using certain statutory authorities) and directs all other agencies (and the Department of Defense and Department of Energy when not using their statutory authorities) to follow procedures and guidance established by GSA at GSAR Part 541. This approach simplifies the acquisition process for agencies when acquiring utility services.

As a result, GSA is proposing to amend the GSAR to provide procedures and guidance to agencies for the acquisition of utility services. GSA is proposing to add these procedures and guidance to GSAR part 541.

2. *Objective of, and legal basis for, the rule.*

The rewrite of the FAR represents a paradigm shift in federal acquisition. It emphasizes streamlining, clarity, and accessibility, while ensuring that the regulation focuses only on statutory mandates and foundational procurement principles. The RFO is designed to streamline compliance for contracting professionals, improve acquisition speed and agility, and reinforce mission outcomes over process formalities.

For purposes of adding procedures and guidance for acquiring utility services into the GSAR, GSA is generally moving the existing requirements and procedures currently codified in FAR part 41 into GSAR part 541. The proposed changes support the RFO objectives and do not create any new burden on the Government or industry. Instead these changes simplify and reduce the requirements needed for agencies to acquire utility services, thereby making the acquisition process faster and more efficient.

The basis for the RFO, which encompasses the basis for this rule, is E.O. 14275, Restoring Common Sense to Federal Procurement. GSA's authority for promulgation of ordering procedures for the FSS Program is 10 U.S.C. 3012(3); 40 U.S.C. 121(c); 40 U.S.C. 501; 41 U.S.C. 152(3); and 41 U.S.C. 3302. These procedures have been coordinated with The Administrator for Federal Procurement Policy in accordance with 41 U.S.C. 4104(c).

3. *Description of, and estimate of, the number of small entities to which the rule will apply.*

The proposed changes to the GSAR do not impose any new requirements or burdens on small business concerns. The proposed changes impact the internal procedures of the Government concerning the acquisition of utility services. Therefore, the changes proposed by this rule are not expected to have a significant economic impact

[1] *The anticipated costs is calculated as follows:* estimated .25 hours * $66.23 hourly rate * 300 (estimated impacted ordering entities). The hourly rate is based on GS–12 Step 5 base pay plus ''Rest of US Locality Pay'' plus ''Fringe''). The hourly rate for GS–12 is $66.23 ($48.61 as a GS–12/step 5 salary OPM 2026 pay scale Rest of US, with a 36.25% ($17.62) fringe factor pursuant to OMB memorandum M–08–13). The total estimated impacted entities is calculated by estimating the number of contracting officers procuring utility services or establishing utility-related governmentwide vehicles.

[2] *The anticipated costs is calculated as follows:* estimated .5 hour * $66.23 hourly rate * 92 (estimated impacted business entities). The hourly rate is based on GS–12 Step 5 base pay plus ''Rest of US Locality Pay'' plus ''Fringe''). The hourly rate for GS–12 is $66.23 ($48.61 as a GS–12/step 5 salary OPM 2026 pay scale Rest of US, with a 36.25% ($17.62) fringe factor pursuant to OMB memorandum M–08–13). The total estimated impacted entities is calculated by estimating the number of utility-related business concerns.

on a substantial number of small entities. The GSA has always maintained a website at *gsa.gov* for utilities services acquisition for the benefit of the government acquisition workforce and industry. The changes due to this proposed rule are merely enhancements and improvements to the existing website.

It is recognized that small business concerns seeking to do business with the Federal Government as utility services contractors, if any, will have to familiarize themselves with the reorganized, streamlined, and revised provisions and clauses for the acquisition of utility services, however, these clauses are ''substantially the same as'' the clauses found in the FAR. As of January 2026, there were 92 utility suppliers with federal government contracts (not necessarily represented in *SAM.gov*). At the end of Fiscal Year 2025, there were approximately 92 active vendors selling utilities services (out of which approximately 12 (13 percent) were small business contractors). GSA anticipates non-recurring costs associated with familiarization and training related to the rule (*i.e.,* from FAR part 41 to GSAR part 541). GSA calculates the estimated cost for small businesses to familiarize themselves with the proposed rule as $199 (rounded).[3]

4. *Description of projected reporting, recordkeeping, and other compliance requirements of the rule.*

The proposed rule does not impose any new reporting, recording keeping, or compliance requirements. Any existing reporting, recordkeeping, or other compliance requirements were captured by the FAR rule for part 41.

5. *Relevant Federal rules which may duplicate, overlap, or conflict with the rule.*

The proposed rule, if finalized, would not duplicate, overlap, or conflict with other Federal rules.

6. *Description of any significant alternatives to the rule which accomplish the stated objectives of applicable statutes and which minimize any significant economic impact of the rule on small entities.*

There are no significant alternatives that would minimize the impact of the rule on small entities.

The Regulatory Secretariat Division has submitted a copy of the IRFA to the Chief Counsel for Advocacy of the Small Business Administration. A copy of the IRFA may be obtained from the Regulatory Secretariat Division. The FAR Council invites comments from small business concerns and other interested parties on the expected impact of this proposed rule on small entities.

GSA will also consider comments from small entities concerning the existing regulations in subparts affected by the rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (GSAR Case 2026–G502), in correspondence.

VII. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the changes to the GSAR do not impose recordkeeping or information collection requirements, or the collection of information from offerors, contractors, or members of the public that require the approval of the Office of Management and Budget (OMB) under 44 U.S.C. 3501, *et seq.*

List of Subjects in 48 CFR Parts 541 and 552

Government procurement.

Jeffrey A. Koses,

Senior Procurement Executive, Office of Acquisition Policy, Office of Government-wide Policy, General Services Administration.

Therefore, GSA proposes to amend 48 CFR parts 541 and 552 as set forth below:

PART 541—ACQUSITION OF UTILITY SERVICES

■ 1. The authority citation for 48 CFR Part 541 continues to read as follows:

Authority: 40 U.S.C. 121(c).

■ 2. Revise subpart 541.5 to read as follows:

Subpart 541.5—General

541.501 Applicability to Agencies and GSA Guidance.

In accordance with FAR 41.102(a), agencies must follow GSA procedures and guidance for the acquisition of utilities located on the website available at: *gsa.gov/utilities.*

541.502 Requests for GSA Assistance and/or Delegation.

Requests for contracting assistance or contracting authority from GSA are made via email request to GSA at *utilities@gsa.gov.* Guidance for agencies to submit requests is located at *gsa.gov/utilities.* GSA may require additional information based on the request.

■ 3. Add subpart 541.6 to read as follows:

Subpart 541.6—Solicitation Provision and Contract Clauses

541.601 Solicitation provision and contract clauses.

Because the terms and conditions under which utility suppliers furnish services may vary from area to area, the differences may influence the terms and conditions appropriate to a particular utility's contracting situation. To accommodate requirements that are peculiar to the contracting situation, this section prescribes provisions and clauses on a ''substantially the same as'' basis, which permits the contracting officer to prepare and utilize variations of the prescribed provisions and clauses in accordance with agency procedures. Insert the following provisions and clauses in solicitations and contracts for utility services, as prescribed, including utility services that are commercial services:

(a) Insert a provision substantially the same as the provision at 552.241–1, Electric Service Territory Compliance Representation, in solicitations when proposals from alternative electric suppliers are sought.

(b) Insert in solicitations and contracts for utility services clauses substantially the same as the clauses at—

(1) 552.241–2, Order of Precedence—Utilities;

(2) 552.241–3, Scope and Duration of Contract;

(3) 552.241–4, Change in Class of Service;

(4) 552.241–5, Contractor's Facilities; and

(5) 552.241–6, Service Provisions.

(6) 552.241–7, Disputes (Utility Contracts).

(c) Insert clauses substantially the same as the clauses listed below in solicitations and contracts under the prescribed conditions—

(1) 552.241–8, Change in Rates or Terms and Conditions of Service for Regulated Services, when the utility services are subject to a regulatory body.

(2) 552.241–9, Change in Rates or Terms and Conditions of Service for Unregulated Services, when the utility services are not subject to a regulatory body.

(3) 552.241–10, Connection Charge, when a refundable connection charge is required to be paid by the government to compensate the contractor for furnishing additional facilities

[3] *The anticipated costs is calculated as follows:* estimated .25 hours * $66.23 hourly rate * 12 (estimated 12 small businesses affected). The hourly rate is based on GS–12 Step 5 base pay plus ''Rest of US Locality Pay'' plus ''Fringe''). The hourly rate for GS–12 is $66.23 ($48.61 as a GS–12/step 5 salary OPM 2026 pay scale Rest of US, with a 36.25% ($17.62) fringe factor pursuant to OMB memorandum M–08–13). The total estimated impacted entities is calculated by estimating the number of total small business concerns that offer utility services to the federal government.

necessary to supply service. (Use Alternate I to the clause if a nonrefundable charge is to be paid. When conditions require the incorporation of a nonrecurring, nonrefundable service charge or a termination liability, see paragraphs (c)(4) and (c)(6) of this section.)

(4) 552.241–11, Termination Liability, when payment is to be made to the contractor upon termination of service in conjunction with, or in lieu of, a connection charge upon completion of the facilities.

(5) 552.241–12, Multiple Service Locations, when providing for possible alternative service locations, except under areawide contracts, is required.

(6) 552.241–13, Nonrefundable, Nonrecurring Service Charge, when the government is required to pay a nonrefundable, nonrecurring membership fee, a charge for initiation of service, or a contribution for the cost of facilities construction. The government may provide for inclusion of such agreed amount or fee as a part of the connection charge, a part of the initial payment for services, or as periodic payments to fulfill the government's obligation.

(7) 552.241–14, Cooperative Membership, when the government is a member of a cooperative.

(8) 552.241–15, Economic Price Adjustment—Deregulated Electric Supply, when procuring electricity from deregulated electricity providers.

PART 552—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

■ 4. The authority citation for part 552 continues to read as follows:

Authority: 40 U.S.C. 121(c).

■ 5. Add subpart 552.241–1 through 552.241–15 to read as follows:

552.241–1 Electric Service Territory Compliance Representation.

As prescribed in 541.501(a), insert a provision substantially the same as the following:

Electric Service Territory Compliance Representation (Date)

(a) Section 8093 of Public Law 100–202 generally requires purchases of electricity by any department, agency, or instrumentality of the United States to be consistent with State law governing the provision of electric utility service, including State utility commission rulings and electric utility franchises or service territories established pursuant to State statute, State regulation, or State-approved territorial agreements.

(b) By signing this offer, the offeror represents that this offer to sell electricity is consistent with Section 8093 of Public Law 100–202.

(End of provision)

552.241–2 Order of Precedence—Utilities.

As prescribed in 541.501(b)(1), insert a clause substantially the same as the following:

Order of Precedence—Utilities (Date)

In the event of any inconsistency between the terms of this contract (including the specifications) and any rate schedule, rider, or exhibit incorporated in this contract by reference or otherwise, or any of the contractor's rules and regulations, the terms of this contract control.

(End of clause)

552.241–3 Scope and Duration of Contract.

As prescribed in 541.501(b)(2), insert a clause substantially the same as the following:

Scope and Duration of Contract (Date)

(a) For the period ____, [contracting officer to insert period of service] the contractor agrees to furnish and the government agrees to purchase [contracting officer to insert type of service] utility service in accordance with the applicable tariff(s), rules, and regulations as approved by the applicable governing regulatory body and as set forth in the contract.

(b) It is expressly understood that neither the contractor nor the government is under any obligation to continue any service under the terms and conditions of this contract beyond the expiration date.

(c) The contractor must, in the same manner that it customarily or regularly provides notice to its non-government customers, provide the government with one complete set of rates, terms, and conditions of service which are in effect as of the date of this contract and any subsequently approved rates, which may specifically be satisfied by the contractor publishing their rates on publicly available websites.

(d) The contractor will be paid at the applicable rate(s) under the tariff and the government will be liable for the minimum monthly charge, if any, specified in this contract commencing with the period in which service is initially furnished and continuing for the term of this contract. Any minimum monthly charge specified in this contract must be equitably prorated for the periods in which commencement and termination of this contract become effective.

(End of clause)

552.241–4 Change in Class of Service.

As prescribed in 541.501(b)(3), insert a clause substantially the same as the following:

Change in Class of Service (Date)

(a) In the event of a change in the class of service, such service must be provided at the contractor's lowest available rate schedule applicable to the class of service furnished.

(b) Where the contractor does not have on file with the regulatory body approved rate schedules applicable to services provided, no clause in this contract precludes the government and the contractor from negotiating a rate schedule applicable to the class of service furnished.

(End of clause)

552.241–5 Contractor's Facilities.

As prescribed in 541.501(b)(4), insert a clause substantially the same as the following:

Contractor's Facilities (Date)

(a) The contractor, at its expense, unless otherwise provided for in this contract, must furnish, install, operate, and maintain all facilities required to furnish service hereunder, and measure such service at the point of delivery specified in the Service Specifications. Title to all such facilities remains with the contractor and the contractor is responsible for loss or damage to such facilities, except that the government will be responsible to the extent that loss or damage has been caused by the government's negligent acts or omissions.

(b) Notwithstanding any terms expressed in this clause, the contractor must obtain approval from the contracting officer prior to any equipment installation, construction, or removal. The government hereby grants to the contractor, free of any rental or similar charge, but subject to the limitations specified in this contract, a revocable permit or license to enter the service location for any proper purpose under this contract. This permit or license includes use of the site or sites agreed upon by the parties hereto for the installation, operation, maintenance, and repair of the facilities of the contractor required to be located upon government premises. All applicable taxes and other charges in connection therewith, together with all liability of the contractor in construction, operation, maintenance and repair of such facilities, are the obligation of the contractor.

(c) Authorized representatives of the contractor will be allowed access to the facilities on government premises at reasonable times to perform the obligations of the contractor regarding such facilities. It is expressly understood that the government may limit or restrict the right of access herein granted in any manner considered necessary (*e.g.,* national security, public safety).

(d) Unless otherwise specified in this contract, the contractor must, at its expense, remove such facilities and restore government premises to their original condition as near as practicable within a reasonable time after the government terminates this contract. In the event such termination of this contract is due to the fault of the contractor, such facilities may be retained in place at the option of the government for a reasonable time while the government attempts to obtain service elsewhere comparable to that provided for hereunder.

(End of clause)

552.241–6 Service Provisions.

As prescribed in 541.501(b)(5), insert a clause substantially the same as the following:

Service Provisions (Date)

(a) Measurement of service.

(1) All service furnished by the contractor must be measured by suitable metering equipment of standard manufacture, to be furnished, installed, maintained, repaired, calibrated, and read by the contractor at its expense. When more than a single meter is installed at a service location, the readings thereof may be billed conjunctively, if appropriate. In the event any meter fails to register (or registers incorrectly) the service furnished, the government and contractor must agree upon the length of time of meter malfunction and the quantity of service delivered during such period of time. An appropriate adjustment must be made by the contractor to the next invoice for the purpose of correcting such errors. However, any meter which registers not more than __ [contracting officer to insert percentage variance] percent slow or fast is deemed correct.

(2) The contractor must read all meters at periodic intervals of approximately 30 days or in accordance with the policy of the cognizant regulatory body or applicable bylaws. All billings based on meter readings of less than __ [contracting officer to insert number of days] days must be prorated accordingly.

(b) Meter test.

(1) The contractor, at its expense, must periodically inspect and test contractor-installed meters at intervals not exceeding __ [contracting officer to insert interval—*e.g.,* number of month(s) or year(s) inspection/testing is required]. The government has the right to have representation during the inspection and test.

(2) At the written request of the contracting officer, the contractor must make additional tests of any or all such meters in the presence of government representatives. The cost of such additional tests will be borne by the government if the percentage of errors is found to be not more than __ [contracting officer to insert percentage variance] percent slow or fast.

(3) No meter may be placed in service or allowed to remain in service which has an error in registration in excess of __ [contracting officer to insert percentage variance] percent under normal operating conditions.

(c) Change in volume or character. Reasonable notice will be given by the contracting officer to the contractor regarding any material changes anticipated in the volume or characteristics of the utility service required at each location.

(d) Continuity of service and consumption. The contractor must use reasonable diligence to provide a regular and uninterrupted supply of service at each service location, but will not be liable for damages, breach of contract or otherwise, to the government for failure, suspension, diminution, or other variations of service occasioned by or in consequence of any cause beyond the control of the contractor, including but not limited to acts of God or of the public enemy, fires, floods, earthquakes, or other catastrophe, strikes, or failure or breakdown of transmission or other facilities. If any such failure, suspension, diminution, or other variation of service, in the aggregate is more than __ [contracting officer to insert amount of hours] hour(s) during any billing period hereunder, an equitable adjustment must be made by the contractor in the monthly billing specified in this contract (including the minimum monthly charge).

(End of clause)

552.241–7 Disputes (Utility Contracts).

As prescribed in 541.501(b)(6), insert the following clause:

Disputes (Utility Contracts) (Date)

The requirements of the Disputes clause at FAR 52.233–1 are supplemented to provide that matters involving the interpretation of tariffed retail rates, tariff rate schedules, and tariffed terms provided under this contract are subject to the jurisdiction and regulation of the utility rate commission having jurisdiction.

(End of clause)

552.241–8 Change in Rates or Terms and Conditions of Service for Regulated Services.

As prescribed in 541.501(c)(1), insert a clause substantially the same as the following:

Change in Rates or Terms and Conditions of Service for Regulated Services (Date)

(a) This clause applies to the extent services furnished under this contract are subject to regulation by a regulatory body. The contractor agrees to give *_____[Except for GSA areawide contracts, contracting officer to insert their name. For GSA areawide contracts, the contracting officer must insert the following: ''GSA and each areawide customer with annual billings that exceed the Simplified Acquisition Threshold at the time of contract award.''] written notice to the contracting officer, in the same manner that it customarily or regularly provides notice to its non-government customers, of (1) the filing of an application for change in rates or terms and conditions of service concurrently with the filing of the application and (2) any changes pending with the regulatory body as of the date of contract award. If, during the term of this contract, the regulatory body having jurisdiction approves any changes, the contractor must forward to the contracting officer a copy of any documentation of such changes that it customarily or regularly provides to its non-government customers within 15 days after the effective date thereof. The contractor agrees to continue furnishing service under this contract in accordance with the amended tariff, and the government agrees to pay for such service at the higher or lower rates as of the date when such rates are made effective.

(b) The contractor agrees that throughout the life of this contract the applicable published and unpublished rate schedule(s) cannot be in excess of the lowest cost published and unpublished rate schedule(s) available to any other customers of the same class under similar conditions of use and service.

(c) In the event that the regulatory body promulgates any regulation concerning matters other than rates which affects this contract, the contractor must immediately provide a copy to the contracting officer in the

same manner that it customarily or regularly provides to its non-government customers. The government is not bound to accept any new regulation inconsistent with Federal laws or regulations.

(d) Any changes to rates or terms and conditions of service must be made a part of this contract by the issuance of a unilateral contract modification by the government, unless otherwise specified in the contract. The effective date of the change is the effective date by the regulatory body. Any factors not governed by the regulatory body will have an effective date as agreed to by the parties.

(End of clause)

552.241–9 Change in Rates or Terms and Conditions of Service for Unregulated Services.

As prescribed in 541.501(c)(2), insert a clause substantially the same as the following:

Change in Rates or Terms and Conditions of Service for Unregulated Services (Date)

(a) This clause applies to the extent that services furnished hereunder are not subject to regulation by a regulatory body.

(b) After_____ [contracting officer to insert date], either the government or the contractor may request a change in rates or terms and conditions of service, unless otherwise provided in this contract. Both the government and the contractor agree to enter in negotiations concerning such changes upon receipt of a written request detailing the proposed changes and specifying the reasons for the proposed changes.

(c) The effective date of any change is as agreed to by the government and the contractor. The contractor agrees that throughout the life of this contract the rates so negotiated will not be in excess of published and unpublished rates charged to any other customer of the same class under similar terms and conditions of use and service.

(d) The failure of the government and the contractor to agree upon any change after a reasonable period of time is a dispute under the Disputes clause of this contract.

(e) Any changes to rates, terms, or conditions as a result of such negotiations must be made a part of this contract by the issuance of a bilateral contract modification.

(End of clause)

552.241–10 Connection Charge.

As prescribed in 541.501(c)(3), insert a clause substantially the same as the following:

Connection Charge (Date)

(a) *Charge.* In consideration of the contractor furnishing and installing at its expense the new connection facilities described herein, the government will pay the contractor a connection charge. The payment will be in the form of progress payments, advance payments or as a lump sum, as agreed to by the government and the contractor, and as permitted by applicable law. The total amount payable [s the lower of either: the estimated cost of $_____ [contracting officer to insert dollar amount] less the agreed to salvage value of $_____[contracting officer to insert dollar amount], or the actual cost less the salvage value. As a condition precedent to final payment, the contractor must execute a release of any claims against the government arising under or by the virtue of such installation.

(b) *Ownership, operation, maintenance and repair of new facilities to be provided.* The facilities to be supplied by the contractor under this clause, notwithstanding the payment by the government of a connection charge, are the property of the contractor and must, at all times during the life of this contract or any renewals thereof, be operated, maintained, and repaired by the contractor at its expense. All taxes and other charges in connection therewith, together with all liability arising out of the construction, operations, maintenance, or repair of such facilities, are the obligation of the contractor.

(c) *Credits.*

(1) The contractor agrees to allow the government, on each monthly bill for service furnished under this contract to the service location, a credit of _____ [contracting officer to insert percentage] percent of the amount of each such bill as rendered until the accumulation of credits equals the amount of such connection charge, provided that the contractor may at any time allow a credit up to 100 percent of the amount of each such bill.

(2) In the event the contractor, before any termination of this contract but after completion of the facilities provided for in this clause, serves any customer other than the government (regardless of whether the government is being served simultaneously, intermittently, or not at all) by means of these facilities, the contractor must promptly notify the government in writing. Unless otherwise agreed by the government and the contractor in writing at that time, the contractor must promptly accelerate the credits provided for under subparagraph (c)(1) of this clause, up to 100 percent of each monthly bill until there is refunded the amount that reflects the government's connection costs for that portion of the facilities used in serving others.

(3) In the event the contractor terminates this contract, or defaults in performance, prior to full credit of any connection charge paid by the government, the contractor must pay to the government an amount equal to the uncredited balance of the connection charge as of the date of the termination or default.

(d) *Termination before completion of facilities.* The government reserves the right to terminate this contract at any time before completion of the facilities with respect to which the government is to pay a connection charge. In the event the government exercises this right, the contractor will be paid the cost of any work accomplished, including direct and indirect costs reasonably allocable to the completed work prior to the time of termination by the government, plus the cost of removal, less the salvage value.

(e) *Termination after completion of facilities.* In the event the government terminates this contract after completion of the facilities with respect to which the government has paid a connection charge, but before the crediting in full by the contractor of any connection charge in accordance with the terms of this contract, the contractor has the following options:

(1) To retain in place for _____ [contracting officer to insert number of months] months after the notice of termination by the government such facilities on condition that—

(i) If, during such _____[contracting officer to insert number of months] month period, the contractor serves any other customer by means of such facilities, the contractor, must, in lieu of allowing credits, pay the government during such period installments in like amount, manner, and extent as the credit provided for under paragraph (c) of this clause before such termination; and

(ii) Immediately after such _____ [contracting officer to insert number of months] month period the contractor must promptly pay in full to the government the uncredited balance of the connection charge.

(2) To remove such facilities at the contractor's own expense within _____ [contracting officer to insert number of months] months after the effective date of the termination by the government. If the contractor elects to remove such facilities, the government has the option of purchasing such facilities at the agreed salvage value set forth herein;

and provided further, that the contractor must, at the direction of the government, leave in place such facilities located on government property which the government elects to purchase at the agreed salvage value.

(End of clause)

Alternate I [(Date)]. If the contracting officer determines that a nonrefundable charge is to be paid and no credits are due the government, delete paragraphs (c) and (e), renumber paragraph (d) as (c) and add the following as paragraph (d):

(d) *Termination after completion of facilities.* In the event the government terminates this contract after completion of the facilities with respect to which the government is to pay a connection charge, the contractor has the following options:

(1) To retain in place for _____ [contracting officer to insert number of months] months after the notice of termination by the government. If the contractor and the government have not agreed on terms for retention in place beyond _____ [contracting officer to insert number of months] months, then the contractor must remove the facilities pursuant to the terms of paragraph (d)(2) of this clause.

(2) To remove such facilities at the contractor's own expense within _____ [contracting officer to insert number of months] months after the effective date of the termination by the government. If the contractor elects to remove such facilities, the government then has the option of purchasing such facilities at the agreed salvage value set forth herein; and provided further, that the contractor must, at the direction of the government, leave in place such facilities located on government property which the government elects to purchase at the agreed salvage value.

552.241–11 Termination Liability.

As prescribed in 541.501(c)(4), insert a clause substantially the same as the following:

Termination Liability (Date)

(a) If the government discontinues utility service under this contract before completion of the facilities cost recovery period specified in paragraph (b) of this clause, in consideration of the contractor furnishing and installing at its expense, the new facility described herein, the government will pay termination charges, calculated as set forth in this clause.

(b) *Facility cost recovery period.* The period of time, not exceeding the term of this contract, during which the net cost of the new facility will be recovered by the contractor is—_____ months. [contracting officer to insert negotiated duration.]

(c) *Net facility cost.* The cost of the new facility, less the agreed upon salvage value of such facility, is—$_____ months. [contracting officer to insert appropriate dollar amount.]

(d) *Monthly facility cost recovery rate.* The monthly facility cost recovery rate which the government will pay the contractor whether or not service is received is—$_____. [Divide the net facility cost in paragraph (c) of this clause by the facility's cost recovery period in paragraph (b) of this clause and insert the resultant figure.]

(e) *Termination charges.* Termination charges = $ [Multiply the remaining months of the facility's cost recovery period specified in paragraph (b) of this clause by the monthly facility cost recovery rate in paragraph (d) of this clause and insert the resultant figure.]

(f) If the contractor has recovered its capital costs at the time of termination there will be no termination liability charge.

(End of clause)

552.241–12 Multiple Service Locations.

As prescribed in 541.501(c)(5), insert a clause substantially the same as the following:

Multiple Service Locations (Date)

(a) At any time by written order, the contracting officer may designate any location within the service area of the contractor at which utility service must commence or be discontinued. Any changes to the service specifications must be made a part of the contract by the issuance of a bilateral contract modification to include the name and location of the service, specifying any different rate, the point of delivery, different service specifications, and any other terms and conditions.

(b) The applicable monthly charge specified in this contract must be equitably prorated from the period in which commencement or discontinuance of service at any service location designated under the Service Specifications is effective.

(End of clause)

552.241–13 Nonrefundable, Nonrecurring Service Charge.

As prescribed in 541.501(c)(6), insert a clause substantially the same as the following:

Nonrefundable, Nonrecurring Service Charge (Date)

As provided herein, the government will pay a nonrefundable, nonrecurring charge when the rules and regulations of a contractor require that a customer pay: (1) a charge for the initiation of service, (2) a contribution in aid of construction, or (3) a nonrefundable membership fee. This charge may be in addition to or in lieu of a connection charge. Therefore, there is hereby added to the contractor's schedule a nonrefundable, nonrecurring charge for _____ [contracting officer to insert type of nonrecurring charge] in the amount of $_____ [contracting officer to insert dollar amount] dollars payable.

(End of clause)

552.241–14 Cooperative Membership.

As prescribed in 541.501(c)(7), insert a clause substantially the same as the following:

Cooperative Membership (Date)

The performance of this contract includes the requirement that the contractor must follow the bylaws of _____ [contracting officer to insert cooperative name].

(End of clause)

552.241–15 Economic Price Adjustment–Deregulated Electric Supply.

As prescribed in 541.501(c)(8), insert a clause substantially the same as the following:

Economic Price Adjustment—Deregulated Electric Supply (Date)

(a) Definition.

Economic price adjustment method, as used in this clause, means the agreed upon procedures by which pricing may be adjusted upwards or downwards throughout the contract period to include, but not limited to, the mechanism(s) to be used to adjust pricing (*e.g.,* adjustments based on regional transmission organizations and/or pricing groups), the pricing subject to adjustment, and any other requirements (*e.g.,* timing, frequency, limits on increases).

(b) *General.* This contract provides for economic price adjustment (EPA) to contract pricing based on the established EPA price adjustment method. EPA provides for the increase or decrease to contract pricing upon the occurrence of specified conditions described in the EPA price adjustment method, such as changes to charge categories incurred by the contractor and billed to the government (*e.g.,* capacity charges, transmission charges, reliability-must-run charges, Federal Energy Regulatory Commission Order 745 Charges) or changes to the formulas for calculating the amounts for such charge categories incurred by the contractor and billed to the government.

(c) *Exceptions.* This clause does not cover—

(1) Adjustments based on statute, Executive Order, or regulatory changes other than those identified in the EPA price adjustment method;

(2) Adjustments based on a changes clause;

(3) Adjustments based on a contract clause that authorizes an adjustment based on other specified actions or conditions.

(End of clause)

[FR Doc. 2026–20317 Filed 10–2–26; 8:45 am]

BILLING CODE 6820–61–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 17

[FXES1111090FEDR–267–FF09E21000]

Endangered and Threatened Wildlife and Plants; Four Species Not Warranted for Listing as Endangered or Threatened Species

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notification of findings.

SUMMARY: We, the U.S. Fish and Wildlife Service (Service), announce findings that four species are not warranted for listing as endangered or threatened species under the Endangered Species Act of 1973, as amended (ESA or Act). After a thorough review of the best scientific and commercial data available, we find that it is not warranted at this time to list the Blueridge springfly (*Remenus kirchneri*), lobed roachfly (*Tallaperla lobata*), Mojave poppy bee (*Perdita meconis*), and streamside salamander (*Ambystoma barbouri*). However, we ask the public to submit to us at any time any new information relevant to the status of any of the species mentioned above or their habitats.

DATES: The findings in this document were made on October 5, 2026.

ADDRESSES: Detailed descriptions of the bases for these findings are available on the internet at *https://www.regulations.gov* under the following docket numbers:

Species	Docket No.
Blueridge springfly & lobed roachfly	FWS–R5–ES–2026–2809.
Mojave poppy bee	FWS–R8–ES–2026–2812.
Streamside salamander	FWS–R3–ES–2026–2813.

Those descriptions are also available by contacting the appropriate person, as specified under **FOR FURTHER INFORMATION CONTACT**. Please submit any new information, materials, comments, or questions concerning these findings to the appropriate person, as specified under **FOR FURTHER INFORMATION CONTACT**.

FOR FURTHER INFORMATION CONTACT:

Species	Contact information
Blueridge springfly & lobed roachfly	Troy Andersen, Field Office Supervisor, Virginia Ecological Services Field Office, 804–728–0695, *troy_andersen@fws.gov.*
Mojave poppy bee	Brian Croft, Field Supervisor, Palm Springs and Southern Nevada Field Office, 702–953–5494, *brian_croft@fws.gov.*
Streamside salamander	Susan Cooper, Field Supervisor, Indiana Ecological Services Field Office, 812–902–1792, *susan_e_cooper@fws.gov.*

Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION:

Background

Under section 4(b)(3)(B) of the Act (16 U.S.C. 1533(b)(3)(B)), we are required to make a finding on whether or not a petitioned action is warranted within 12 months after receiving any petition that we have determined contains substantial scientific or commercial information indicating that the petitioned action may be warranted (''12-month finding''). We must make a finding that the petitioned action is: (1) not warranted; (2) warranted; or (3) warranted but precluded by other listing activity. We must publish a notification of these 12-month findings in the **Federal Register**.

Summary of Information Pertaining to the Five Factors

Section 4 of the Act (16 U.S.C. 1533) and our regulations at part 424 of title 50 of the Code of Federal Regulations (CFR; 50 CFR part 424) set forth procedures for adding species to, removing species from, or reclassifying species on the Lists of Endangered and Threatened Wildlife and Plants (Lists). The Act defines ''species'' as including any subspecies of fish or wildlife or plants, and any distinct population segment (DPS) of any species of vertebrate fish or wildlife which interbreeds when mature. The Act defines an ''endangered species'' as a species that is in danger of extinction throughout all or a significant portion of its range (16 U.S.C. 1532(6)) and a ''threatened species'' as a species that is likely to become an endangered species within the foreseeable future throughout all or a significant portion of its range (16 U.S.C. 1532(20)). Under section 4(a)(1) of the Act, the Secretary of the Interior (Secretary) may determine whether any species is an endangered species or a threatened species because of any of the following five factors:

(A) The present or threatened destruction, modification, or curtailment of its habitat or range;

(B) Overutilization for commercial, recreational, scientific, or educational purposes;

(C) Disease or predation;

(D) The inadequacy of existing regulatory mechanisms; or

(E) Other natural or manmade factors affecting its continued existence.

These factors represent broad categories of natural or human-caused actions or conditions that could have an effect on a species' continued existence.

In evaluating these actions and conditions, we look for those that may have a negative effect on individuals of the species, as well as other actions or conditions that may ameliorate any negative effects or may have positive effects.

We use the term ''threat'' to refer in general to actions or conditions that are known to or are reasonably likely to negatively affect individuals of a species. The term ''threat'' includes actions or conditions that have a direct impact on individuals (direct impacts), as well as those that affect individuals through alteration of their habitat or required resources (stressors). The term ''threat'' may encompass—either together or separately—the source of the action or condition or the action or condition itself. However, the mere identification of any threat(s) does not necessarily mean that the species meets the statutory definition of an ''endangered species'' or a ''threatened species.'' In determining whether a species meets either definition, we must evaluate all identified threats by considering the species' expected response and the effects of the threats—in light of those actions and conditions that will ameliorate the threats—on an individual, population, and species level. We evaluate each threat and its expected effects on the species, then analyze the cumulative effect of all of the threats on the species as a whole. We also consider the cumulative effect of the threats in light of those actions and conditions that will have positive effects on the species, such as any existing regulatory mechanisms or conservation efforts. The Secretary determines whether the species meets the definition of an ''endangered species'' or a ''threatened species'' only after conducting this cumulative analysis and describing the expected effect on the species.

The Act does not define the term ''foreseeable future,'' which appears in the statutory definition of ''threatened species.'' Our regulations at 50 CFR 424.11(d) set forth a framework for evaluating the foreseeable future on a case-by-case basis, which is further described in the 2009 Memorandum Opinion on the foreseeable future from the Department of the Interior, Office of the Solicitor (M–37021, January 16, 2009; ''M-Opinion,'' available online at *https://www.doi.gov/sites/doi.opengov.ibmcloud.com/files/uploads/M-37021.pdf*). The foreseeable future extends as far into the future as the Service can make reasonably reliable predictions about the threats to the species and the species' responses to those threats. We need not identify the foreseeable future in terms of a specific period of time. We will describe the foreseeable future on a case-by-case basis, using the best scientific and commercial data available and taking into account considerations such as the species' life-history characteristics, threat projection timeframes, and environmental variability. In other words, the foreseeable future is the period of time over which we can make reasonably reliable predictions. ''Reliable'' does not mean ''certain;'' it means sufficient to provide a reasonable degree of confidence in the prediction, in light of the conservation purposes of the Act.

Both definitions of endangered species and threatened species include not only the phrase ''throughout all,'' but also the phrase ''or a significant portion of its range.'' Beginning in 2001, a number of judicial opinions addressed our interpretation of the phrase ''or a significant portion of its range'' (the SPR phrase) in the statutory definitions of ''endangered species'' and ''threatened species.'' In *Defenders of Wildlife* v. *Norton,* 258 F.3d 1136 (9th Cir. 2001) regarding the flat-tailed horned lizard, the court held that the interpretation of the SPR phrase that we had applied in analyzing the status of the flat-tailed horned lizard was unacceptable because it would allow for a species to warrant listing throughout a significant portion of a species' range only when the species ''is in danger of extinction everywhere'' (*id.* at 1141). The court held that the SPR phrase must be given independent meaning from the ''throughout all'' phrase to avoid making the SPR phrase in the statute superfluous.

In an attempt to address the judicial opinions calling into question our approach to evaluating whether a species was endangered or threatened throughout a significant portion of its range, the Services published a ''Final Policy on Interpretation of the Phrase 'Significant Portion of Its Range' in the Endangered Species Act's Definition of ''Endangered Species'' and ''Threatened Species'' (hereafter ''2014 SPR Policy;'' 79 FR 37578, July 1, 2014). The notice of the draft policy provides more detail about litigation before 2014 regarding the phrase (76 FR 76987, December 9, 2011). The 2014 SPR Policy included four elements:

(1) Consequence—that the consequence of determining that a species warrants listing based on its status in a significant portion of its range is to list the species throughout all of its range;

(2) Significance—a definition of the term ''significant'';

(3) Range—that the species' ''range'' is the current range of the species; and

(4) DPS—that, if a [vertebrate] species is endangered or threatened in an SPR, and the population in that SPR is a DPS, the Service will list just the DPS.

Subsequently, two district courts vacated the definition of ''significant'' contained in the 2014 SPR Policy (*Ctr. for Biological Diversity* v. *Jewell,* 248 F. Supp. 3d 946, 959 (D. Ariz. 2017) (''*CBD* v. *Jewell*'') and *Desert Survivors* v. *U.S. Dep't of the Interior,* 321 F. Supp. 3d 1011, 1070–74 (N.D. Cal. 2018) (''*Desert Survivors*'')). The courts found that the definition in the 2014 SPR Policy set too high a threshold and rendered the SPR language in the statute superfluous, failing to give it independent meaning from the ''throughout all'' phrase. In 2020, another court (*Ctr. for Biological Diversity* v. *Everson,* 435 F. Supp. 3d 69 (D.D.C. 2020) (''*Everson*'')) also vacated the specific aspect of the 2014 SPR Policy under which, ''if the Services determine that a species is threatened throughout all of its range, the Services will not analyze whether the species is endangered in a significant portion of its range'' (*id.* at 98). This was an extension of the definition of ''significant,'' which required a stepwise process in which we only considered whether a species may be endangered or threatened throughout a significant portion of its range when the species was not endangered or threatened throughout all of its range. In an extension of the earlier rulings from *CBD* v. *Jewell* and *Desert Survivors,* the court found that this aspect of the definition of the 2014 SPR Policy was not only inconsistent with the statute because it ''rendered the 'endangered in a significant portion of its range' basis for listing superfluous,'' but was also ''inconsistent with ESA principles'' and ''not a logical outgrowth from the draft policy.'' Under this ruling, if we find a species is not in danger of extinction throughout all of its range, we must evaluate whether the species is in danger of extinction throughout a significant portion of its range, even in cases where we have determined that the species is likely to become in danger of extinction within the foreseeable future (threatened) throughout all of its range. The remaining three elements of the 2014 SPR Policy remain intact.

For each species below, we address why they are not in danger of extinction or likely to become so within the foreseeable future throughout all or a significant portion of their ranges. For some species, we discuss throughout all of the range first (endangered then threatened classification) and then discuss significant portion of the range. For other species we explain why not in

danger of extinction (throughout all or a significant portion of its range) and then why not likely to become endangered within the foreseeable future (throughout all or a significant portion of its range).

When assessing whether a species is endangered or threatened throughout a significant portion of its range, we address two questions because we must determine whether there is any portion of the species' range for which both (1) the portion is ''significant'' and (2) the species is in danger of extinction or likely to become in danger of extinction within the foreseeable future throughout that portion. We may address either question first. Regardless of which question we address first, if we reach a negative answer with respect to the first question that we address, we do not need to evaluate the other question for that portion of the species' range.

In conducting our evaluation of the five factors provided in section 4(a)(1) of the Act to determine whether the Blueridge springfly, lobed roachfly, Mojave poppy bee, and streamside salamander meet the Act's definition of an ''endangered species'' or a ''threatened species,'' we considered and thoroughly evaluated the best scientific and commercial data available regarding the past, present, and future threats. We reviewed the petitions, information available in our files, and other available published and unpublished information for these species. Our evaluation may include information from recognized experts; Federal, State, and Tribal governments; academic institutions; foreign governments; private entities; and other members of the public.

In accordance with the regulations at 50 CFR 424.14(h)(2)(i), this document announces the not-warranted findings on petitions to list the four species. We have also elected to include brief summaries of the analyses on which these findings are based. We provide the full analyses, including the reasons and data on which the findings are based, in the decisional files for the Blueridge springfly, lobed roachfly, Mojave poppy bee, and streamside salamander. Below, we describe the documents containing these analyses.

The species assessment forms for the Blueridge springfly, lobed roachfly, Mojave poppy bee, and streamside salamander each contain more detailed biological information, a thorough analysis of the listing factors, a list of literature cited, and an explanation of why we determined that these species do not meet the Act's definition of an ''endangered species'' or a ''threatened species.'' To inform our status review, we completed species status assessment (SSA) reports for the Blueridge springfly, lobed roachfly, Mojave poppy bee, and streamside salamander. The SSA reports contain a thorough review of the taxonomy, life history, ecology, current status, and projected future status for these species. This supporting information can be found on the internet at *https://www.regulations.gov* under the appropriate docket number (see **ADDRESSES**, above).

Blueridge Springfly & Lobed Roachfly

Previous Federal Actions

On April 20, 2010, we received a petition from the Center for Biological Diversity (CBD), Alabama Rivers Alliance, Clinch Coalition, Dogwood Alliance, Gulf Restoration Network, Tennessee Forests Council, and West Virginia Highlands to list 404 aquatic, riparian, and wetland species, including the Blueridge springfly and lobed roachfly, as endangered or threatened species under the Act. On September 27, 2011, we published in the **Federal Register** (76 FR 59836) a 90-day finding that the petition provided substantial information indicating 374 of those species may warrant listing, including these 2 species.

The Blueridge springfly appears to be restricted to small streams (first through third order streams) and spring seeps straddling the Blue Ridge Parkway and surrounding areas. Streams are shallow, often only a few centimeters deep, with minimal surface flows and substrates composed of pea-sized gravel, silt, small cobbles, woody snags, and leaf packs. Riparian vegetation varies but is often dominated by a variety of grasses and deciduous trees. The Blueridge springfly has been recorded within the Blue Ridge physiographic province in southwest Virginia, western North Carolina, and eastern Tennessee.

The lobed roachfly has been detected within first through third order streams, and is most often found in small, mid-elevation headwater streams. This species typically inhabits streams with substrates including pea-sized gravel, silt, small cobbles, bedrock, woody snags, and leaf packs, as well as riparian vegetation generally composed of a variety of grasses and deciduous trees. The lobed roachfly appears to only inhabit spring-fed brooks at or near the spring source, confined to the North Fork Holston River sub-basin in Virginia.

Stoneflies, including the Blueridge springfly and lobed roachfly, can be distinguished from other insects by the combined presence of long antennae with multiple segments, stout legs each ending in two claws, and long paired appendages projecting from the ends of their abdomens in both nymphs and adults. The adults have two pairs of membranous thoracic wings, and nymphs of these species are entirely aquatic. Habitat preferences and life history needs differ somewhat between the two stonefly species but consist generally of clean, clear, cold, oxygenated, flowing water with suitable substrate and riparian vegetation. Stoneflies are known to be sensitive to a number of water quality parameters including temperature, dissolved oxygen, nutrients (nitrogen and phosphorus), pH, sedimentation/turbidity, conductivity, and other contaminants. Stoneflies generally require habitats with low turbidity and low levels of fine sediment because of their requirements for specific substrates in the nymphal stages. These two species rely on pea-sized gravel substrate and are more sensitive to turbidity changes due to fine sediment affecting the availability of interstitial spaces. In addition to the water quality parameters described above, stonefly nymphs require an adequate food supply for growth and survival. Specifically, streams must contain organic detritus on which the herbivorous stoneflies can feed and which provide food for the prey of predatory stoneflies. The lobed roachfly specifically requires detritus from annual leaf fall in the autumn to provide food for nymphs year-round. The primary threats affecting the biological status of the Blueridge springfly and lobed roachfly include changes in water quality and loss of riparian vegetation associated with human development, agriculture, forestry, wildfire, and changes in temperature and precipitation.

We delineated analysis units using the Hydrologic Unit Code (HUC) 12-digit watersheds in which the known detections of each species occur. The Blueridge springfly has been detected since 2000 in 20 HUC–12 watersheds (*i.e.,* analysis units) within Virginia, North Carolina, and Tennessee in the Blue Ridge physiographic province. The lobed roachfly has been delineated into four analysis units within the Valley and Ridge physiographic province in Virginia. Of the metrics that we can measure rangewide, forest cover within each analysis unit is the most indicative of potential suitable habitat for stoneflies. Forest cover within a drainage is generally associated with healthy benthic macroinvertebrate communities as forests help decrease erosion, provide food and cover, and

help to maintain naturally occurring cold stream temperatures. Decreased percentages of forest cover indicate other land cover types are present (development, agriculture, etc.), which can result in increased runoff carrying sediments and contaminants. Less forest cover can also lead to less leaf detritus that forms the base of the benthic food chain and provides cover for stonefly larvae and other benthic organisms, and less shading of streams which can affect stream temperatures. As such, we rely on forest cover as a proxy for resiliency to indicate the percentage of each watershed that is more likely to have habitat conditions that are suitable for these species.

Blueridge Springfly

For the Blueridge springfly, 16 out of 20 analysis units (80 percent) have been assessed as having either high or very high resiliency, in terms of percentage of forested cover. Two of the analysis units with very high habitat resiliency also have the two largest percentages of protected area within the watersheds. All watersheds have lost less than 5 percent of their total area to forest conversion since 1985. Given the species' narrow geographic range, redundancy has likely always been limited. Additionally, given the lack of unique habitat characteristics that may confer some adaptive capacity and the species' occurrence within a single physiographic province, representation is likely to be low, as is typical of somewhat narrow-ranging endemics. We assessed changes in water quality and loss of riparian vegetation associated with human development, agriculture, forestry, wildfire, and changes in temperature and precipitation as the primary potential threats to the species. We also examined risk of catastrophic events like heat waves, droughts, or large wildfires. We found the best scientific and commercial data available indicate that these potential stressors are not currently negatively affecting the Blueridge springfly.

The springfly has adequate resiliency to withstand stochastic events, as a vast majority of analysis units (80 percent) are in high or very high condition, meaning there are sufficient resources to sustain populations now and in the near term. In addition, near-term future projections do not indicate any significant decreases in forested land cover. The distribution of these moderate and high resiliency units throughout the range provides sufficient redundancy for the species to withstand catastrophic events (*e.g.,* droughts, wildfires). While there is the possibility for catastrophic events to impact these species, reducing both representation and redundancy, these risks remain low. Redundancy and representation are naturally limited due to its narrow range; however, this may be similar to historical conditions for this species. Thus, after assessing the best scientific and commercial data available, we conclude that Blueridge springfly is not in danger of extinction throughout all of its range.

To assess future conditions, we analyzed future land cover forecast data and projected changes in temperature and precipitation to develop habitat condition (resiliency) metrics across two climate scenarios (*i.e.,* moderate and high) for two future timesteps (*i.e.,* 2042 and 2072). Looking into the foreseeable future, under a moderate climate scenario, little change in forest cover is expected within the range of the Blueridge springfly. Based on our analysis of projected changes in forest cover within the 20 analysis units, in a high climate scenario out to 2072, 9 out of the 20 units (45 percent) remain classified as either high or very high resiliency and 8 units (40 percent) retain moderate resiliency. Redundancy is expected to remain at the current level, and catastrophic events are unlikely to affect all known populations simultaneously. These high and moderate resiliency units are expected to be able to withstand stochastic events such as annual fluctuations in rainfall and temperature. While representation is expected to remain low due to the species' narrow range, we also conclude that representation has historically always been low. After assessing the best scientific and commercial data available, we conclude that the Blueridge springfly is not likely to become endangered within the foreseeable future throughout all of its range.

We found that these threats are not disproportionately affecting the Blueridge springfly in any portion of its range. All populations have high/moderate resiliency in the near term and are distributed such that the species is at low risk from catastrophic events. In summary, we find that the Blueridge springfly is not in danger of extinction in any areas across its range (*i.e.,* in no analysis unit). Therefore, no portion of the species' range provides a basis for determining that the species is in danger of extinction throughout a significant portion of its range.

Three of the 20 analysis units (Headwaters Stewarts Creek, Stone Mountain Creek-Big Reed Island Creek, and Beaverdam Creek-Little River) are projected to have low habitat condition under a high climate scenario, looking out to 2072. Therefore, for this portion of the range where the Blueridge springfly may become in danger of extinction within the foreseeable future, we assessed whether or not that portion is a ''significant portion of the range'' of the Blueridge springfly. This portion makes up a small proportion of the range and contains only 17 percent (87,462 acres (ac)) of the current range (520,598 acs). This portion also does not include important or unique habitat features for species conservation. All analysis units provide similar types of medium- to large-sized upland streams with appropriate flow, velocity, and water quality conditions to support breeding, feeding, sheltering, and dispersal. Therefore, this portion is not a significant portion of the range of the Blueridge springfly. This does not conflict with the courts' holdings in *Desert Survivors* and *CBD* v. *Jewell,* because, in reaching this conclusion, we did not apply the aspects of the 2014 SPR Policy, including the definition of ''significant,'' that those court decisions held to be invalid. Thus, after assessing the best scientific and commercial data available, we conclude that the Blueridge springfly is not in danger of extinction or likely to become so within the foreseeable future throughout a significant portion of its range.

Lobed Roachfly

All four lobed roachfly analysis units have been assessed as having either high or very high resiliency. Three analysis units have very high habitat resiliency, with over 80 percent of the land in the watershed currently forested, and one analysis unit is considered to have high habitat resiliency with almost 77 percent of the area forested. These analysis units have had limited change in terms of forest cover over the past few decades. Since 1985, none of the units have lost more than 1 percent of their area to forest conversion; since 2001, all units have seen increased forest cover, from 3.1 to 7.4 percent of the watershed area converting to forests.

It is unclear how current redundancy relates to historical levels. However, given the narrow physiographic range where this species is located, redundancy has likely always been limited. Given the lack of information on unique habitat characteristics that may confer some adaptive capacity, and the species' occurrence within a single physiographic province, representation for lobed roachfly is likely low, as is typical of somewhat narrow-ranging endemics. We assessed changes in water quality and loss of riparian vegetation associated with human development,

agriculture, forestry, wildfire, and changes in temperature and precipitation as the primary potential threats to the species. We also examined risk of catastrophic events like heat waves, droughts, or large wildfires. We found the best scientific and commercial data available indicate that these potential stressors are not currently negatively affecting lobed roachfly.

The species has adequate resiliency to withstand stochastic events, as the entire species is in high or very high condition, meaning there are sufficient resources to sustain populations now and in the near term. In addition, near-term future projections do not indicate any significant decreases in forested land cover. The distribution of these high resiliency analysis units throughout the range provides sufficient redundancy for the species to withstand catastrophic events (*e.g.,* droughts, wildfires). While there is the possibility for catastrophic events to impact this species, reducing both representation and redundancy, these risks remain low. Redundancy and representation are naturally limited due to the narrow range; however, this may be similar to historical conditions for this species. Thus, after assessing the best scientific and commercial data available, we conclude that lobed roachfly is not in danger of extinction throughout all of its range.

Under both climate scenarios, little change in forest cover is expected within the range of the lobed roachfly. Resiliency categories for all four analysis units remain high to very high even in the high 2072 climate scenario, so redundancy is expected to remain at the current level. While catastrophic events such as contaminant spills have the potential to impact the species due to its narrow range, the risk of this impact is assumed to be reduced due to the very low percentage of land cover that is developed or in agricultural use. While representation is expected to remain low due to the narrow range of the species, we also conclude that representation has historically always been low. After assessing the best scientific and commercial data available, we conclude that the lobed roachfly is not likely to become endangered within the foreseeable future throughout all of its range.

We evaluated the range of the lobed roachfly to determine if the species is in danger of extinction throughout a significant portion of its range by looking at the near-term future scenarios out to 2042. We found that threats are not disproportionately affecting the lobed roachfly in any portion of its range, as all populations have high to very high resiliency in the near term and are distributed such that the species is at low risk from catastrophic events. In addition, near-term future projections do not indicate any significant decreases in forested land cover in any analysis unit. Therefore, no portion of the species' range provides a basis for determining that the species is in danger of extinction throughout a significant portion of its range. Looking out to the foreseeable future, we found that threats are not disproportionately affecting the lobed roachfly in any portion of its range within the foreseeable future. Under both climate scenarios, little change in forest cover is expected within the range of the species; resiliency categories for all four analysis units remain high to very high even in the high 2072 climate scenario. Therefore, no portion of the species' range provides a basis for determining that the species is likely to become in danger of extinction within the foreseeable future throughout a significant portion of its range. This does not conflict with the decision in *Everson* because we have determined that there is no portion of the range where the species may be in danger of extinction (*i.e.,* the species cannot be in danger of extinction throughout a significant portion of its range). Thus, after assessing the best scientific and commercial data available, we conclude that the lobed roachfly is not in danger of extinction or likely to become so within the foreseeable future throughout a significant portion of its range. After evaluating threats to the species and assessing the cumulative effect of the threats under the section 4(a)(1) factors, we conclude that neither the Blueridge springfly nor the lobed roachfly meet the definition of an endangered species or a threatened species in accordance with sections 3(6) and 3(20) of the Act. Therefore, we find that listing the Blueridge springfly or the lobed roachfly is not warranted at this time. A detailed discussion of the basis for this finding can be found in the Blueridge springfly and lobed roachfly species assessment form and other supporting documents on *https://www.regulations.gov* under Docket No. FWS–R5–ES–2026–2809 (see **ADDRESSES**, above).

Peer Review

In accordance with our joint policy on peer review published in the **Federal Register** on July 1, 1994 (59 FR 34270), and our August 22, 2016, memorandum updating and clarifying the role of peer review in listing actions under the Act (*https://www.fws.gov/sites/default/files/documents/peer-review-policy-directors-memo-2016-08-22.pdf*), we solicited independent scientific reviews of the information contained in the SSA report. The SSA report included a third stonefly species, the Virginia stone (*Acroneuria kosztarabi*), whose petition was withdrawn in 2026 and therefore is not part of this 12-month finding. We sent the SSA report to three independent peer reviewers and received two responses. Results of this structured peer review process can be found at *https://www.regulations.gov* under Docket No. FWS–R5–ES–2026–2809. We incorporated the results of these reviews, as appropriate, into the SSA report, which is the foundation for this finding.

Mojave Poppy Bee

Previous Federal Actions

On October 17, 2018, we received a petition from the CBD requesting that the Mojave poppy bee be listed as an endangered species and that critical habitat be designated for this species under the Act. On September 6, 2019, we published a 90-day finding (84 FR 46927) that the petition contained substantial information indicating that listing may be warranted for the species. This document constitutes our 12-month finding on the October 17, 2018, petition to list the Mojave poppy bee under the Act.

Summary of Finding

The Mojave poppy bee is a small (in length) solitary bee species, about 4.5 to 7 millimeters (mm) (0.2–0.3 inches (in)) in length, found in the Mojave Desert in San Bernardino County, California, Mohave County, Arizona, and Clark County, Nevada. It was also historically found in Washington County, Utah. However, the Mojave poppy bee is considered extirpated from Utah. Mojave poppy bees are considered floral specialists, collecting pollen from plant species of the Papaveraceae family (poppies). Known host plants of the Mojave poppy bee are Las Vegas bear-poppy (*Arctomecon californica*), dwarf bear-poppy (*Arctomecon humilis*), Mojave prickly poppy (*Argemone corymbosa*), and flatbud prickly poppy (*Argemone munita*).

The life span of an individual adult Mojave poppy bee, like that of other solitary bees, is likely brief and from a few days up to a maximum of 30 days. Like other bees in the Andrenidae family, it is likely a ground nester. Population numbers of adult Mojave poppy bee can fluctuate dramatically, such that they may be abundant in some years and absent in others. Fluctuations of solitary bee species' population

abundance seem synchronized with precipitation and host plant flowering. The Mojave poppy bee requires suitable nesting conditions near abundant host plants, reliable winter precipitation to support floral resources, connectivity among populations, and sufficient genetic diversity to maintain resilient, well-distributed populations capable of adapting to environmental changes.

In undertaking our analysis of the status of the Mojave poppy bee, we reviewed the best scientific and commercial data available regarding threats to the species, its responses to those threats, and any associated conservation measures. We then assessed the cumulative effects of those threats and conservation measures under the Act's section 4(a)(1) factors. For both the current and future condition, we examined the following threats: habitat disturbance and modification (urbanization, mining, trampling, fragmentation, nonnative plants, and wildfire); herbivory and competition; predation, parasites, and disease; collection, and altered patterns of winter precipitation and spring temperatures, including cumulative effects, as well as existing regulatory mechanisms. The primary threats affecting the Mojave poppy bee's biological status include habitat modification and altered patterns of winter precipitation and spring temperatures.

In undertaking this analysis of whether the Mojave poppy bee is in danger of extinction throughout all or significant portion of its range, we evaluated whether the species has a similar near-term risk of extinction in all areas across its range by assessing its extinction risk within each representation unit (RU). We looked at RUs because at that scale, we can assess whether there are multiple resilient populations in a geographic distribution that can help guard against losses from catastrophic events. Our review indicated that the Mojave poppy bee's near-term extinction risk is similar in all three RUs across its range.

With the species widely distributed across its current range and within each RU, we consider that its redundancy is high in comparison to historical condition, meaning that it maintains its ability to withstand catastrophes. In addition, we are not aware of any plausible catastrophic events that could affect the species in the current condition. Representation has decreased from historical condition with the extirpation of the genetically and floristically unique population at Beehive Dome in Utah. However, the Mojave poppy bee still maintains multiple resilient populations within each RU, including other genetically distinct populations. Overall, because the species maintains resiliency, representation, and redundancy, we conclude that it has a low risk of near-term extinction.

In summary, we find that the Mojave poppy bee is not in danger of extinction in any areas across its range (*i.e.,* in no RU). Thus, there is no portion of the range where the Mojave poppy bee is in danger of extinction. Because there is no portion of the range in which the Mojave poppy bee is endangered, it is necessarily not in danger of extinction throughout all of its range. Thus, after assessing the best scientific and commercial data available, we conclude that the Mojave poppy bee is not in danger of extinction throughout all or a significant portion of its range. This does not conflict with the decision in *Everson* because we have determined that there is no portion of the range where the species may be in danger of extinction (*i.e.,* the species cannot be in danger of extinction throughout a significant portion of its range). Therefore, we proceed with determining whether Mojave poppy bee is likely to become in danger of extinction within the foreseeable future throughout all or a significant portion of its range.

The statutory difference between an endangered species and a threatened species is the timeframe in which the species becomes in danger of extinction; an endangered species is in danger of extinction while a threatened species is not in danger of extinction but is likely to become so within the foreseeable future. We evaluated whether the Mojave poppy bee has a similar risk of extinction within the foreseeable future in all areas across its range by assessing its extinction risk within each RU. Our review indicated that the Mojave poppy bee's extinction risk is similar in all areas across its range. In undertaking these analyses, we again reviewed the best scientific and commercial data available regarding threats to the species, its responses to those threats, and any associated conservation measures. We then assessed the cumulative effects of those threats and conservation measures within the foreseeable future under the Act's section 4(a)(1) factors.

We assessed the foreseeable future for the species as approximately 50 years, because this timeframe is biologically meaningful to the species and short enough for us to realistically predict changes to the 3Rs from influences on viability. We analyzed two future scenarios that captured the plausible range of future conditions for the Mojave poppy bee.

One of the primary threats in the foreseeable future in all RUs is habitat disturbance and modification (primarily urbanization, mining, and trampling). Under the upper plausible limit scenario, the Las Vegas Valley population group (RU 1) may be extirpated in the foreseeable future due to potential development of Nellis Air Force Base Area III, and the White Basin population group (RU 1) may be extirpated due to mining activities. Trampling associated with offroad vehicle use could increase in the foreseeable future under this scenario for the Sunrise Valley population group (RU 1) and the Mojave River Wash population group (RU 2), and urbanization could also affect the Gale Hills population group (RU 1); however, the increase in impacts associated with these threats would be moderate rather than severe. Overall, most of the 17 extant population groups are projected to have only minimal changes compared to current viability.

In addition, patterns of winter precipitation and spring temperatures could be altered in each RU under both future scenarios. However, host plants (particularly the Las Vegas bear-poppy) appear resilient to changes in climate. In addition, with the likely ability to undergo multiple year diapause, the life history of the Mojave poppy bee allows it to persist through years of unfavorable precipitation conditions for host plants. Therefore, though there may be a slight increase in threats under all future scenarios for at least five population groups, we conclude that the Mojave poppy bee and its host plants are likely able to withstand projected shifts in precipitation and temperature.

Under both future scenarios, all RUs are forecast to either maintain multiple population groups with only a small increase in threats from the current condition (six in RU 1 and five in RU 2), or in the case of RU 3, a single population represented by multiple occurrence areas. Despite increases in threats under Future Scenario 2, each RU is expected to experience slight decreases in redundancy and no change in representation.

Those extant populations are projected to maintain resiliency, with similar levels or slight increases in threats throughout the range. Overall, though the species' ability to withstand catastrophic events could decrease slightly in the future, the species would still maintain redundancy. In addition, there are no plausible catastrophic events that could affect the species. Neither of the population groups

projected to be lost under the upper limit scenario are genetically or environmentally unique, so we do not expect that the representation would decrease compared to current condition. Therefore, we conclude that the future extinction risk is similar across the range.

In summary, we find that the Mojave poppy bee is not likely to become in danger of extinction within the foreseeable future in any areas across its range (*i.e.,* in no RUs). Thus, there is no portion of the range where the Mojave poppy bee is likely to become in danger of extinction within the foreseeable future. Because there is no portion of the range in which the Mojave poppy bee is threatened, then based on the best scientific and commercial data available, we determine that the Mojave poppy bee is not likely to become in danger of extinction within the foreseeable future throughout all or a significant portion of its range.

Based on the best scientific and commercial data available, we determine that the Mojave poppy bee does not meet the definition of an endangered species or a threatened species in accordance with sections 3(6) and 3(20) of the Act. Therefore, we find that listing the Mojave poppy bee is not warranted at this time. A detailed discussion of the basis for this finding can be found in the Mojave poppy bee species assessment form and other supporting documents on *https://www.regulations.gov* under Docket No. FWS–R8–ES–2026–2812 (see **ADDRESSES**, above).

Peer Review

In accordance with our joint policy on peer review published in the **Federal Register** on July 1, 1994 (59 FR 34270), and our August 22, 2016, memorandum updating and clarifying the role of peer review in listing actions under the Act (*https://www.fws.gov/sites/default/files/documents/peer-review-policy-directors-memo-2016-08-22.pdf*), we solicited independent scientific reviews of the information contained in the Mojave poppy bee SSA report. We sent the SSA report to four independent peer reviewers and received three responses. Results of this structured peer review process can be found at *https://www.regulations.gov* under Docket No. FWS–R8–ES–2026–2812. We incorporated the results of these reviews, as appropriate, into the SSA report, which is the foundation for this finding.

Streamside Salamander

Previous Federal Actions

On April 20, 2010, we received a petition from the CBD, Alabama Rivers Alliance, Clinch Coalition, Dogwood Alliance, Gulf Restoration Network, Tennessee Forests Council, and the West Virginia Highlands Conservancy to list 404 aquatic, riparian, and wetland species, including the streamside salamander, as an endangered or threatened species under the Act. On September 27, 2011, we published a 90-day finding (76 FR 59836) that the petition contained substantial information indicating listing may be warranted for the species. This document constitutes our 12-month finding on the April 20, 2010, petition to list the streamside salamander under the Act.

Summary of Finding

The streamside salamander is a medium-sized (146–168 mm (5.7–6.6 in) total length) stream-breeding ambystomid salamander (*i.e.,* a member of the mole salamander family whose juvenile and adult life stages are primarily terrestrial and spends significant time underground) and has short limbs and a short and fat tail, as well as a relatively small head and stout body. The streamside salamander's known range extends from southern Ohio and southeastern Indiana south through central Kentucky and the far western edge of West Virginia. Populations are also present in Tennessee in and around the Nashville area.

The streamside salamander uses different habitat throughout the year. The species moves from upland, non-breeding habitat to stream habitat from late fall until spring to breed and deposit eggs. These areas include seasonal/intermittent headwater streams or other water bodies lacking predatory fish. Breeding streams with surrounding forests have been shown in some areas to have the highest larval abundances; however, in other areas of the range, the species is found in agricultural and developed/urban watersheds. When seasonal lotic (*i.e.,* actively moving fresh water such as rivers and streams) systems are unavailable, the streamside salamander rapidly transitions to fishless lentic (*i.e.,* still, standing, or slow-moving fresh water such as lakes and ponds) habitats if available. Habitat connectivity is important for either type of breeding habitat. After metamorphosis, juveniles and adults move to uplands or areas adjacent to streams for summer and fall aestivation (*i.e.,* dormancy). Non-breeding habitats appear highly varied and may be influenced by human habitation and landscape modifications. Forest may be an important part of some non-breeding habitat, although in other areas of the species' range the non-breeding habitat has been documented as a mosaic of pasture, deciduous, and mixed forest. The species is sensitive to desiccation (*i.e.,* drying out) and thus often occupies areas with water availability and high canopy cover. Juvenile and adult streamside salamanders require available burrows and canopy cover to decrease desiccation.

We have carefully assessed the best scientific and commercial data available regarding the past, present, and future threats to the streamside salamander, and we evaluated all relevant factors under the five listing factors, including any regulatory mechanisms and conservation measures addressing these threats. The primary threats affecting the streamside salamander's biological status include habitat alteration and degradation due to development, flooding and high precipitation events, drought, and increasing temperatures. We also examined other factors including predation, disease, road mortality, and collection; however, the best scientific and commercial data available information does not indicate that these factors rise to such a level that they affected the species as a whole.

The vast majority of historical and recently reported occurrences of streamside salamanders are either adults in breeding condition during the breeding season, egg masses, or larvae. This indicates that breeding and reproduction are still occurring at most recently documented sites during most years, and thus likely recruitment of larvae and juveniles into the adult life stages is occurring at some level at many sites, further signifying sustained resiliency of populations, and indicating their ability to withstand environmental or demographic stochastic events. For consistency across the range, we converted all occurrences to 430 HUC–12s (the coarsest level at which we received occurrence data). These HUC–12s were used as analysis units (AUs) (and further grouped into four RUs, reflecting geographic variation and known genetic differences for the species: Kentucky-North, Kentucky-South, Ohio River, and Tennessee). There are documented recent occurrences (since 2008) in 278 of these AUs (64.6 percent), with these recent observations spread throughout the four RUs (ranging from 49.6 to 92.3 percent recent occurrences in each of the RUs). Further, occurrences within each of these RUs are geographically

widespread. The wide distribution of these AUs across and within four RUs indicates that the species has sufficient redundancy to withstand catastrophic events and has sufficient representation to adapt to near-term changing conditions.

Habitat alteration and degradation through development is the primary factor influencing the species rangewide, with developed habitat at 10.9 percent in the Kentucky-North RU, 13.1 percent in the Kentucky-South RU, 18.4 percent in the Ohio River RU, and 20.7 percent in the Tennessee RU. While a few localized extirpations of sites and reduced resiliency have been attributed to development, all RUs have multiple resilient AUs and approximately 80 percent or more of each RU has either low levels of development or is undeveloped. The core of the range in Kentucky has been described as continuing to have excellent population stability. Similarly, the species is relatively common in south-central and southeastern Indiana and has continued to show recruitment and use of both breeding and non-breeding habitat over time in protected areas and some heavily modified metropolitan habitats. Furthermore, the streamside salamander's relatively long lifespan, coupled with its genetic and behavioral adaptative capacity, allows populations to rebound from occasional poor breeding seasons due to environmental changes, including flooding and high precipitation events, drought, and increasing temperatures.

After evaluating threats to the species and assessing the cumulative effect of the threats under the section 4(a)(1) factors, we conclude that the streamside salamander maintains multiple resilient populations across its range. Though the species is being impacted by threats including development and environmental impacts, these threats are not currently meaningfully reducing the resiliency, representation, and redundancy of the species. Streamside salamander populations have been recently observed in the majority of the areas from which they were historically known, and populations show continued reproduction and recruitment throughout the range and in each of the RUs, indicating that the species is able to withstand stochastic events. Additionally, the species remains extant across its range and has sufficient redundancy to withstand catastrophic events. The species also maintains its environmental and genetic representation from its historical condition; thus, it retains its ability to adapt to near-term changing conditions.

In summary, we find that the streamside salamander is not in danger of extinction in any areas across its range (*i.e.,* in no RU). Thus, there is no portion of the range where the streamside salamander is in danger of extinction. Because there is no portion of the range in which the streamside salamander is endangered, it is necessarily not in danger of extinction throughout all of its range. Thus, after assessing the best scientific and commercial data available, we conclude that the streamside salamander is not in danger of extinction throughout all or a significant portion of its range. Therefore, we proceed with determining whether streamside salamander is likely to become in danger of extinction within the foreseeable future throughout all or a significant portion of its range.

Into the future, we project that habitat alteration and degradation through development, as well as environmental change through flooding and high precipitation events, drought, and increasing temperatures, will continue to affect the streamside salamander throughout each of these RUs. We project that these threats will increase throughout the range of the species through the year 2099. However, while these environmental changes may have negative impacts, there are also positive effects that mitigate these negative impacts on the species (*e.g.,* high flows and flooding may displace larvae to areas where predatory fish are present, but mortality of larvae is mitigated by reduced competition for food). Streamside salamander juveniles and adults have low energetic demands, use burrows, emerge primarily at night to feed, and can behaviorally thermoregulate, mitigating the effects of higher temperatures and desiccation. The core of the species range (in Kentucky) has higher effective population sizes, which provides additional adaptive capacity that allows the species to better adapt to changing environmental conditions, and the temperature increases are not projected to be as high in the three more northern RUs.

Development is also increasing, although there are relatively low levels of development projected into the foreseeable future throughout the range of the streamside salamander, even under the lower scenario. Each RU has 70 percent or more of its AUs remaining in low development condition in 2100 (Tennessee RU: 74.6 percent low developed, Ohio River RU: 81.9 percent low developed, Kentucky-South RU: 86.4 percent low developed, Kentucky-North: 89.6 percent low developed). While the Tennessee RU has both the highest increase in development and the highest overall percentage of development, the remaining three RUs (Ohio River, Kentucky-South, and Kentucky-North) have enough non-developed suitable habitat for the species such that we anticipate there will continue to be sufficient resilient populations distributed across the RUs to provide sufficient redundancy and representation for the species. The increased threats in these three RUs are similar and not of a magnitude to increase the risk of extinction to the point where the species is likely to become in danger of extinction within the foreseeable future in any of them.

The Tennessee RU, however, is more vulnerable to habitat alteration and degradation due to higher levels of development pressure, particularly around the greater Nashville area. Both overall rates of development and increases in development under future scenarios are higher than the rest of the species' range. Additionally, the streamside salamander in this unit is more susceptible to negative impacts from environmental change due to larger projected temperature increases at southern latitudes, which potentially exceed the species' tolerance.

For this portion of the range where the species may become in danger of extinction within the foreseeable future, we first addressed whether it is ''significant.'' For the purposes of this analysis when considering whether a portion is ''significant,'' we considered its conservation value for the species. Collectively, the Tennessee RU does not represent a large geographic proportion of the streamside salamander's range, as it makes up only 15.5 percent of the entire range based on area of AUs (589,772 out of 3,804,929 hectares total [1,457,358 out of 9,402,184 ac total]) or 12.1 percent of the range based on number of AUs (52 out of 430 AUs total). This portion of the range also does not contain high-quality or high-value habitat relative to the remainder of the range. This unit also does not contain any unique or unusual habitat for the taxon. The Tennessee RU does not provide a different ecological setting than the rest of the range and has similar habitat types (streams and wetlands for breeding, and nearby upland areas for non-breeding, including forest, agriculture, and developed areas) as found in other areas of the range. Thus, the Tennessee RU does not exist in a unique ecological setting that could provide important opportunities for adaptive capacity and representation. Therefore, this portion is not a significant portion of the range.

As a result of our finding that this portion of the range is not ''significant,'' we do not need to determine whether the streamside salamander is likely to become in danger of extinction within the foreseeable future throughout this portion of the range. Therefore, no portion of the species' range provides a basis for determining that the species is likely to become in danger of extinction within the foreseeable future throughout a significant portion of its range. Thus, after assessing the best scientific and commercial data available, we conclude that the streamside salamander is not in danger of extinction throughout a significant portion of its range, or likely to become so within the foreseeable future. This does not conflict with the courts' holdings in *Desert Survivors* and *CBD* v. *Jewell,* because, in reaching this conclusion, we did not apply the aspects of the 2014 SPR Policy, including the definition of ''significant,'' that those court decisions held to be invalid. Because the streamside salamander is not in danger of extinction even in the part of the range with the greatest threats (Tennessee RU), the species also logically cannot be in danger of extinction throughout all of its range.

Based on the best scientific and commercial data available, we determine that the streamside salamander does not meet the definition of an endangered species or a threatened species in accordance with sections 3(6) and 3(20) of the Act. Therefore, we find that listing the streamside salamander is not warranted at this time. A detailed discussion of the basis for this finding can be found in the streamside salamander species assessment form and other supporting documents on *https://www.regulations.gov* under Docket No. FWS–R3–ES–2026–2813 (see **ADDRESSES**, above).

Peer Review

In accordance with our joint policy on peer review published in the **Federal Register** on July 1, 1994 (59 FR 34270), and our August 22, 2016, memorandum updating and clarifying the role of peer review in listing actions under the Act (*https://www.fws.gov/sites/default/files/documents/peer-review-policy-directors-memo-2016-08-22.pdf*), we solicited independent scientific reviews of the information contained in the streamside salamander SSA report. We sent the SSA report to 4 independent peer reviewers and received 2 responses. Results of this structured peer review process can be found at *https://www.regulations.gov* under Docket No. FWS–R3–ES–2026–2813. We incorporated the results of these reviews, as appropriate, into the SSA report, which is the foundation for this finding.

New Information

We request that you submit any new information concerning the taxonomy of, biology of, ecology of, status of, or stressors to Blueridge springfly, lobed roachfly, Mojave poppy bee, or streamside salamander to the appropriate person, as specified under **FOR FURTHER INFORMATION CONTACT**, whenever it becomes available. New information will help us monitor these species and make appropriate decisions about their conservation and status. We encourage local agencies and stakeholders to continue cooperative monitoring and conservation efforts.

Regulatory Planning and Review (E.O.s 12866 and 14192)

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the OMB will review all significant rules as defined by section 3(f) of E.O. 12866. OIRA has determined that this notification of findings is significant under E.O. 12866. This notification of findings is not considered an E.O. 14192 regulatory or deregulatory action because it is not regulatory.

References

A complete list of the references used in these petition findings is available in the relevant species assessment form, which is available on the internet at *https://www.regulations.gov* in the appropriate docket (see **ADDRESSES**, above) and upon request from the appropriate person (see **FOR FURTHER INFORMATION CONTACT**, above).

Authority

The authority for this action is section 4 of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 *et seq.*).

Signing Authority

Brian Nesvik, Director of the U.S. Fish and Wildlife Service, approved this action on September 11, 2026, for publication. On September 30, 2026, Brian Nesvik authorized the undersigned to sign the document electronically and submit it to the Office of the Federal Register for publication as an official document of the U.S. Fish and Wildlife Service.

Madonna Baucum,

Regulations and Policy Chief, Division of Policy, Economics, Risk Management, and Analytics of the Joint Administrative Operations, U.S. Fish and Wildlife Service.

[FR Doc. 2026–20315 Filed 10–2–26; 8:45 am]

BILLING CODE 4333–15–P

Notices

Federal Register
Vol. 91, No. 191
Monday, October 5, 2026

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF COMMERCE

Census Bureau

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Qualitative Research To Improve 2030 Census Communications

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. This notice allows for 30 days for public comments.

AGENCY: U.S. Census Bureau, Commerce.

DATES: To ensure consideration, comments regarding this proposed information collection must be received on or before November 4, 2026.

ADDRESSES: Interested persons are invited to submit written comments by email to *adrm.pra@census.gov.* Please reference ''Qualitative Research to Improve 2030 Census Communications'' in the subject line of your comments. You may also submit comments, identified by Docket Number USBC–2026–0397, to the Federal e-Rulemaking Portal: *http://www.regulations.gov.* All comments received are part of the public record. No comments will be posted to *http://www.regulations.gov* for public viewing until after the comment period has closed. Comments will generally be posted without change. All Personally Identifiable Information (for example, name and address) voluntarily submitted by the commenter may be publicly accessible. Do not submit Confidential Business Information or otherwise sensitive or protected information. You may submit attachments to electronic comments in Microsoft Word, Excel, or Adobe PDF file formats.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or specific questions related to collection activities should be directed to Betsarí Otero Class, Survey Statistician, Center for Behavioral Science Methods, by phone at 301–763–2235 or by email to *betsari.otero.class@census.gov.*

Title: Qualitative Research to Improve 2030 Census Communications.

OMB Control Number: 0607–0725.

Form Number(s): None.

Type of Request: Regular submission.

Number of Respondents: 250 for screening, 50 for interviews.

Average Hours per Response: 10 minutes per response for screening (42 hours), 60 minutes for each interview (50 hours).

Burden Hours: 92 hours.

Needs and Uses: The U.S. Census Bureau plans to conduct additional research under the generic clearance for 2030 Census small-scale testing and updates (OMB number 0607–0725). Staff from the Center for Behavioral Science Methods, in collaboration with decennial census content, language, and communications researchers, seek approval to conduct in-depth, qualitative interviews as part of 2030 Census research. The goal is to gain insights that will help us improve census communications and ultimately to improve the census count.

2030 Census communications research includes ongoing measurement of attitudes toward the Census Bureau and federal surveys by replicating and expanding on the successful Census Barriers, Attitudes and Motivators Study (CBAMS) Survey conducted to inform the 2010 and 2020 Censuses. Tracking and monitoring attitudes toward the decennial census in the intercensal years helps establish a baseline understanding of public opinion as a starting point for messaging, and how public opinion may change as the 2030 Census gets closer. Monitoring opinions and sentiments throughout the decade will allow the Census Bureau to develop a communications campaign that responds to issues or events that might affect self-response rates in the 2030 Census. The Qualitative Research to Improve 2030 Census Communications project aims to address these issues regarding census communications and the census count.

Qualitative methods such as interviews and participant observation can give insight into issues of census enumeration and census communications. When these and other qualitative methods are used in combination, this type of immersive research approach is particularly useful to learn about populations with different viewpoints.

We will conduct the 50 interviews both virtually and in-person with participants who live across the U.S. and Puerto Rico (in-person interviews may be conducted with eligible participants living in the Washington, DC metro area and Puerto Rico). The interviews will be conducted by Census Bureau staff from the Center for Behavioral Science Methods (CBSM).

The purpose of this research is to complement quantitative research to improve census communications and ultimately the census count by learning more about (a) why some households do not complete the census, and (b) themes that can inform compelling census communications. We plan to conduct this research virtually across the U.S., and in person where possible in areas that were selected in part because they have populations or geographies that are particularly challenging to enumerate, as well as Puerto Rico. We will conduct in-depth qualitative interviews with participants and discuss their living situations, their awareness of and experiences participating in the census, and other census topics. Results of this research will be used to help design communications and advertising messages for the 2030 Census and will ultimately help to improve the 2030 Census count.

Affected Public: Individuals.

Frequency: Once.

Respondent's Obligation: Voluntary.

Legal Authority: Title 13, United States Code, Section 141, 182, 191.

Request for Comments: We are soliciting public comments to permit the Department/Bureau to: (a) Evaluate whether the proposed information collection is necessary for the proper functions of the Department, including whether the information will have

practical utility; (b) Evaluate the accuracy of our estimate of the time and cost burden for this proposed collection, including the validity of the methodology and assumptions used; (c) Evaluate ways to enhance the quality, utility, and clarity of the information to be collected; and (d) Minimize the reporting burden on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Comments that you submit in response to this notice are a matter of public record. We will include, or summarize, each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you may ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Sheleen Dumas,

Departmental PRA Compliance Officer, Office of the Under Secretary for Economic Affairs, Commerce Department.

[FR Doc. 2026–20316 Filed 10–2–26; 8:45 am]

BILLING CODE 3510–07–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–570–123]

Certain Corrosion Inhibitors From the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) determines that countervailable subsidies were provided to certain producers/exporters of certain corrosion inhibitors (corrosion inhibitors) from the People's Republic of China (China) during the period of review (POR) January 1, 2024, through December 31, 2024.

DATES: Applicable October 2, 2026.

FOR FURTHER INFORMATION CONTACT: Mary Kolberg, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–1785.

Background

On May 26, 2026, Commerce published in the **Federal Register** the *Preliminary Results* of this administrative review and invited comments from interested parties.[1] This review covers five producers/exporters of corrosion inhibitors during the POR, including mandatory respondents, Anhui Trust Chem Co., Ltd. (ATC) and Nantong Botao Chemical Co., Ltd. (Botao).[2]

For a complete description of the events that occurred since the *Preliminary Results, see* the Issues and Decision Memorandum.[3] The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS), which is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at *https://access.trade.gov/frnotices.*

Scope of the Order

The products covered by the *Order* are corrosion inhibitors from China. For a full description of the scope of the *Order, see* the Issues and Decision Memorandum.[4]

Analysis of Comments Received

All issues raised by interested parties in case briefs are addressed in the Issues and Decision Memorandum. The topics discussed and the issue raised by parties to which we responded in the Issues and Decision Memorandum are listed in the appendix to this notice.

Changes Since the Preliminary Results

Based on comments received by an interested party, we made certain changes to the calculations for ATC. For a discussion of these changes, *see* the Issues and Decision Memorandum.

Methodology

Commerce conducted this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable, we determine that there is a subsidy, *i.e.,* a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.[5] For a full description of the methodology underlying Commerce's conclusions, *see* the Issues and Decision Memorandum.

Companies Not Selected for Individual Review

The statute does not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce's regulation at 19 CFR 351.109(g) states that Commerce will determine the rate for non-selected companies by applying the methodology in 19 CFR 351.109(f)(1)–(2), which generally parallels the process for determining the all-others rate in an investigation under section 705(c)(5) of the Act. Section 705(c)(5)(A)(i) of the Act and 19 CFR 351.109(f)(1) instruct Commerce, as a general rule, to calculate the all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero or *de minimis* countervailable subsidy rates, and any rates determined entirely on the basis of facts available.

In this administrative review, we are assigning to the companies under review that were not selected for individual examination, a countervailable subsidy rate equal to the weighted average of the countervailable subsidy rates calculated for ATC and Botao, weighted by the mandatory respondents' publicly ranged sales values for the merchandise under consideration, consistent with 19 CFR 351.109(f) and (g).[6]

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[1] *See Certain Corrosion Inhibitors from the People's Republic of China: Preliminary Results and Partial Rescission of Countervailing Duty Administration Review; 2024,* 91 FR 30616 (May 26, 2026) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

[2] *See* Memorandum, ''Certain Corrosion Inhibitors from the People's Republic of China: Respondent Selection,'' dated May 29, 2025.

[3] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the Administrative Review of the Countervailing Duty Order on Certain Corrosion Inhibitors from the People's Republic of China; 2024,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[4] *See Certain Corrosion Inhibitors from the People's Republic of China: Antidumping Duty and Countervailing Duty Orders,* 86 FR 14869 (March 19, 2021) (*Order*).

[5] *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

[6] With two respondents under examination, Commerce normally calculates: (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company's publicly-ranged U.S. sales values for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate

Final Results of Review

We find the following net countervailable subsidy rates exist for the period January 1, 2024, through December 31, 2024:

Company	Subsidy rate (percent *ad valorem*)
Anhui Trust Chem Co., Ltd.[7]	18.64
Nantong Botao Chemical Co., Ltd.[8]	48.45
Review-Specific Average Rate Applicable to the Following Companies	
Connect Chemicals GMBH	36.40
Gold Chemical Limited	36.40
Kanghua Chemical Co., Ltd.[9]	36.40

Disclosure

Commerce intends to disclose the calculations and analysis performed in connection with these final results of review to interested parties within five days after the public announcement of the final results or, if there is no public announcement, within five days of the date of publication of this notice of final results in the **Federal Register**, in accordance with 19 CFR 351.224(b).

Assessment

Pursuant to 19 CFR 351.212(b)(2), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review, for the above-listed companies at the applicable *ad valorem* rates. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for the companies listed above for shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order (APO)

This notice also serves as a final reminder to parties subject to an APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation subject to sanction.

Notification of Interested Parties

The final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(5).

Dated: September 23, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Subsidies Valuation
V. Analysis of Programs
VI. Changes Since the *Preliminary Results*
VII. Discussion of the Issues
Comment 1: Whether to Adjust Nanjing Trust Chem Co., Ltd.'s (NTC) Subsidy Rates Using the Export Trading Company Ratio
Comment 2: Whether the Benefits Were Incorrectly Calculated for Certain Less Than Adequate Remuneration (LTAR) Programs
VIII. Recommendation

[FR Doc. 2026–20282 Filed 10–2–26; 8:45 am]

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closest to (A) as the most appropriate rate for all other producers and exporters. *See* 19 CFR 351.109(f)(2)(ii); *see also* Memorandum, ''Calculation of the Weighted-Average Subsidy Rate for the Companies Not Selected for Individual Examination,'' dated concurrently with this notice.

[7] As discussed in the *Preliminary Results,* Commerce finds the following companies to be cross-owned with ATC: Nanjing Trust Chem Co., Ltd.; and Jiangsu Trust Chem Co., Ltd. *See Preliminary Results* PDM at 10–11.

[8] As discussed in the *Preliminary Results,* Commerce finds the following companies to be cross-owned with Botao: Rugao Connect Chemical Co., Ltd.; Rugao Jinling Chemical Co., Ltd.; and Nantong Yutu Group Co., Ltd. *See Preliminary Results* PDM at 11.

[9] Formerly known as Nantong Kanghua Chemical Co., Ltd. *See Certain Corrosion Inhibitors from the People's Republic of China: Notice of Final Results of Antidumping Duty Changed Circumstances Review,* 88 FR 1357 (January 10, 2023).

DEPARTMENT OF COMMERCE

International Trade Administration

[C–552–829]

Passenger Vehicle and Light Truck Tires From the Socialist Republic of Vietnam: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) order on passenger vehicle and light truck tires (PVLT) from the Socialist Republic of Vietnam (Vietnam) would be likely to lead to continuation or recurrence of countervailable subsidies at the levels indicated in the ''Final Results of Sunset Review'' section of this notice.

DATES: Applicable October 5, 2026.

FOR FURTHER INFORMATION CONTACT: Kayden Jenson, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–0967.

SUPPLEMENTARY INFORMATION:

Background

On July 19, 2021, Commerce published the *Order* on PVLT from Vietnam.[1] On June 1, 2026, Commerce published the notice of initiation of the first sunset review of the *Order,* pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.218(c).[2]

On June 10, 2026, Commerce received a notice of intent to participate in this review from the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial Workers Union, AFL–CIO, CLC (USW), within the deadline specified in 19 CFR 351.218(d)(1)(i).[3] USW claims that it has interested party status within the meaning of section 771(9)(C) of the Act and 19 CFR 351.102(b)(29)(vi) as a certified union representative of an industry engaged in the manufacture,

[1] *See Passenger Vehicle and Light Truck Tires from the Socialist Republic of Vietnam: Countervailing Duty Order,* 86 FR 38013 (July 19, 2021) (*Order*).

[2] *See Initiation of Five-Year (Sunset) Reviews,* 91 FR 32376 (June 1, 2026).

[3] *See* USW's Letter, ''Notice of Intent to Participate in the First Five-Year Review of the Countervailing Duty Order on Passenger Vehicle and Light Truck Tires from Vietnam,'' dated June 10, 2026.

production, or wholesale in the United States of a domestic like product.[4]

On July 1, 2026, Commerce received an adequate substantive response from USW, within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).[5] Commerce did not receive a substantive response from either the Government of Vietnam or a respondent interested party to this proceeding. On July 27, 2026, Commerce notified the U.S. International Trade Commission (ITC) that it did not receive an adequate substantive response from respondent interested parties.[6] As a result, Commerce conducted an expedited (120-day) sunset review of the *Order,* pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B)(2) and (C)(2).

Scope of the Order

The product covered by this *Order* is PVLT from Vietnam. For a full description of the scope of the *Order, see* the Issues and Decisions Memorandum.[7]

Analysis of Comments Received

A complete discussion of all issues raised in this sunset review, including the likelihood of continuation or recurrence of subsidization and the countervailable subsidy rates likely to prevail if the *Order* were to be revoked, is contained in the Issues and Decision Memorandum.[8] A list of the topics discussed in the Issues and Decision Memorandum is attached as an appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System, which is available to registered users at *https://access.trade.gov*. In addition, complete versions of the Issues and Decision Memorandum can be accessed directly at *https://access.trade.gov/frnotices*.

Final Results of Sunset Review

Pursuant to sections 751(c) and 752(b) of the Act, Commerce determines that revocation of the *Order* would be likely to lead to continuation or recurrence of countervailable subsidies at the following net countervailable subsidy rates:

Producers/exporters	Net countervailable subsidy rate (percent *ad valorem*)
Kumho Tire (Vietnam) Co., Ltd.	7.89
Sailun (Vietnam) Co., Ltd.	6.23
All Others	6.46

Notification Regarding Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials, or conversion to judicial protective, orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act, and 19 CFR 351.221(c)(5)(ii).

Dated: September 29, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the Order
IV. History of the Order
V. Legal Framework
VI. Discussion of the Issues
1. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
2. Net Countervailable Subsidy Rates Likely to Prevail
3. Nature of the Subsidies
VII. Final Results of Sunset Review
VIII. Recommendation

[FR Doc. 2026–20377 Filed 10–2–26; 8:45 am]

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[4] *Id.* at 2.

[5] *See* USW's Letter, ''Passenger Vehicle and Light Truck Tires from Vietnam: Petitioner's Substantive Response to the Notice of Initiation,'' dated July 1, 2026.

[6] *See* Commerce's Letter, ''Sunset Reviews Initiated June 1, 2026,'' dated July 27, 2026.

[7] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the Expedited Sunset Review of the Countervailing Duty Order on Passenger Vehicle and Light Truck Tires from the Socialist Republic of Vietnam,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[8] *Id.*

DEPARTMENT OF COMMERCE

International Trade Administration

[A–823–815]

Oil Country Tubular Goods From Ukraine: Preliminary Results of Antidumping Duty Administrative Review; 2024–2025

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that the producer/exporter subject to this review made sales of subject merchandise at less than normal value (NV) during the period of review (POR), July 01, 2024, through June 30, 2025. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable October 5, 2026.

FOR FURTHER INFORMATION CONTACT: Madeleine Feely and Lingjun Wang, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–0121 and (202) 482–2316, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 11, 2025, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an administrative review of the antidumping duty order on oil country tubular goods (OCTG) from Ukraine.[1] On September 5, 2025, Commerce identified Interpipe as the mandatory respondent in this review.[2] On November 19, 2025, Interpipe timely withdrew its request for review.[3] The review continues as a result of the request from the petitioner.[4]

[1] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 90 FR 41043 (August 22, 2025) (Interpipe is the single entity of Interpipe Ukraine LLC; Interpipe Europe S.A.; LLC Interpipe Niko Tube; and PJSC Interpipe Niznedneprovsky Tube Rolling Plant (collectively, Interpipe)); *see also Termination of the Suspension Agreement on Certain Oil Country Tubular Goods from Ukraine, Rescission of Administrative Review, and Issuance of Antidumping Duty Order,* 84 FR 33918 (July 16, 2019) (*Order*).

[2] *See* Memorandum, ''2024–2025 Administrative Review of Oil Country Tubular Goods from Ukraine: Respondent Identification,'' dated September 5, 2025.

[3] *See* Interpipe's Letter, ''Interpipe Withdrawal of Request for Review—2024–2025 Review Period,'' dated November 19, 2025.

[4] *See* Petitioner's Letter, ''Request for Administrative Review,'' dated July 31, 2025 (the petitioners is U.S. OCTG Manufacturers Association).

Due to a lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in this administrative proceeding by 47 days.[5] In addition, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 calendar days.[6] On May 11, 2026, Commerce extended the time period for issuing the preliminary results by 113 days in accordance with section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2).[7] Accordingly, these preliminary results are now due on September 30, 2026.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.[8] A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via ACCESS, which is available to registered users at *https://access.trade.gov*. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at *https://access.trade.gov/frnotices*.

Scope of the Order

The merchandise subject to the *Order* is OCTG from Ukraine. For a complete description of the scope of the *Order, see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Constructed export price is calculated in accordance with section 772 of the Act. NV is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

As a result of this review, we preliminarily determine the following weighted-average dumping margin exists for the period July 1, 2024, through June 30, 2025:

Producer/exporter	Weighted-average dumping margin (percent)
Interpipe Ukraine LLC; Interpipe Europe S.A.; LLC Interpipe Niko Tube; PJSC Interpipe Niznedneprovsky Tube Rolling Plant (aka Interpipe NTRP) (collectively, Interpipe)	18.43

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties for these preliminary results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in the **Federal Register**, in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.[9] Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[10] Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[11] All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.[12] Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the public executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[13]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants, and whether any participant is a foreign national; and (3) a list of issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce will inform parties of the scheduled date for the hearing.[14]

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b)(1), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all

[5] *See* Memorandum, ''Deadlines Affected by the Shutdown of the Federal Government,'' dated November 14, 2025.

[6] *See* Memorandum, ''Tolling of all Case Deadlines,'' dated November 24, 2025.

[7] *See* Memorandum, ''Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review, 2024–2025,'' dated May 11, 2026.

[8] *See* Memorandum, ''Decision Memorandum for Preliminary Results of the Administrative Review of the Antidumping Duty Order on Oil Country Tubular Goods from Ukraine; 2024–2025,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[9] *See* 19 CFR 351.309.

[10] *See* 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings,* 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Procedures*).

[11] *See* 19 CFR 351.309(c)(2) and (d)(2).

[12] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[13] *See APO and Service Procedures.*

[14] *See* 19 CFR 351.310(d).

appropriate entries of subject merchandise in accordance with the final results of this review.

If Interpipe's weighted-average dumping margin is not zero or *de minimis* (*i.e.,* less than 0.50 percent) in the final results of this review, Commerce intends to calculate importer-specific assessment rates on the basis of the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those sales. Where we do not have entered values for all U.S. sales to a particular importer, we will calculate an importer-specific, per-unit assessment rate on the basis of the ratio of the total amount of dumping calculated for the importer's examined sales to the total quantity of those sales.[15] To determine whether an importer-specific, per-unit assessment rate is *de minimis,* in accordance with 19 CFR 351.106(c)(2), we also will calculate an importer-specific *ad valorem* ratio based on estimated entered values. If Interpipe's weighted-average dumping margin is zero or *de minimis* or where an importer-specific *ad valorem* assessment rate is zero or *de minimis,* we will instruct CBP to liquidate appropriate entries without regard to antidumping duties.[16]

In accordance with Commerce's ''automatic assessment'' practice, for entries of subject merchandise during the POR produced by Interpipe for which they did not know that the merchandise was destined for the United States, we intend to instruct CBP to liquidate those entries at the all-others rate calculated in the less-than-fair-value (LTFV) investigation if there is no rate for the intermediate company(ies) involved in the transaction.[17]

Commerce intends to issue assessment instructions to CBP regarding Interpipe no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

[15] *See* 19 CFR 351.212(b)(1).

[16] *See* 19 CFR 351.106(c)(2); *see also Antidumping Proceeding: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification,* 77 FR 8101, 8103 (February 14, 2012).

[17] For a full discussion of this practice, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the company listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously investigated or reviewed companies not covered by this review, the cash deposit rate will continue to be the company-specific cash deposit rate published for the most recently completed segment of this proceeding in which the company participated; (3) if the exporter is not a firm covered in this review, or the LTFV investigation, but the manufacturer is, then the cash deposit rate will be the rate established for the most recent segment for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 7.47 percent, the all-others rate established in the LTFV investigation.[18] These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing these preliminary results of review in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

[18] *See Order,* 84 FR at 33919.

Dated: September 30, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the Order
IV. Discussion of the Methodology
V. Currency Conversion
VI. Recommendation

[FR Doc. 2026–20376 Filed 10–2–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–570–963]

Certain Potassium Phosphate Salts From the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) order on certain potassium phosphate salts (phosphate salts) from the People's Republic of China (China) would be likely to lead to continuation or recurrence of countervailable subsidies at the levels indicated in the ''Final Results of Sunset Review'' section of this notice.

DATES: Applicable October 5, 2026.

FOR FURTHER INFORMATION CONTACT: Sarah Keith, Trade Agreements Policy and Negotiations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–0264.

SUPPLEMENTARY INFORMATION:

Background

On July 22, 2010, Commerce published the CVD order on phosphate salts from China.[1] On June 1, 2026, Commerce published the notice of initiation of the third sunset review of the *Order,* pursuant to section 751(c) of the Act and 19 CFR 351.218(c).[2] On

[1] *See Certain Potassium Phosphate Salts from the People's Republic of China: Countervailing Duty Order,* 75 FR 42682 (July 22, 2010) *(Order).*

[2] *See Initiation of Five-Year (Sunset) Reviews,* 91 FR 32376 (June 1,2026).

June 16, 2026, Commerce received a notice of intent to participate in this review from ICL Specialty Products Inc., within the deadline specified in 19 CFR 351.218(d)(1)(i).[3] On June 24, 2026, Commerce received an amendment of the notice of intent to participate to include Prayon, Inc.[4] The domestic interested parties claimed interested party status under section 771(9)(C) of the Act, as both are producers of the domestic like product in the United States.[5]

On July 1, 2026, Commerce received an adequate substantive response from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).[6] Commerce did not receive a substantive response from either the Government of China or a respondent interested party to this proceeding. On December 23, 2020, Commerce notified the U.S. International Trade Commission (ITC) that it did not receive an adequate substantive response from respondent interested parties.[7] As a result, Commerce conducted an expedited (120-day) sunset review of the *Order,* pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(B)(2) and (C)(2).

Scope of the Order

The product covered by this *Order* is phosphate salts from China. For a full description of the scope of the *Order, see* the Issues and Decisions Memorandum.[8]

Analysis of Comments Received

A complete discussion of all issues raised in this sunset review, including the likelihood of continuation or recurrence of subsidization and the countervailable subsidy rates likely to prevail if the *Order* were to be revoked, is contained in the Issues and Decision Memorandum.[9] A list of the topics discussed in the Issues and Decision Memorandum is attached as an appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System, which is available to registered users at *https://access.trade.gov.* In addition, complete versions of the Issues and Decision Memorandum can be accessed directly at *https://access.trade.gov/frnotices.*

Final Results of Sunset Review

Pursuant to sections 751(c) and 752(b) of the Act, Commerce determines that revocation of the *Order* would be likely to lead to continuation or recurrence of countervailable subsidies at the following net countervailable subsidy rates:

Company	Net countervailable subsidy rate (percent *ad valorem*)
Lianyungang Mupro Import Export Co Ltd.	109.11
Mianyang Aostar Phosphate Chemical Industry Co. Ltd.	109.11
Shifang Anda Chemicals Co. Ltd.	109.11
All Others	109.11

Notification Regarding Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials, or conversion to judicial protective, orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act, and 19 CFR 351.221(c)(5)(ii).

Dated: September 29, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. History of the *Order*
V. Legal Framework
VI. Discussion of the Issues
1. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
2. Net Countervailable Subsidy Rates Likely to Prevail
3. Nature of the Subsidies
VII. Final Results of Sunset Review
VIII. Recommendation

[FR Doc. 2026–20379 Filed 10–2–26; 8:45 am]

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[3] *See* Domestic Interested Party' Letter, ''Notice of Intent to Participate,'' dated June 16, 2026.

[4] *See* Domestic Interested Parties' Letter, ''Amendment of Notice of Intent to Participate,'' dated June 24, 2026.

[5] *Id.*

[6] *See* Domestic Interested Party's Letter, ''Substantive Response to Notice of Initiation of Five-Year (Sunset) Review of the Antidumping Duty Order and Countervailing Duty Order'' dated July 1, 2026.

[7] *See* Commerce's Letter, ''Sunset Reviews Initiated on June 1, 2026,'' dated July 27, 2026.

8 *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the Expedited Third Sunset Review of the Countervailing Duty Order on Certain Postassium Phosphate Salts from the People's Republic of China,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[9] *Id.*

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–849, A–821–808]

Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China and the Russian Federation: Final Results of the Expedited Fifth Sunset Reviews of the Antidumping Duty Orders

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) finds that revocation of the antidumping duty (AD) orders on certain cut-to-length carbon steel plate (CTL plate) from the People's Republic of China (China) and the Russian Federation (Russia) would be likely to lead to continuation or recurrence of dumping, at the levels indicated in the ''Final Results of Sunset Reviews'' section of this notice.

DATES: Applicable October 5, 2026.

FOR FURTHER INFORMATION CONTACT: Nathaniel Ellis, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3714.

SUPPLEMENTARY INFORMATION:

Background

On October 21, 2003, and August 14, 2023, Commerce published the *Orders* covered by these sunset reviews in the **Federal Register**.[1] On June 1, 2026, Commerce published the notice of initiation of these fifth sunset reviews of the *Orders* in the **Federal Register**,

[1] See Suspension Agreement on Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China; Termination of Suspension Agreement and Notice of Antidumping Duty Order, 68 FR 60081 (October 21, 2003); see also Certain Cut-to-Length Carbon Steel Plate from the Russian Federation: Termination of the Suspension Agreement and Issuance of Antidumping Order, 88 FR 55012 (August 14, 2023) (collectively Orders).

pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).[2]

On June 9 and June 16, 2026, Commerce received timely and complete notices of intent to participate in the sunset reviews from domestic interested parties [3] within the deadline specified in 19 CFR 351.218(d)(1)(i).[4] On June 22, 2026, Commerce notified the U.S. International Trade Commission (ITC) that it received notices of intent to participate in these sunset reviews from domestic interested parties.[5]

On July 1, 2026, pursuant to 19 CFR 351.218(d)(3)(i), domestic interested parties filed timely and adequate substantive responses.[6] Commerce did not receive a substantive response from any respondent interested party. On July 27, 2026, Commerce notified the ITC that it had not received a substantive response from any respondent interested party.[7] As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce is conducting expedited (120-day) sunset reviews of the *Orders.*

Scope of the Orders

The product covered by these *Orders* is CTL plate from China and Russia. For the full description of the scope of the *Orders, see* the Issues and Decisions Memorandum.[8]

Analysis of Comments Received

A complete discussion of all issues raised in these sunset reviews, including the likelihood of continuation or recurrence of dumping in the event of revocation of the *Orders* and the magnitude of the dumping margins likely to prevail if the *Orders* were to be revoked, is provided in the Issues and Decision Memorandum.[9] A list of the topics discussed in the Issues and Decision Memorandum is attached in the appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System, which is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Issues and Decision Memorandum can be accessed at *https://access.trade.gov/frnotices.*

Final Results of Sunset Reviews

Pursuant to sections 751(c)(1), 752(c)(1) and (3) of the Act, Commerce determines that revocation of the *Orders* would be likely to lead to continuation or recurrence of dumping, and that the magnitude of the dumping margins likely to prevail would be weighted-average dumping margins up to 128.59 percent for China, and 185.00 percent for Russia.

Notification Regarding Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials, or conversion to judicial protective orders, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act, and 19 CFR 351.218 and 19 CFR 351.221(c)(5)(ii).

Dated: September 29, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the *Orders*
IV. History of the *Orders*
V. Legal Framework
VI. Discussion of the Issues: China
1. Likelihood of Continuation or Recurrence of Dumping
2. Magnitude of the Margins of Dumping Likely to Prevail
VII. Discussion of the Issues: Russia
1. Likelihood of Continuation or Recurrence of Dumping
2. Magnitude of the Margins of Dumping Likely to Prevail
VIII. Final Results of Sunset Reviews
IX. Recommendation

[FR Doc. 2026–20381 Filed 10–2–26; 8:45 am]

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[2] *See Initiation of Five-Year (Sunset) Reviews,* 91 FR 32376 (June 1, 2026).

[3] The domestic interested parties are Cleveland-Cliffs Inc., Nucor Corporation, and SSAB Enterprises LLC.

[4] *See* Nucor Corporation's Letter ''Notice of Intent to Participate in Review,'' dated June 16, 2026; *see also* SSAB Enterprises, LLC's Letter ''Notice of Intent to Participate in Review,'' dated June 9, 2026; and Cleveland-Cliff Inc.'s Letter ''Notice of Intent to Participate in Sunset Reviews,'' dated June 16, 2026.

[5] *See* Commerce's Letter, ''Sunset Reviews Initiated on June 1, 2026,'' dated June 22, 2026.

[6] *See* Domestic Interested Parties' Letter, ''Certain Cut-to-Length Carbon Steel Plate from China: Domestic Interested Parties' Substantive Response to Notice of Initiation of Five-Year (Sunset) Review,'' dated July 1, 2026; *see also* Domestic Interested Parties' Letter, ''Certain Cut-to-Length Carbon Steel Plate from Russia: Domestic Interested Parties' Substantive Response to Notice of Initiation of Five-Year (Sunset) Review,'' dated July 1, 2026.

[7] *See* Commerce's Letter, ''Sunset Reviews Initiated on June 1, 2026,'' dated July 27, 2026.

[8] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the Expedited Fifth Sunset Review of the Antidumping Duty Orders on Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China and the Russian Federation,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[9] *Id.*

DEPARTMENT OF COMMERCE

International Trade Administration

[A–455–807]

Mattresses From Poland: Preliminary Intent To Rescind Antidumping Duty Administrative Review; 2024–2025

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that CORRECT—K. Błaszczyk i Wspólnicy Sp. K. (CORRECT) did not make a *bona fid*e sale of mattresses from Poland during the period of review (POR) of July 1, 2024 through June 30, 2025. Therefore, Commerce preliminarily intends to rescind this administrative review.

DATES: Applicable October 5, 2026.

FOR FURTHER INFORMATION CONTACT: Sophie Egar, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: 202–482–2697.

Background

On July 11, 2024, Commerce published in the **Federal Register** the antidumping duty (AD) order on mattresses from Poland.[1] On June 30, 2025, Commerce published in the **Federal Register** a notice of opportunity to request an administrative of the *Order.*[2] From July 18 through July 31, 2025, Commerce received timely requests for an administrative review from EBI, LLC (EBI); CORRECT; COM40 Sp. z o.o. Sp. K. (COM 40); and the petitioners.[3]

[1] *See Mattresses From Bosnia and Herzegovina, Bulgaria, Burma, Italy, the Philippines, Poland, Slovenia, and Taiwan: Antidumping Duty Orders, 89 FR 56851 (July 11, 2024) (Order).*

[2] *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review and Join Annual Inquiry Service List,* 90 FR 27841 (June 30, 2025).

[3] *See* Brooklyn Bedding, Carpenter Company, *et al*'s (the petitioners) Letter, ''Mattress Petitioners'

On August 22, 2025, Commerce initiated an administrative review of the *Order* covering the POR, July 1, 2024, through June 30, 2025.[4] On August 28, 2025, Commerce released U.S. Customs and Border Protection (CBP) data to all interested parties under an administrative protective order and requested comments regarding the CBP data and respondent selection.[5] On September 4, 2025, in a joint submission, CORRECT and COM 40 submitted comments on the release of the CBP data.[6] In the joint letter, CORRECT and COM 40 stated that Commerce should rescind the review regarding COM 40 because the CBP data does not contain entries for COM 40. On September 12, 2025, Commerce issued a respondent identification memo selecting CORRECT as the sole mandatory respondent for this administrative review.[7] On September 19, 2025, we received a No Sales Submission on behalf of CORRECT notifying Commerce that it had no sales of subject merchandise during the POR.[8]

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.[9] Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by 21 days.[10] On May 27 and September 24, 2026, Commerce extended the deadline for issuing the preliminary results of this review by 113 and 7 days, respectively, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act).[11] Accordingly, the deadline for these preliminary results is now October 7, 2026.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.[12] A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via ACCESS, which is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at *https://access.trade.gov/frnotices.*

Scope of the Order

The merchandise subject to the *Order* is Mattresses from Poland. For a complete description of the scope of the *Order, see* the Preliminary Decision Memorandum.[13]

Preliminary Intent To Rescind Administrative Review

Pursuant to 19 CFR 351.213(d)(3), it is Commerce's practice to rescind an administrative review of an AD order where it concludes that there were no suspended entries of subject merchandise during the POR.[14] Normally, upon completion of an administrative review, the suspended entries are liquidated at the AD assessment rate calculated for the POR.[15] Therefore, for an administrative review of a company to be conducted, there must be a reviewable, suspended entry that Commerce can instruct CBP to liquidate at the AD assessment rate calculated for the POR.[16]

According to the CBP import data on the record, we preliminarily find that two companies subject to this review, *i.e.,* EBI and COM 40, did not have reviewable entries of subject merchandise during the POR for which liquidation is suspended.[17] Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR, we preliminarily intend to rescind this administrative review with respect to these two companies, in accordance with 19 CFR 351.213(d)(3).

Additionally, as discussed in the Preliminary Decision Memorandum and as expounded upon in the *Bona Fides* Memorandum, Commerce preliminarily finds that the sales made by CORRECT serving as the basis for this review are not *bona fide* sales of mattresses.[18] Because we preliminarily find that CORRECT did not make a *bona fide* sale during the POR, we preliminarily find that CORRECT had no reviewable transactions during this POR. Accordingly, because we find that all respondent companies have no reviewable, suspended entries of subject merchandise during the POR, we preliminarily intend to rescind this administrative review in full.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in connection with preliminary results within five days after public announcement or, if there is no public announcement, within five days after the date of publication of this notice in the **Federal Register**, in accordance with 19 CFR 351.224(b). However, because Commerce has found that the only company subject to this review, CORRECT, did not make a *bona fide* sale during the POR, there are no calculations to disclose.

Public Comment

Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs to Commerce no later than 21 days after the date of publication of this notice.[19] Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[20] Interested parties who

Request for Administrative Review of Antidumping Duty Order,'' dated July 31, 2025.

[4] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 90 FR 41043 (August 22, 2025).

[5] *See* Memorandum, ''2024–2025 Administrative Review of the Antidumping Duty Order on Mattresses from Poland: Release of Customs Data from U.S. Customs and Border Protection,'' dated August 28, 2025 (CBP data).

[6] *See* CORRECT and COM 40's Letter, ''2024–2025 Administrative Review of the Antidumping Order on Mattresses from Poland: Comments on Release of Customs Data from U.S. Customs and Border Protection,'' dated September 4, 2025.

[7] *See* Memorandum, ''Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings,'' dated November 14, 2025.

[8] *See* CORRECT's Letter, ''No Sales Submission,'' dated July 24, 2026.

[9] *See* Memorandum, ''Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings,'' dated November 14, 2025.

[10] *See* Memorandum, ''Tolling of all Case Deadlines,'' dated November 24, 2025.

[11] *See* Memoranda, ''Mattresses from Poland: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,'' dated May 27, 2026, and September 24, 2026.

[12] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Mattresses from Poland; 2024–2025,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[13] *Id.*

[14] *See, e.g., Certain Carbon and Alloy Steel Cut-to Length Plate from the Federal Republic of Germany: Recission of Antidumping Administrative Review; 2020–2021,* 88 FR 4154 (January 24, 2023).

[15] *See* 19 CFR 351.212(b)(2).

[16] *See* 19 CFR 351.213(d)(3).

[17] *See* Memorandum, ''Release of Customs Data from U.S. Customs and Border Protection,'' dated August 28, 2026.

[18] *See* Preliminary Decision Memorandum; *see also* Memorandum, ''2024–2025 Antidumping Duty Administrative Review of Mattresses from Poland: Preliminary *Bona Fide* Sales Analysis for CORRECT—K. Błaszczyk i Wspólnicy Sp. K.,'' dated concurrently with this notice (*Bona Fides* Memorandum).

[19] *See* 19 351.309(c)(2) and (d)(2) _____.

[20] *See* 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in*

Continued

submit case or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[21]

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.[22] Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[23]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants, and whether any participant is a foreign national; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. An electronically filed hearing request must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5 p.m. Eastern Time within 30 days after the date of publication of this notice. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce will inform parties of the scheduled date for the hearing.[24]

Assessment Rates

Upon completion of the administrative review, Commerce will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. Commerce intends to issue assessment instruction to CBP no earlier than 35 days after the date of publication of the final results in the **Federal Register**. For CORRECT, for which we are preliminarily rescinding the review, we will instruct CBP to assess antidumping duties on all appropriate entries at a rate equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue these rescission instructions to CBP no earlier than 35 days after the date of publication of the final results of this administrative review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

If Commerce proceeds to a final rescission of this administrative review, the assessment rate to which CORRECT's shipments are subject will not be affected by this review. If Commerce does not proceed to a final rescission of this administrative review, pursuant to 19 CFR 351.212(b)(1), we will calculate importer-specific (or customer-specific) assessment rates based on the final results of this review.

Cash Deposit Requirements

If Commerce issues final results for this administrative review, Commerce will instruct CBP to collect cash deposits, effective upon the publication of the final results, at the rates established therein. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless extended, Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice in the **Federal Register**, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act, and 19 CFR 351.205(c).

Dated: September 30, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Discussion of the Methodology
V. Preliminary Intent to Rescind Administrative Review
VI. Recommendation

[FR Doc. 2026–20382 Filed 10–2–26; 8:45 am]

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Antidumping and Countervailing Duty Proceedings, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

[21] *See* 19 351.309(c)(2) and (d)(2).

[22] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[23] *See APO and Service Final Rule.*

[24] *See* 19 CFR 351.310(d).

DEPARTMENT OF COMMERCE

International Trade Administration

[A–489–833]

Large Diameter Welded Pipe From the Republic of Türkiye: Final Results of Antidumping Duty Administrative Review; 2024–2025; Correction

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

ACTION: Notice; correction.

SUMMARY: The U.S. Department of Commerce (Commerce) published notice in the **Federal Register** of September 25, 2026, in which Commerce announced the final results of the 2024–2025 administrative review of the antidumping duty (AD) order on large diameter welded pipe (welded pipe) from the Republic of Türkiye (Türkiye). This notice corrects the name of Cimtas Boru Imalatlari ve Ticaret Ltd., a company that was not selected for individual examination.

FOR FURTHER INFORMATION CONTACT: Elizabeth Beuley, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3269.

SUPPLEMENTARY INFORMATION:

Background

On September 25, 2026, Commerce published in the **Federal Register** the *Final Results* of the 2024–2025 administrative review of the AD order

on welded pipe from Türkiye.[1] In that notice, we incorrectly listed the name of Cimtas Boru Imalatlari ve Ticaret Ltd., a company which was not selected for individual examination, as Cimtas Boru Imalatiral Ticaret Ltd.[2]

Correction

In the **Federal Register** of September 25, 2026, in FR Doc 2026–19626, on page 60936, in the third column in the dumping margin rate table, correct the company name from Cimtas Boru Imalatiral Ticaret Ltd. to Cimtas Boru Imalatlari ve Ticaret Ltd.

Notification to Interested Parties

This notice is issued and published in accordance with sections 751(a)(1) and 777(i) of the Tariff Act of 1930, as amended, and 19 CFR 351.221(b)(5).

Dated: September 30, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026–20380 Filed 10–2–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–962]

Potassium Phosphate Salts From the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) finds that revocation of the antidumping duty (AD) order on certain potassium phosphate salts (salts) from the People's Republic of China (China) would be likely to lead to continuation or recurrence of dumping, at the levels indicated in the ''Final Results of Sunset Review'' section of this notice.

DATES: Applicable October 5, 2026.

FOR FURTHER INFORMATION CONTACT: Monica Gillis, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–6384.

SUPPLEMENTARY INFORMATION:

Background

On July 22, 2010, Commerce published the *Order* in the **Federal Register**.[1] On June 1, 2026, Commerce published the notice of initiation of this third sunset review of the *Order,* pursuant to section 751(c) of the Tariff Act of 1930 (the Act).[2]

On June 16, 2026, Commerce received a timely and complete notice of intent to participate in the sunset review from ICL Specialty Products Inc. within the deadline specified in the 19 CFR 351.218(d)(1)(i),[3] and on June 24, 2026, Commerce received an amendment of the notice of intent to participate to include Prayon, Inc. (collectively, domestic interested parties).[4] The domestic interested parties claimed interested party status within the meaning of section 771(9)(C) of the Act as producers of the domestic like product.[5]

On July 1, 2026, pursuant to 19 CFR 351.218(d)(3)(i), domestic interested parties filed a timely and adequate substantive response.[6] Commerce did not receive a substantive response from any respondent interested party. On July 27, 2026, Commerce notified the U.S. International Trade Commission (ITC) that it did not receive substantive response from any respondent interested parties.[7] As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce is conducting an expedited (120-day) sunset review of the *Order.*

Scope of the Order

The product covered by this *Order* is salts from China. For a full description of the scope of the *Order, see* the Issues and Decisions Memorandum.[8]

Analysis of Comments Received

A complete discussion of all issues raised in this sunset review, including the likelihood of continuation or recurrence of dumping in the event of revocation of the *Order* and the magnitude of the margins likely to prevail if the *Order* were to be revoked, is provided in the Issues and Decision Memorandum.[9] A list of the topics discussed in the Issues and Decision Memorandum is attached in the appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System, which is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Issues and Decision Memorandum can be directly accessed at *https://access.trade.gov/frnotices.*

Final Results of Sunset Review

Pursuant to sections 751(c)(1), 752(c)(1) and (3) of the Act, Commerce determines that revocation of the *Order* would be likely to lead to continuation or recurrence of dumping, and that the magnitude of the dumping margins likely to prevail would be weighted-average dumping margins up to 95.40 percent.

Notification Regarding Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections

[1] *See Large Diameter Welded Pipe from the Republic of Türkiye: Final Results of Antidumping Duty Administrative Review; 2024–2025,* 91 FR 60936 (September 25, 2026) (*Final Results*).

[2] Additionally, we note that we listed the same incorrect company name in *Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 90 FR 26967 (June 25, 2025) (*Initiation Notice*), and *Large Diameter Welded Pipe from the Republic of Türkiye: Preliminary Results and Rescission, In Part, of Antidumping Duty Administrative Review; 2024–2025,* 91 FR 31420 (May 27, 2026) (*Preliminary Results*). Therefore, through this notice, we are also correcting the company name listed in the *Initiation Notice* and *Preliminary Results* from Cimtas Boru Imalatiral Ticaret Ltd. to Cimtas Boru Imalatlari ve Ticaret Ltd.

[1] *See Certain Potassium Phosphate Salts from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order,* 75 FR 42683 (July 22, 2010) (*Order*).

[2] *See Initiation of Five-Year (Sunset) Reviews,* 91 FR 32376 (June 1, 2026).

[3] *See* ICL Specialty Product Inc.'s Letter, ''Notice of Intent to Participate,'' dated June 16, 2026.

[4] *See* Domestic Interested Parties' Letter, ''Amendment to Notice of Intent to Participate,'' dated June 24, 2026.

[5] *Id.* at 1.

[6] *See* Domestic Interested Parties' Letter, ''Substantive Response to Notice of Initiation of Five-Year (Sunset) Review of the Antidumping Duty Order and Countervailing Duty Order,'' dated July 1, 2026.

[7] *See* Commerce's Letter, ''Sunset Reviews Initiated on June 1, 2026,'' dated July 27, 2026.

[8] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order on Certain Potassium Phosphate Salts from the People's Republic of China,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[9] *Id.*

751(c), 752(c), and 777(i)(1) of the Act, and 19 CFR 351.218 and 19 CFR 351.221(c)(5)(ii).

Dated: September 29, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. History of the *Order*
V. Legal Framework
VI. Discussion of the Issues
1. Likelihood of Continuation or Recurrence of Dumping
2. Magnitude of the Margins of Dumping Likely to Prevail
VII. Final Results of Sunset Review
VIII. Recommendation

[FR Doc. 2026–20378 Filed 10–2–26; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–489–829]

Steel Concrete Reinforcing Bar From the Republic of Türkiye: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review; 2024–2025

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that producers/exporters subject to this review made sales of subject merchandise at less than normal value (NV) during the period of review (POR), July 1, 2024, through June 30, 2025. In addition, we are rescinding the review with respect to three companies. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable October 5, 2026.

FOR FURTHER INFORMATION CONTACT: Elizabeth Beuley, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3269.

SUPPLEMENTARY INFORMATION:

Background

On August 22, 2025, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an administrative review of the antidumping duty (AD) order on steel concrete reinforcing bar (rebar) from the Republic of Türkiye (Türkiye).[1] On September 9, 2025, Commerce selected Colakoglu Metalurji A.S.; Colakoglu Dis Ticaret A.S. (collectively, Colakoglu) as the sole mandatory respondent in this review.[2] Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.[3] Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.[4] On May 20, 2026, Commerce extended the preliminary results of this review by 70 days.[5] On August 3, 2026, Commerce extended the deadline for the preliminary results of this administrative review by an additional 28 days.[6] Finally, on September 3, 2026, Commerce extended the deadline for the preliminary results of this administrative review by an additional 14 days, until no later than September 29, 2026.[7]

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.[8] A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via ACCESS, which is available to registered users at *https://access.trade.gov*. In addition, a complete version of the Preliminary Decision Memorandum can be found at *https://access.trade.gov/frnotices*.

Scope of the Order

The merchandise subject to the *Order* is rebar from Türkiye. For a complete description of the scope of the *Order, see* the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(3), it is Commerce's practice to rescind an administrative review of an AD order where it concludes that there were no suspended entries of subject merchandise during the POR.[9] Normally, upon completion of an administrative review, the suspended entries are liquidated at the AD assessment rate for the review period.[10] Therefore, for an administrative review to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the AD assessment rate calculated for the POR.[11] Commerce notified all interested parties of its intent to rescind the instant review regarding the companies listed in Appendix II because there were no reviewable, suspended entries of subject merchandise from these companies during the POR and invited interested

[1] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 90 FR 41043 (August 22, 2025); *see also Steel Concrete Reinforcing Bar from the Republic of Turkey and Japan: Amended Final Affirmative Antidumping Duty Determination for the Republic of Turkey and Antidumping Duty Orders,* 82 FR 32532 (July 14, 2017), as amended by *Notice of Court Decision Not in Harmony with the Amended Final Determination in the Less-Than-Fair-Value Investigation; Notice of Amended Final Determination,* 87 FR 934 (January 22, 2022) (*Order*).

[2] *See* Memorandum, ''Respondent Selection,'' dated September 9, 2025.

[3] *See* Memorandum, ''Deadlines Affected by the Shutdown of the Federal Government,'' dated November 14, 2025.

[4] *See* Memorandum, ''Tolling of all Case Deadlines,'' dated November 24, 2025.

[5] *See* Memorandum, ''Extension of Deadline for Preliminary Results of 2024–2025 Antidumping Duty Administrative Review,'' dated May 20, 2026.

[6] *See* Memorandum, ''Second Extension of Deadline for Preliminary Results of 2024–2025 Antidumping Duty Administrative Review,'' dated August 3, 2026.

[7] *See* Memorandum, ''Third Extension of Deadline for Preliminary Results,'' dated September 3, 2026.

[8] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Steel Concrete Reinforcing Bar from the Republic of Türkiye; 2024–2025,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[9] *See, e.g., Certain Carbon and Alloy Steel Cut-to Length Plate from the Federal Republic of Germany: Recission of Antidumping Administrative Review; 2020–2021,* 88 FR 4154 (January 24, 2023).

[10] *See* 19 CFR 351.212(b)(1).

[11] *See, e.g., Shanghai Sunbeauty Trading Co.* v. *United States,* 380 F.Supp.3d 1328, 1337 (CIT 2019), at 12 (referring to section 751(a) of the Act, the U.S. Court of International Trade held that ''{w}hile the statute does not explicitly require that an entry be suspended as a prerequisite for establishing entitlement to a review, it does explicitly state the determined rate will be used as the liquidation rate for the reviewed entries. This result can only obtain if the liquidation of entries has been suspended''; *see also Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2018–2019,* 86 FR 36102, and accompanying Issues and Decision Memorandum at Comment 4; and *Solid Fertilizer Grade Ammonium Nitrate from the Russian Federation: Notice of Rescission of Antidumping Duty Administrative Review,* 77 FR 65532 (October 29, 2012) (noting that ''for an administrative review to be conducted, there must be a reviewable, suspended entry to be liquidated at the newly calculated assessment rate'').

parties to comment.[12] No party commented on this memorandum. Accordingly, in the absence of any suspended entries of subject merchandise from these companies during the POR, we are rescinding this administrative review for the companies listed in Appendix II, in accordance with 19 CFR 351.213(d)(3).

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Constructed export price is calculated in accordance with section 772 of the Act. NV is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Rate for Non-Individually Examined Company

The Act and Commerce's regulations do not address the establishment of a rate to apply to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review.

Under section 735(c)(5)(A) of the Act, the all-others rate is normally an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any rates that are zero, *de minimis* (*i.e.,* less than 0.5 percent), or determined entirely on the basis of facts available. Where the weighted-average dumping margin for each of the individually examined companies is zero, *de minimis,* or based entirely on facts available, section 735(c)(5)(B) of the Act provides that Commerce may use ''any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated, including averaging the estimated weighted-average dumping margins determined for the exporters and producers individually investigated.''

In this administrative review, we preliminarily calculated a weighted-average dumping margin for Colakoglu, the sole individually examined respondent in this review. Because this estimated weighted-average dumping margin is not zero, *de minimis,* or based entirely on facts otherwise available, we are preliminarily assigning the estimated weighted-average dumping margin calculated for Colakoglu to Ekinciler Demir Ve Celik Sanayi A.S. (Ekinciler), the company under review that was not selected for individual examination, consistent with the guidance in section 735(c)(5)(A) of the Act.

Preliminary Results of Review

As a result of this review, we preliminarily determine the following estimated weighted-average dumping margin exists for the period July 1, 2024, through June 30, 2025:

Producer/exporter	Weighted-average dumping margin (percent)
Colakoglu Metalurji A.S.; Colakoglu Dis Ticaret A.S	13.11
Ekinciler Demir ve Celik Sanayi A.S	13.11

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties for these preliminary results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in the **Federal Register**, in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice.[13] Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[14] Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[15] All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.[16] Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the public executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[17]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce will inform parties of the scheduled date for the hearing.[18]

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b)(1), Commerce will determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

If Colakoglu's weighted-average dumping margin is not zero or *de minimis* (*i.e.,* less than 0.50 percent) in the final results of this review, Commerce intends to calculate importer-specific assessment rates on the basis of the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those sales. Where we do not have entered values for all U.S.

[12] *See* Memorandum, ''Notice of Intent to Rescind Review, In Part,'' dated November 25, 2025.

[13] *See* 19 CFR 351.309.

[14] *See* 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings,* 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Procedures*).

[15] *See* 19 CFR 351.309(c)(2) and (d)(2).

[16] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[17] *See APO and Service Procedures.*

[18] *See* 19 CFR 351.310(d).

sales to a particular importer, we will calculate an importer-specific, per-unit assessment rate on the basis of the ratio of the total amount of dumping calculated for the importer's examined sales to the total quantity of those sales.[19] To determine whether an importer-specific, per-unit assessment rate is *de minimis,* in accordance with 19 CFR 351.106(c)(2), we also will calculate an importer-specific *ad valorem* ratio based on estimated entered values. If Colakoglu's weighted-average dumping margin is zero or *de minimis* or where an importer-specific *ad valorem* assessment rate is zero or *de minimis,* we will instruct CBP to liquidate appropriate entries without regard to antidumping duties.[20]

In accordance with Commerce's ''automatic assessment'' practice, for entries of subject merchandise during the POR produced by Colakoglu for which it did not know that the merchandise was destined for the United States, we intend to instruct CBP to liquidate those entries at the all-others rate calculated in the less-than-fair-value (LTFV) investigation if there is no rate for the intermediate company(ies) involved in the transaction.[21]

For Ekinciler, we will assign an assessment rate based on the review-specific rate, calculated as noted in the ''Rate for Non-Individually Examined Company'' section, above. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.[22]

For the companies listed in Appendix II for which the review is being rescinded, Commerce will instruct CBP to assess antidumping duties on all appropriate entries. Antidumping duties shall be assessed at rates equal to the cash deposit rate for estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue rescission instructions to CBP no earlier than 35 days after the date of publication of this notice in the **Federal Register**.

[19] *See* 19 CFR 351.212(b)(1).

[20] *See* 19 CFR 351.106(c)(2); *see also Antidumping Proceeding: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification,* 77 FR 8101, 8103 (February 14, 2012).

[21] For a full discussion of this practice, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties,* 68 FR 23954 (May 6, 2003).

[22] *See* section 751(a)(2)(C) of the Act.

If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the companies listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously investigated or reviewed companies not covered by this review, the cash deposit rate will continue to be the company-specific cash deposit rate published for the most recently completed segment of this proceeding in which the company participated; (3) if the exporter is not a firm covered in this review, or the LTFV investigation, but the manufacturer is, then the cash deposit rate will be the rate established for the most recent segment for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 3.90 percent, the all-others rate established in the amended final determination of the LTFV investigation.[23] These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties and/or countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties and/or countervailing duties occurred and the subsequent assessment of double antidumping duties, and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

[23] *See Order.*

Notification to Interested Parties

We are issuing and publishing these preliminary results of review in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: September 29, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Discussion of the Methodology
V. Recommendation

Appendix II

1. Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S.
2. Icdas Celik Enerji Tersane ve Ulasim A.S.
3. Kaptan Demir Celik Endustrisi ve Ticaret A.S. and Kaptan Metal Dis Ticaret ve Nakliyat A.S.

[FR Doc. 2026–20294 Filed 10–2–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–020]

Melamine From the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) finds that revocation of the antidumping duty (AD) order on melamine from the People's Republic of China (China) would be likely to lead to continuation or recurrence of dumping, at the levels indicated in the ''Final Results of Sunset Review'' section of this notice.

DATES: Applicable October 5, 2026.

FOR FURTHER INFORMATION CONTACT: Daniel Saba, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–5849.

SUPPLEMENTARY INFORMATION:

Background

On December 28, 2015, Commerce published the *Order* in the **Federal**

Register.[1] On June 1, 2026, Commerce published the *Notice of Initiation* of this second sunset review of the *Order,* pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).[2] On June 12, 2026, Commerce received a timely and complete notice of intent to participate from the domestic interested party [3] within the deadline specified in 19 CFR 351.218(d)(1)(i).[4] The domestic interested party claimed the interested party status under section 771(9)(C) of the Act, as a manufacturer of a domestic like product in the United States.[5] On June 22, 2026, Commerce notified the U.S. International Trade Commission (ITC) that it had received a notice of intent to participate from a domestic interested party.[6]

On July 1, 2026, pursuant to 19 CFR 351.218(d)(3)(i), the domestic interested party filed a timely and adequate substantive response.[7] Commerce did not receive a substantive response from any respondent interested party. On July 27, 2026, Commerce notified the ITC that it did not receive a substantive response from any respondent interested parties.[8] As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce is conducting an expedited (120-day) sunset review of the *Order.*

Scope of the Order

The product covered by this *Order* is melamine from China. For the full description of the scope of the *Order, see* the Issues and Decision Memorandum.[9]

Analysis of Comments Received

A complete discussion of all issues raised in this sunset review, including the likelihood of continuation or recurrence of dumping in the event of revocation of the *Order* and the magnitude of the margins likely to prevail if the *Order* were to be revoked, is provided in the accompanying Issues and Decision Memorandum.[10] A list of the topics discussed in the Issues and Decision Memorandum is attached in the appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System, which is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Issues and Decision Memorandum can be accessed at *https://access.trade.gov/frnotices.*

Final Results of Sunset Review

Pursuant to sections 751(c)(1) and 752(c)(1) and (3) of the Act, Commerce determines that revocation of the *Order* would be likely to lead to continuation or recurrence of dumping, and that the magnitude of the dumping margins likely to prevail would be weighted-average dumping margins up to 363.31 percent.

Notification Regarding Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials, or conversion to judicial protective, orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act, and 19 CFR 351.218 and 19 CFR 351.221(c)(5)(ii).

Dated: September 29, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. History of the *Order*
V. Legal Framework
VI. Discussion of the Issues
1. Likelihood of Continuation or Recurrence of Dumping
2. Magnitude of the Margins of Dumping Likely to Prevail
VII. Final Results of Sunset Review
VIII. Recommendation

FR Doc. 2026–20383 Filed 10–2–26; 8:45 am]

BILLING CODE 3510–DS–P

[1] *See Melamine from the People's Republic of China: Antidumping Duty and Countervailing Duty Orders,* 80 FR 80751 (December 28, 2015) (*Order*).

[2] *See Initiation of Five-Year (Sunset) Reviews,* 91 FR 32376 (June 1, 2026) (*Notice of Initiation*).

[3] The domestic interested party is Cornerstone Chemical Company (Cornerstone).

[4] *See* Cornerstone's Letter, ''Domestic Interested Party Notice of Intent to Participate,'' dated June 12, 2026.

[5] *Id.*

[6] *See* Commerce's Letter, ''Sunset Reviews Initiated on June 1, 2026,'' dated June 22, 2026.

[7] *See* Cornerstone's Letter, ''Domestic Interested Party Substantive Response,'' dated July 1, 2026 (Substantive Response).

[8] *See* Commerce's Letter, ''Sunset Reviews Initiated on June 1, 2026,'' dated July 27, 2026.

[9] *See* Memorandum, ''Issues and Decision Memorandum for the Expedited Sunset Review of the Antidumping Duty Order on Melamine from the People's Republic of China,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[10] *Id.*

DEPARTMENT OF COMMERCE

International Trade Administration

[A–427–831, A–588–879, A–469–822]

Methionine From France, Japan, and Spain: Final Results of the Expedited First Sunset Reviews of the Antidumping Duty Orders

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) finds that revocation of the antidumping duty (AD) orders on methionine from France, Japan, and Spain would be likely to lead to continuation or recurrence of dumping, at the levels indicated in the ''Final Results of Sunset Reviews'' section of this notice.

DATES: Applicable October 5, 2026.

FOR FURTHER INFORMATION CONTACT: Scott Davison, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–1015.

SUPPLEMENTARY INFORMATION:

Background

On July 13, 2021, Commerce published the *France Order,*[1] and on September 14, 2021, Commerce published the *Japan and Spain Orders,* in the **Federal Register**. On June 1, 2026, Commerce published the notice of initiation of the first sunset review of the *Orders,* pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).[2]

On June 15, 2026, Commerce received a timely and complete notice of intent to participate in the sunset review from Novus International within the deadline specified in the 19 CFR 351.218(d)(1)(i).[3] Novus International

[1] *See Methionine from France: Antidumping Duty Order* 86 FR 36705 (July 13, 2021 (*France Order*); *see also Methionine from Japan and Spain: Antidumping Duty Orders,* 86 FR 51119 (September 14, 2021) (*Japan and Spain Orders*) (collectively, *Orders*).

[2] *See Initiation of Five-Year (Sunset) Reviews,* 91 FR 32376 (June 1, 2026).

[3] *See* Novus International's Letter, ''Notice of Intent to Participate in the First Five-Year Review of the Antidumping Duty Order on Methionine from France,'' dated June 15, 2026; *see also* Novus

Continued

claimed interested party status under section 771(9)(C) of the Act as manufacturers, producers, and wholesalers of a domestic like product in the United States. On July 1, 2026, pursuant to 19 CFR 351.218(d)(3)(i), Novus International filed a timely and adequate substantive response.[4]

Commerce did not receive a substantive response from any respondent interested party. On July 27, 2026, Commerce notified the International Trade Commission (ITC) that it did not receive substantive response from any respondent interested parties[5] As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce is conducting expedited (120-day) sunset reviews of the *Orders.*

Scope of the Orders

The product covered by these *Orders* is methionine from France, Japan, and Spain. For the full description of the scope of the *Orders, see* the Issues and Decisions Memorandum.[6]

Analysis of Comments Received

A complete discussion of all issues raised in this sunset review, including the likelihood of continuation or recurrence of dumping in the event of revocation of the *Orders* and the magnitude of the margins likely to prevail if the *Orders* were to be revoked, is provided in the Issues and Decision Memorandum.[7] A list of the topics discussed in the Issues and Decision Memorandum is attached in the appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System, which is available to registered users at *https://access.trade.gov.* In addition, complete versions of the Issues and Decision Memorandum can be accessed directly at *https://access.trade.gov/frnotices.*

Final Results of Sunset Reviews

Pursuant to sections 751(c)(1), 752(c)(1) and (3) of the Act, Commerce determines that revocation of the *Orders* would be likely to lead to continuation or recurrence of dumping and that the magnitude of the dumping margins likely to prevail would be weighted-average dumping margins up to 43.82 percent for France, 76.50 percent for Japan, and 37.53 percent for Spain.

Notification Regarding Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials, or conversion to judicial protective, orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act, and 19 CFR 351.218 and 19 CFR 351.221(c)(5)(ii).

Dated: September 29, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the *Orders*
IV. History of the *Orders*
V. Legal Framework
VI. Discussion of the Issues
  1. Likelihood of Continuation or Recurrence of Dumping
  2. Magnitude of the Margins of Dumping Likely to Prevail
VII. Final Results of Sunset Reviews
VIII. Recommendation

[FR Doc. 2026–20384 Filed 10–2–26; 8:45 am]

BILLING CODE 3510–DS–P

International's Letter, ''Notice of Intent to Participate in the First Five-Year Review of the Antidumping Duty Order on Methionine from Japan,'' dated June 15, 2026; *see also* Novus International's Letter, ''Notice of Intent to Participate in the First Five-Year Review of the Antidumping Duty Order on Methionine from Spain,'' dated June 15, 2026.

[4] *See* Novus International's Letter, ''Five-Year (''Sunset'') Review of the Antidumping Duty Order on Methionine from France: Novus International, Inc.'s Substantive Response,'' dated July 1, 2026; *see also* Novus International's Letter, ''Five-Year (''Sunset'') Review of the Antidumping Duty Order on Methionine from Japan: Novus International, Inc.'s Substantive Response,'' dated July 1, 2026; *see also* Novus International's Letter, ''Five-Year (''Sunset'') Review of the Antidumping Duty Order on Methionine from Spain: Novus International, Inc.'s Substantive Response,'' dated July 1, 2026.

[5] *See* Commerce's Letter, ''Sunset Reviews Initiated on June 21, 2026'' dated July 27, 2026.

[6] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Antidumping Duty Orders on Methionine from France, Japan, and Spain,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[7] *Id.*

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Reporting Requirements for Commercial Fisheries Authorization Under Section 118 of the Marine Mammal Protection Act

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public comments were previously requested via the **Federal Register** on May 4, 2026, during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: National Oceanic and Atmospheric Administration (NOAA), Commerce.

Title: Reporting Requirements for Commercial Fisheries Authorization Under Section 118 of the Marine Mammal Protection Act.

OMB Control Number: 0648–0292.

Form Number(s): None.

Type of Request: Regular submission (extension of a currently approved collection).

Number of Respondents: 200.

Average Hours per Response: 15 minutes.

Total Annual Burden Hours: 50 hours.

Needs and Uses: This request is for the renewal of a currently approved information collection and is sponsored by National Marine Fisheries Service (NMFS) Office of Protected Resources.

Reporting injury to and/or mortalities of marine mammal's incidental to commercial fishing activities is mandated under Section 118 of the Marine Mammal Protection Act. This information is required to determine the impacts of commercial fishing on marine mammal populations. This information is also used to classify commercial fisheries into Categories I, II, or III on the annual Marine Mammal Protection Act List of Fisheries. Participants in the first two categories must be authorized to take marine

mammals, while those in Category III are exempt from that requirement. All three categories must report injuries or mortalities to the National Marine Fisheries Service using the OMB approved form.

Affected Public: Business or other for-profit organizations; Individuals or households; State, local, or tribal government.

Frequency: On occasion.

Respondent's Obligation: Mandatory.

Legal Authority: 16 U.S.C. 1387 Sec. 118.

This information collection request may be viewed at *www.reginfo.gov.* Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website *www.reginfo.gov/public/do/PRAMain.* Find this particular information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function and entering either the title of the collection or the OMB Control Number 0648–0292.

Sheleen Dumas,

Departmental PRA Compliance Officer, Office of the Under Secretary for Economic Affairs, Commerce Department.

[FR Doc. 2026–20313 Filed 10–2–26; 8:45 am]

BILLING CODE 3510–22–P

CONSUMER PRODUCT SAFETY COMMISSION

[Docket No. CPSC–2023–0004]

Agency Information Collection Activities; Extension of Collection; Safety Standard for Button Cell or Coin Batteries and Consumer Products Containing Such Batteries

AGENCY: Consumer Product Safety Commission.

ACTION: Notice of information collection; request for comment.

SUMMARY: As required by the Paperwork Reduction Act of 1995 (PRA), the Consumer Product Safety Commission (CPSC or Commission) announces that the Commission has submitted to the Office of Management and Budget (OMB) a request for extension of approval of information collection requirements associated with the Safety Standard for Button Cell or Coin Batteries and Consumer Products Containing Such Batteries. OMB previously approved the collection of information under control number 3041–0195. OMB's approval will expire on October 31, 2026. On June 15, 2026, CPSC published a notice in the **Federal Register** to announce the agency's intention to seek extension of approval of the collection of information. The Commission received three public comments. By publication of this notice, the Commission announces that CPSC has submitted to OMB a request for extension of approval of that collection of information.

DATES: Submit comments on the collection of information by November 4, 2026.

ADDRESSES: Submit comments about this request by email: *OIRA_submission@omb.eop.gov* or fax: 202–395–3888. Comments by mail should be sent to the Office of Information and Regulatory Affairs, Attn: OMB Desk Officer for the CPSC, Office of Management and Budget, Room 10235, 725 17th Street NW, Washington, DC 20503. Written comments that are sent to OMB also should be submitted electronically at *http://www.regulations.gov,* under Docket No. CPSC–2023–0004.

FOR FURTHER INFORMATION CONTACT: Cynthia Gillham, Consumer Product Safety Commission, 441 G Street NW, Washington, DC 20548; (301) 504–7791, or by email to: *pra@cpsc.gov.*

SUPPLEMENTARY INFORMATION: CPSC seeks to renew the following currently approved collection of information:

Title: Safety Standard for Button Cell or Coin Batteries and Consumer Products Containing Such Batteries.

OMB Number: 3041–0195.

Type of Review: Renewal of collection.

Frequency of Response: On occasion.

Affected Public: Manufacturers and importers of packages of button cell and coin batteries; and manufacturers and importers of non-children's products that contain or are designed to use button cell or coin batteries.

General Description of Collection: Based on the requirements in Reese's Law, 15 U.S.C. 2056e(a) and (b), the Safety Standard for Button Cell or Coin Batteries and Consumer Products Containing Such Batteries, 16 CFR part 1263, prescribes performance and labeling requirements for child-resistant battery compartments on children's and non-children's consumer products that contain or are designed to use button cell or coin batteries. These performance and labeling requirements are intended to reduce or eliminate injuries and deaths associated with children 6 years old and younger ingesting these batteries. The labeling requirements include warning labels for packaging of consumer products containing button cell or coin batteries and for any literature, such as instructions or user manuals, accompanying these consumer products. The standard also includes warning label requirements for packaging of button cell or coin batteries, including button cell or coin batteries packaged separately with a consumer product.

Estimated Number of Respondents: CPSC estimates that there are 15,363 entities that will respond to the collection annually.

Estimated Time per Response: CPSC estimates that on average each entity will respond three times per year. While the time per response will vary depending on the business and their practices, CPSC estimates two hours for labeling and two hours for recordkeeping, on average.

Total Estimated Annual Burden: The total estimated burden of the collection is 184,356 hours (4 hours $\times$ 3 $\times$ 15,363 = 184,356), annually.

Total Estimated Annual Cost to Respondents: The hourly compensation for all private industry workers in goods-producing industries is $48.97 per hour (U.S. Bureau of Labor Statistics, ''Employer Costs for Employee Compensation,'' total compensation for private industry workers in goods producing industries, December 2025: *https://www.bls.gov/news.release/archives/ecec_03202026.htm.*). At this rate, the annualized cost the total estimated annual cost of the collection of information is approximately $9 million annually (184,356 hours $\times$ $48.97 = $9,027,913.32).

Response to Public Comments:

CPSC received three public comments on its proposed extension of this information collection. One out of scope comment, addressing the requirements of the final rule and of the relevant voluntary standards, was submitted by the People's Republic of China, pursuant to the Article 2.9.4 of the WTO/TBT Agreement. The other two comments, submitted by the Information Technology Industry Council (ITI) and an anonymous commenter, discussed burden estimates for labeling, among other concerns related to out-of-scope issues. Summaries of and responses to these comments are provided below.

Comments: ITI commented that the burden is underestimated and does not reflect real-world complexity, such as lifecycle documentation (not a one-time effort), global model and packaging complexity, and cross functional coordination. ITI asserted that

complying with the labeling requirements takes at least three to four hours per label or more. To address these concerns, ITI suggested that the Commission allow the use of electronic labeling (*e.g.,* QR code), leading to online manuals on the manufacturer's website.

The anonymous commenter stated that CPSC's burden calculations should reflect ''real-world operational reality'' to account for creating, verifying, scaling, and managing compliance artwork across packaging and documentation, which the commenter asserted, similar to ITI's comments, takes three to four hours per label.

The anonymous commenter also provided additional requests which include clarifying scope guidance for paperwork filings for 16 CFR part 1263, considering alternative formatting for small surfaces and/or allowing high-contrast monochrome printing on small retail packaging, eliminating ''duplicate compliance paths,'' and streamlining recordkeeping to include e-labeling barcodes. The commenter did not elaborate on the concerns associated with duplicative compliance.

Response: CPSC adjusts burden estimates upward from 1.25 hours, for both labeling and recordkeeping, based on the information received from the commenters. CPSC adjusts burden estimates to two per response for labeling and two hours for recordkeeping, noting that response times to the collection will vary depending upon the size of the establishment, the number and type of products sold by the firm, and other factors outside of the control of CPSC, such as internal business practices. CPSC notes that burden estimates are annual and that labeling is not typically redesigned on an annual basis, therefore an estimate of two hours per year for labeling is reasonable.

With regard to comments on electronic labeling, the rule requires on-product warnings but does not prohibit additionally providing digital access to the safety statements. However, given that not all consumers have easy access to the internet or sufficient knowledge to use QR codes, the warnings language must be included physically along with the product in order to have the intended effect of providing warnings and safety information to consumers. Reese's Law requires that warnings be included: on the packaging of button cell or coin batteries and the packaging of consumer products containing such batteries; in any literature that accompanies a consumer product containing button cell or coin batteries; and, as practicable, directly on consumer products containing button cell or coin batteries.

Both UL 4200A–2023, incorporated by reference in 16 CFR 1263.3, and CPSC's requirements at 16 CFR 1263.4 include a table for letter size based on the display area, with smaller letters allowed on small surfaces; and offer alternative means of displaying the warnings when the display area does not allow the full warning. Furthermore, the rule does not prohibit high-contrast monochrome printing; referenced color schemes need to be in color only if the labels are printed in more than one color.

CPSC provides administrative guidance for compliance in many forms, including a business guidance page on its website: *https://www.cpsc.gov/Business--Manufacturing/Business-Education/Business-Guidance/Button-Cell-and-Coin-Battery.*

Alberta E. Mills,

Secretary, Consumer Product Safety Commission.

[FR Doc. 2026–20347 Filed 10–2–26; 8:45 am]

BILLING CODE 6355–01–P

DEPARTMENT OF EDUCATION

[Docket No.: ED–2026–SCC–2938]

Agency Information Collection Activities; Comment Request; Consolidated State Plan

AGENCY: Office of Elementary and Secondary Education, Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Department is proposing an extension without change of a currently approved information collection request (ICR).

DATES: Interested persons are invited to submit comments on or before December 4, 2026.

ADDRESSES: To access and review all the documents related to the information collection listed in this notice, please use *http://www.regulations.gov* by searching the Docket ID number ED–2026–SCC–2938. Comments submitted in response to this notice should be submitted electronically through the Federal eRulemaking Portal at *http://www.regulations.gov* by selecting the Docket ID number or via postal mail, commercial delivery, or hand delivery. If the *regulations.gov* site is not available to the public for any reason, the Department will temporarily accept comments at *ICDocketMgr@ed.gov.* Please include the docket ID number and the title of the information collection request when requesting documents or submitting comments. Please note that comments submitted after the comment period will not be accepted. Written requests for information or comments submitted by postal mail or delivery should be addressed to the Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Ave. SW, LBJ, Room 4C294, Washington, DC 20202.

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Melissa Siry, 202–260–0926.

SUPPLEMENTARY INFORMATION: The Department, in accordance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3506(c)(2)(A)), provides the general public and Federal agencies with an opportunity to comment on proposed, revised, and continuing collections of information. This helps the Department assess the impact of its information collection requirements and minimize the public's reporting burden. It also helps the public understand the Department's information collection requirements and provide the requested data in the desired format. The Department is soliciting comments on the proposed information collection request (ICR) that is described below. The Department is especially interested in public comment addressing the following issues: (1) is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Consolidated State Plan.

OMB Control Number: 1810–0576.

Type of Review: An extension without change of a currently approved ICR.

Respondents/Affected Public: State, Local, and Tribal Governments.

Total Estimated Number of Annual Responses: 52.

Total Estimated Number of Annual Burden Hours: 108,155.

Abstract: This collection currently approved by OMB under control number 1810–0576 covers the consolidated State plan (previously

known as the consolidated State application) as well as assessment peer review guidance. Section 8302 of the ESEA as amended by the ESSA permits each SEA in consultation with the Governor to apply for program funds through submission of a consolidated State plan (in lieu of individual program State plans). The purpose of Consolidated State Plans as defined in ESEA is to improve teaching and learning by encouraging greater cross-program coordination planning and service delivery; to enhance program integration; and to provide greater flexibility and less burden for State educational agencies. This is a request for extension without change for this collection.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026–20291 Filed 10–2–26; 8:45 am]

BILLING CODE 4000–01–P

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Performance Review Board Appointment of Members

AGENCY: Equal Employment Opportunity Commission.

ACTION: Notice.

SUMMARY: This notice announces the appointment of those individuals who have been selected to serve as members of the Performance Review Board (PRB). The PRB reviews and makes recommendations concerning proposed performance appraisals, ratings, rating calibrations, bonuses, pay adjustments, and other appropriate personnel actions for incumbents of Senior Professional and Senior Executive Service positions at the EEOC.

DATES: Effective November 1, 2026.

FOR FURTHER INFORMATION CONTACT: Jennifer Blank, Director, at (202) 921–3090 or *jennifer.blank@eeoc.gov,* Recruitment and Executive Resources Division, Office of the Chief Human Capital Officer, U.S. Equal Employment Opportunity Commission. Requests for this document in an alternative format should be made to the EEOC's Office of Communications and Legislative Affairs at (202) 921–3191 (voice), 1–800–669–6820 (TTY), or 1–844–234–5122 (ASL video phone).

SUPPLEMENTARY INFORMATION: In accordance with 5 U.S.C. 4314(c)(4), the names and position titles of the EEOC PRB members are set forth below:

Lisa Morelli (Chair), Deputy Director, Office of Field Programs
Christopher Lage, Deputy General Counsel
Elisa Avalos, Chief Financial Officer
Kimberly Essary, Associate Legal Counsel
Amrith Aakre, Director, Chicago District
David Davis, Director, St. Louis District
Kristen Foslid, Regional Attorney, Miami
Thomas Colclough, Director, Office of Field Programs (Alternate)
Melinda Caraballo, Director, Phoenix District (Alternate)

Jennifer Blank,

Director, Recruitment and Executive Resources Division, Office of the Chief Human Capital Officer.

[FR Doc. 2026–20287 Filed 10–2–26; 8:45 am]

BILLING CODE 6570–01–P

FEDERAL DEPOSIT INSURANCE CORPORATION

Notice of Termination of Receiverships

The Federal Deposit Insurance Corporation (FDIC or Receiver), as Receiver for the following insured depository institution, was charged with the duty of winding up the affairs of the former institution and liquidating all related assets. The Receiver has fulfilled its obligations and made all dividend distributions required by law.

NOTICE OF TERMINATION OF RECEIVERSHIPS

Fund	Receivership name	City	State	Termination date
10057	America West Bank	Layton	UT	10/01/2026

The Receiver has further irrevocably authorized and appointed FDIC-Corporate as its attorney-in-fact to execute and file any and all documents that may be required to be executed by the Receiver which FDIC-Corporate, in its sole discretion, deems necessary, including but not limited to releases, discharges, satisfactions, endorsements, assignments, and deeds. Effective on the termination date listed above, the Receivership has been terminated, the Receiver has been discharged, and the Receivership has ceased to exist as a legal entity.

(Authority: 12 U.S.C. 1819)

Federal Deposit Insurance Corporation.

Dated at Washington, DC, on October 1, 2026.

Jennifer M. Jones,

Deputy Executive Secretary.

[FR Doc. 2026–20331 Filed 10–2–26; 8:45 am]

BILLING CODE 6714–01–P

FEDERAL MARITIME COMMISSION

[FMC–2026–0397]

Renewal of Agency Information Collections of Previously Approved Collections; FMC Assistance Center; 3072–0075; 60-Day Public Comment Request

AGENCY: Federal Maritime Commission.

ACTION: Sixty-day notice; request for comments.

SUMMARY: As part of our continuing effort to reduce paperwork and respondent burden, and as required by the Paperwork Reduction Act of 1995, the Federal Maritime Commission (Commission or FMC) invites comments on a web portal to collect information from the public regarding comments, complaints, concerns, reports of noncompliance, requests for investigation, and requests for alternative dispute resolution. The collection implements certain provisions of the Ocean Shipping Reform Act of 2022.

DATES: Comments must be submitted on or before December 4, 2026.

ADDRESSES: The Commission is accepting comments using the Federal eRulemaking Portal at *www.regulations.gov.* The dockets for this notice, which includes copies of applicable forms, and submitting comments can be found at *www.regulations.gov* under FMC–2026–0397. Follow the instructions provided for submitting comments.

FOR FURTHER INFORMATION CONTACT: Amy Strauss, (202) 523–5807, *inquiries@fmc.gov.*

SUPPLEMENTARY INFORMATION: The Commission invites the general public and other Federal agencies to comment on any aspect of the continuing information collection listed in this notice, as required by the Paperwork

Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). We are particularly interested in receiving comments on: (1) the necessity and utility of the proposed information collection for the proper performance of the agency's functions; (2) the accuracy of the estimated burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

Comments submitted in response to this notice will be included or summarized in our request for Office of Management and Budget (OMB) approval of the relevant information collection. All comments are part of the public record and subject to disclosure. Please do not include any confidential or inappropriate material in your comments.

Information Collections Open for Comment

Title: FMC Assistance Center/Web Portal.

OMB Control Number: 3072–0075 (Expires January 31, 2027).

Form Numbers: FMC–32, FMC–33.

Abstract: Section 17(a) of the Ocean Shipping Reform Act of 2022 requires that the Commission ''establish on the public website of the Commission a web page that allows for the submission of comments, complaints, concerns, reports of noncompliance, requests for investigation, and requests for alternative dispute resolution,'' and that it direct each submission to the appropriate component office of the Commission.

The FMC will implement the web portal available through the agency's website to collect this information from the public. The collected information will be internally routed to the appropriate component office for response. As this collection includes inquiries related to dispute resolution services, it also encompasses Forms FMC–32 (Dispute Resolution Service Request—Cruise) and FMC–33 (Dispute Resolution Service Request—Cargo).

These forms are available within the web portal and at *https://www.fmc.gov/forms-and-applications/.* The burden associated with these forms is included in this collection.

Type of Review: Extension with change.

Current Actions: The estimated burden hours for the collection have remained the same. Minor changes have been made to the FMC–32 and FMC–33 to provide clarification to questions. The 2024 submission included a proposed mockup of the assistance center within the web portal. The submission to OMB's Office of Information and Regulatory Affairs includes the proposed assistance center within the web portal.

Needs and Uses: The Commission will use the web portal to receive requests from the public and ensure prompt response to the shipping public.

Frequency: This information will be collected when members of the public choose to submit it.

Type of Respondents: Individuals and establishments who wish to ask questions, express concerns, or submit complaints to the Federal Maritime Commission.

Number of Annual Respondents: The Commission estimates an annual respondent universe of 5,000. The Commission further estimates 300 of these responses will require attaching an FMC form related to dispute resolution services (FMC–32 or FMC–33).

Estimated Time Per Response: The time per response is estimated at 6 minutes per response for submissions that do not involve completing the FMC–32 or FMC–33 forms and 20 minutes for responses requiring the forms.

Total Annual Burden: Burden is calculated as $4{,}700 \times 6$ minutes = 470 hours for portal submissions that do not also include a form and 300×20 minutes = 100 hours for submissions that also include either an FMC–32 or FMC–33. Total burden equals 570 hours.

For the Commission.

David Eng,

Secretary.

[FR Doc. 2026–20353 Filed 10–2–26; 8:45 am]

BILLING CODE 6730–02–P

FEDERAL RESERVE SYSTEM

Change in Bank Control Notices; Acquisitions of Shares of a Bank or Bank Holding Company

The notificants listed below have applied under the Change in Bank Control Act (Act) (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire shares of a bank or bank holding company. The factors that are considered in acting on the applications are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The public portions of the applications listed below, as well as other related filings required by the Board, if any, are available for immediate inspection at the Federal Reserve Bank(s) indicated below and at the offices of the Board of Governors. This information may also be obtained on an expedited basis, upon request, by contacting the appropriate Federal Reserve Bank and from the Board's Freedom of Information Office at *https://www.federalreserve.gov/foia/request.htm.* Interested persons may express their views in writing on the standards enumerated in paragraph 7 of the Act.

Comments received are subject to public disclosure. In general, comments received will be made available without change and will not be modified to remove personal or business information including confidential, contact, or other identifying information. Comments should not include any information such as confidential information that would not be appropriate for public disclosure.

Comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors, Benjamin W. McDonough, Secretary of the Board, 20th Street and Constitution Avenue NW, Washington, DC 20551–0001, not later than October 20, 2026.

A. Federal Reserve Bank of Atlanta (Erien O. Terry, Assistant Vice President) 1000 Peachtree Street NE, Atlanta, Georgia 30309; Comments can also be sent electronically to *Applications.Comments@atl.frb.org*]:

1. *The Shnaider Family Trust, Charles R. White, as trustee, both of Birmingham, Alabama;* to acquire voting shares of Florida Bancshares, Inc., and thereby indirectly acquire voting shares of First National Bank of Pasco, both of Dade City, Florida.

Board of Governors of the Federal Reserve System.

Michele Taylor Fennell,

Associate Secretary of the Board.

[FR Doc. 2026–20340 Filed 10–2–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Agency for Healthcare Research and Quality

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Agency for Healthcare Research and Quality, HHS.

ACTION: Notice.

SUMMARY: This notice announces the intention of the Agency for Healthcare Research and Quality (AHRQ) to request that the Office of Management and

Budget (OMB) approve the extension without change of the previously approved information collection project ''Generic Clearance for the Collection of Qualitative Feedback on Agency Service Delivery'' (0935–0179). This information collection was previously published in the **Federal Register** on July 30, 2026, and allowed 60 days for public comment. AHRQ did not receive any comments. The purpose of this notice is to allow an additional 30 days for public comment.

DATES: Comments on this notice must be received by November 4, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain.* Find this particular information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function. Copies of the proposed collection plans, data collection instruments, and specific details on the estimated burden can be obtained from the AHRQ Reports Clearance Officer.

FOR FURTHER INFORMATION CONTACT: Margie Shofer, AHRQ Reports Clearance Officer, 301–427–1696 or by email at *REPORTSCLEARANCEOFFICER@ahrq.hhs.gov.*

SUPPLEMENTARY INFORMATION:

Proposed Project

Generic Clearance for the Collection of Qualitative Feedback on Agency Service Delivery

The information collection activity will garner qualitative customer and stakeholder feedback in an efficient, timely manner, in accordance with the Administration's commitment to improving service delivery. By qualitative feedback we mean information that provides useful insights on perceptions and opinions, but are not statistical surveys that yield quantitative results that can be generalized to the population of study. This feedback will provide insights into customer or stakeholder perceptions, experiences, and expectations, provide an early warning of issues with service, or focus attention on areas where communication, training or changes in operations might improve delivery of products or services. These collections will allow for ongoing, collaborative and actionable communication between the Agency and its customers and stakeholders. It will also allow feedback to contribute directly to the improvement of program management. The current clearance was approved on November 7, 2023 (OMB Control Number 0935–0179) and will expire on November 30, 2026.

Method of Collection

Feedback collected under this generic clearance will provide useful information, but it will not yield data that can be generalized to the overall population. This type of generic clearance for qualitative information will not be used for quantitative information collections that are designed to yield reliably actionable results, such as monitoring trends over time or documenting program performance. Such data uses require more rigorous designs that address: (1) the target population to which generalizations will be made; (2) the sampling frame; (3) the sample design (including stratification and clustering); (4) the precision requirements or power calculations that justify the proposed sample size; (5) the expected response rate; (6) methods for assessing potential nonresponse bias; (7) the protocols for data collection; (8) and any testing procedures that were or will be undertaken prior to fielding the study. Depending on the degree of influence the results are likely to have, such collections may still be eligible for submission for other generic mechanisms that are designed to yield quantitative results.

Estimated Annual Respondent Burden

Exhibit 1 shows the estimated total burden hours for the respondents. Mail surveys are estimated to average 15 minutes, telephone surveys 40 minutes, web-based surveys 10 minutes, focus groups two hours, and in-person interviews are estimated to average 50 minutes. Mail surveys may also be sent to respondents via email and may include a telephone non-response follow-up. Telephone non-response follow-up for mailed surveys does not count as a telephone survey. The total annualized burden hours is estimated to be 1130 hours.

Exhibit 2 shows the estimated cost burden for the respondents. The total annualized cost burden for the clearance is estimated to be $75,800. This amount was incorrectly overstated on the 60-day **Federal Register** Notice; the error was due to using the number of respondents vs the number of burden hours for the estimate and estimating the amount for three years of collection versus an annualized amount.

EXHIBIT 1—ESTIMATED ANNUALIZED BURDEN HOURS

Type of information collection	Number of respondents	Number of responses per respondent	Hours per response	Total burden hours
Mail/email *	1,667	1	15/60	417
Telephone	67	1	40/60	45
Web-based	1,667	1	10/60	278
Focus Groups	167	1	2.0	334
In-person	67	1	50/60	56
Total	3,635	N/A	N/A	1,130

* May include telephone non-response follow-up, in which case, the burden will not change.

EXHIBIT 2—ESTIMATED ANNUALIZED BURDEN COST

Type of information collection	Total burden hours	Average hourly wage rate *	Adjusted average hourly wage rate **	Total cost burden (total burden hours × adjusted average hourly wage rate)
Mail/email	417	$33.54	$67.08	$27,972
Telephone	45	33.54	67.08	3,019
Web-based	278	33.54	67.08	18,648

EXHIBIT 2—ESTIMATED ANNUALIZED BURDEN COST—Continued

Type of information collection	Total burden hours	Average hourly wage rate *	Adjusted average hourly wage rate **	Total cost burden (total burden hours × adjusted average hourly wage rate)
Focus Groups	334	33.54	67.08	22,405
In-person	56	33.54	67.08	3,756
Total	1,130	33.54	67.08	75,800

* Bureau of Labor & Statistics on ''Occupational Employment and Wages, May 2025'' for all occupations found at the following URL: *https://data.bls.gov/oes/#/area/0000000/2025* for the respondents.

** Adjusted Average Hourly Wage Rate is 200% of the average hourly rate. It is a fully loaded rate that includes the benefit costs of respondents.

Request for Comments

In accordance with the Paperwork Reduction Act, 44 U.S.C. 3501–3520, comments on AHRQ's information collection are requested with regard to any of the following: (a) whether the proposed collection of information is necessary for the proper performance of AHRQ's health care research and health care information dissemination functions, including whether the information will have practical utility; (b) the accuracy of AHRQ's estimate of burden (including hours and costs) of the proposed collection(s) 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 upon the respondents, including the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and included in the Agency's subsequent request for OMB approval of the proposed information collection. All comments will become a matter of public record.

Dated: September 29, 2026.

Jeffrey Toven,

Executive Officer.

[FR Doc. 2026–20361 Filed 10–2–26; 8:45 am]

BILLING CODE 4160–90–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Agency for Healthcare Research and Quality

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Agency for Healthcare Research and Quality, HHS.

ACTION: Notice.

SUMMARY: This notice announces the intention of the Agency for Healthcare Research and Quality (AHRQ) to request that the Office of Management and Budget (OMB) approve the revision of a currently approved information collection project ''AHRQ Consumer Assessment of Healthcare Providers and Systems (CAHPS) Database for Health Plans'' (OMB No. 0935–0165). This information collection was previously published in the **Federal Register** on July 30, 2028, and allowed 60 days for public comment. AHRQ did not receive any comments. The purpose of this notice is to allow an additional 30 days for public comment.

DATES: Comments on this notice must be received by November 4, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain.* Find this particular information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function.Copies of the proposed collection plans, data collection instruments, and specific details on the estimated burden can be obtained from the AHRQ Reports Clearance Officer.

FOR FURTHER INFORMATION CONTACT: Margie Shofer, AHRQ Reports Clearance Officer, 301–427–1696 or by email at *REPORTSCLEARANCEOFFICER@ahrq.hhs.gov*.

SUPPLEMENTARY INFORMATION:

Background

The CAHPS Health Plan Database consists of data from the AHRQ CAHPS Health Plan Survey. Health plans in the U.S. are asked to voluntarily submit data from the survey to AHRQ, through its contractor, Westat. The CAHPS Health Plan Survey is a tool for collecting standardized information on enrollees' experiences with health plans and their services. The development of the CAHPS Health Plan Survey began in 1995 in response to requests from health plans, purchasers, and the Centers for Medicare and Medicaid Services (CMS) to provide comparative data to support public reporting of health plan ratings, health plan accreditation and quality improvement. Since that time, the survey has been refined and updated to reflect field feedback from industry experts; reports from health plan participants, data collection vendors (the organization that helps carry out the technical and operational parts of a survey and database submission), and other users; evidence from cognitive testing and focus groups; and extensive psychometric data analysis. Version 5.0 of the Health Plan Survey was released in 2012. The National Quality Forum endorsed the 5.0 version of the Health Plan Survey in 2015. Version 5.1 was released in 2020 to acknowledge the various ways in which enrollees may receive care: in person, by phone, or by video.

The collection of information for the CAHPS Health Plan Database is being conducted through its contractor, Westat, pursuant to AHRQ's statutory authority to conduct and support research on health care and systems for the delivery of such care, including activities with respect to the quality, effectiveness, efficiency, appropriateness and value of health care services, quality measurement and development, and database development. See 42 U.S.C. 299a(a)(1), (2), and (8).

Rationale for the Information Collection

The CAHPS Health Plan Database uses data from AHRQ's standardized CAHPS Health plan survey to provide results to health care purchasers, consumers, regulators and policy makers across the country. Voluntary participants include public and private employers, State Medicaid agencies, Children's Health Insurance Programs (CHIP), CMS, and individual health plans.

This research seeks to answer the following questions:

1. What are the key drivers of member experience in health plans?

2. How do member experiences with health plans vary across the West, Midwest, South and Northeast regions?

3. What are the highest and lowest scoring measures in specific areas of care for health plans?

This research has the following goals:

1. To maintain the CAHPS Health Plan database using data from AHRQ's standardized CAHPS Health Plan survey to provide results to health care purchasers, consumers, regulators and policy makers across the country.

2. To offer several products and services, including aggregated results presented through summary chartbooks, custom analyses, and data for research purposes.

3. To provide state-level data to CMS for public reporting on *Medicaid.gov*and Data.*Medicaid.gov*that does not display the name of the health plans.

Key Project Components

Each year State Medicaid agencies, and individual health plans decide whether to participate in the database and prepare their materials and dataset for submission to the CAHPS Health Plan Database. Participating organizations are typically State Medicaid agencies with multiple health plans. However, individual health plans are also encouraged to submit their data to the CAHPS Database. The number of data submissions per registrant varies from participant to participant and year to year because some participants submit data for multiple health plans, while others may only submit survey data for one plan.

Each organization that decides to participate in the database must have their point-of-contact (POC) complete a registration form providing their contact information for access to the online data submission system, sign and submit a Data Use Agreement (DUA), and provide health plan characteristics such as health plan name, product type, type of population surveyed, health plan state, and plan name to appear in the reporting of their results.

Each vendor that submits files on behalf of a Medicaid agency or individual health plan must also complete the registration form in order to obtain access to the online submission system. The vendor, on behalf of their client, may also complete additional information about survey administration, submit a copy of the questionnaire used, and submit one data file per health plan.

Proposed Revisions

The only change to the data collection is a small increase in burden, which is based on an increase in data file submissions in 2025, the most recent reported data available. The individual data submission process did not have an increased burden but there was an increase in the total volume of data file submissions.

Method of Collection

To achieve the goals of this project the following activities and data collections will be implemented:

1. *Program Recruitment.* Outreach will be conducted with the CAHPS Health Plan user community (including state agencies, independent health plans, survey vendors, etc.) to promote the database and its benefits, and to encourage voluntary contributions of survey data. A variety of communications will be used (*e.g.,* GovDelivery announcements, personal email messages, conference and meeting presentations, etc.) to present the value case for the database and key dates and details about submitting data.

2. *Data Submission Platform.* AHRQ's contractor currently provides a web-based user-friendly submission platform including data submission specifications; technical assistance and step-by-step instructions for participation; analysis programs for data cleaning and reporting; and DUA to protect the confidentiality of the participating organizations and their data.

3. *Submission Notifications and Instructions.* Clear instructions and notifications are of paramount importance for successful submission of valid data, seamless report dissemination, and streamlined communication with survey vendors, state programs, or other submitters. Procedures for data submission through the data submission platform will include the following:

a. Registration Form—The point-of-contact (POC), which is the sponsor from Medicaid agencies and health plans, and vendors complete a number of data submission steps and forms, beginning with the completion of the online registration form. The purpose of this form is to collect basic contact information about the organization and initiate the registration process.

b. Health Plan Information Form—The purpose of this form, completed by the participating sponsor organization, is to collect background characteristics of the health plan, such as the name of the plan, the product type (*e.g.,* HMO, PPO), the population surveyed (*e.g.,* adult Medicaid or child Medicaid). Each year, the prior year's plan data are preloaded in the plan table to lessen burden on the Sponsor. The Sponsor is responsible for updating the plan table to reflect the current year's plan information.

c. DUA—The purpose of the DUA, completed by the participating sponsor organization, is to state how data submitted by health plans will be used and provide confidentiality assurances.

d. Data Files Submission—POCs upload their data file using the Health Plan data file specifications to ensure that users submit standardized and consistent data in the way variables are named, coded, and formatted. Each submitter will provide a copy of their questionnaire and the survey data file in the required file format. Survey data files must conform to the data file layout specifications provided by the CAHPS Database. Submitters will upload one data file per health plan. Once a data file is uploaded the file will be checked automatically to ensure it conforms to the specifications and a data file status report will be produced and made available to the submitter. Submitters will review each report and will be expected to fix any errors in their data file and resubmit them if necessary.

4. *Data Cleaning and Preparation.* Thorough data cleaning and data preparation are extremely important in maintaining the integrity of the data and for analyzing the data in a valid and reliable way. During data submission, submitters and AHRQ's contractor's database team will review survey response frequencies to identify out-of-range values, missing variables, or other data anomalies such as when unexpected responses are detected (*e.g.,* an unusually large proportion of ''0'' responses on a 0–10 response scale). A submission status report will inform submitters of such errors so that the file can be corrected and resubmitted. Once the data submission period closes, SAS® software will be used for data cleaning, analysis, and reporting.

5. *Data Analysis and Reporting.* Using reporting systems, the contractor will develop reporting products with appropriate data visualization techniques to present results that are meaningful and useful.

Estimated Annual Respondent Burden

Exhibit 1 shows the estimated burden hours for the respondent to participate in the database. The 129 POCs in Exhibit 1 are a combination of an estimated 114 State Medicaid agencies and individual health plans (sponsors), and 15 vendor organizations.

Each sponsor (made up of state Medicaid agencies and health plans) and vendor will register online for submission. The Registration Form will require about 5 minutes to complete. Each sponsor will also complete a Health Plan Information Form which takes on average 30 minutes to complete per health plan with each POC completing the form for four plans on average. The DUA will be completed by the 114 participating State Medicaid agencies or individual health plans. Vendors do not sign or submit DUAs. The DUA requires about 5 minutes to sign and upload. Data File Submissions will be completed by either sponsors or vendors for the 114 participating submitters and will take about 1 hour to submit the data for each plan, and each POC will submit data for four plans on average. The total burden is estimated to be 893 hours annually.

EXHIBIT 1—ESTIMATED ANNUALIZED BURDEN HOURS

Form name	Number of respondents	Number of responses per respondent	Hours per response	Total burden hours
Registration Form	129	1	5/60	11
Health Plan Information Form	114	4	30/60	228
Data Use Agreement	114	1	5/60	10
Data Files Submission	114	5.65	1	644
Total	471	NA	NA	893

Exhibit 2 shows the estimated annualized cost burden based on the respondents' time to complete one submission process. The cost burden is estimated to be $100,115 annually.

EXHIBIT 2—ESTIMATED ANNUALIZED COST BURDEN

Form name	Total burden hours	Average hourly wage rate *	Adjusted hourly wage rate **	Total cost burden
Registration Form	11	[a] 67.77	$135.54	$1,491
Health Plan Information Form	228	[a] 67.77	135.54	30,903
Data Use Agreement	10	[b] 129.63	259.26	2,593
Data Files Submission	644	[c] 50.56	101.12	65,128
Total	893	NA	NA	100,115

* National Compensation Survey: Occupational wages in the United States May 2025, ''U.S. Department of Labor, Bureau of Labor Statistics.''
** The Adjusted Hourly Rate was estimated at 200% of the hourly wage.
[a] Based on the mean hourly wage for Medical and Health Services Managers (11–9111).
[b] Based on the mean hourly wage for Chief Executives (11–1011).
[c] Based on the mean hourly wages for Computer Programmers (15–1251).

Request for Comments

In accordance with the Paperwork Reduction Act, 44 U.S.C. 3501–3520, comments on AHRQ's information collection are requested with regard to any of the following: (a) whether the proposed collection of information is necessary for the proper performance of AHRQ's health care research and health care information dissemination functions, including whether the information will have practical utility; (b) the accuracy of AHRQ's estimate of burden (including hours and costs) of the proposed collection(s) 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 upon the respondents, including the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and included in the Agency's subsequent request for OMB approval of the proposed information collection. All comments will become a matter of public record.

Dated: September 29, 2026.

Jeffrey Toven,

Executive Officer.

[FR Doc. 2026–20357 Filed 10–2–26; 8:45 am]

BILLING CODE 4160–90–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[60Day–26–0109; Docket No. CDC–2026–1619]

Proposed Data Collection Submitted for Public Comment and Recommendations

AGENCY: Centers for Disease Control and Prevention (CDC), Department of Health and Human Services (HHS).

ACTION: Notice with comment period.

SUMMARY: The Centers for Disease Control and Prevention (CDC), as part of its continuing effort to reduce public burden and maximize the utility of government information, invites the general public and other federal agencies the opportunity to comment on a continuing information collection, as

required by the Paperwork Reduction Act of 1995. This notice invites comment on a proposed information collection project titled Respiratory Protective Devices—42 CFR 84. The purpose of this data collection is to enable 42 CFR part 84 respirator approval certification activities.

DATES: CDC must receive written comments on or before December 4, 2026.

ADDRESSES: You may submit comments, identified by Docket No. CDC–2026–1619 by either of the following methods:

- *Federal eRulemaking Portal: www.regulations.gov*. Follow the instructions for submitting comments.
- *Mail:* Jeffrey M. Zirger, Information Collection Review Office, Centers for Disease Control and Prevention, 1600 Clifton Road NE, MS H21–8, Atlanta, Georgia 30329.

Instructions: All submissions received must include the agency name and Docket Number. CDC will post, without change, all relevant comments to *www.regulations.gov*. *Please note:* Submit all comments through the Federal eRulemaking portal (*www.regulations.gov*) or by U.S. mail to the address listed above.

FOR FURTHER INFORMATION CONTACT: To request more information on the proposed project or to obtain a copy of the information collection plan and instruments, contact Jeffrey M. Zirger, Information Collection Review Office, Centers for Disease Control and Prevention, 1600 Clifton Road NE, MS H21–8, Atlanta, Georgia 30329; Telephone: 404–639–7570; Email: *omb@cdc.gov*.

SUPPLEMENTARY INFORMATION: Under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3520), federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. In addition, the PRA also requires federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each new proposed collection, each proposed extension of existing collection of information, and each reinstatement of previously approved information collection before submitting the collection to the OMB for approval. To comply with this requirement, we are publishing this notice of a proposed data collection as described below.

The OMB is particularly interested in comments that will help:

1. Evaluate 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;

2. Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

3. Enhance the quality, utility, and clarity of the information to be collected;

4. Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submissions of responses; and

5. Assess information collection costs.

Proposed Project

Respiratory Protective Devices—42 CFR part 84 (OMB Control No. 0920–0109, Exp. 01/31/2027)—Extension—National Institute for Occupational Safety and Health (NIOSH), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The regulatory authority for the National Institute for Occupational Safety and Health (NIOSH) certification program for respiratory protective devices is found in the Mine Safety and Health Amendments Act of 1977 (30 U.S.C. 577a, 651 *et seq.,* and 657(g)) and the Occupational Safety and Health Act of 1970 (30 U.S.C. 3, 5, 7, 811, 842(h), 844). These regulations have, as their basis, the performance tests and criteria for approval of respirators used by millions of American construction workers, miners, painters, asbestos removal workers, fabric mill workers, and fire fighters. Regulations of the Environmental Protection Agency (EPA) and the Nuclear Regulatory Commission (NRC) also require the use of NIOSH-approved respirators. These regulations also establish methods for respirator manufacturers to submit respirators for testing under the regulation and have them certified as NIOSH-approved if they meet the criteria given in the above regulation. This data collection was formerly named Respiratory Protective Devices 30 CFR part 11 but in 1995, the respirator standard was moved to 42 CFR part 84.

NIOSH, in accordance with 42 CFR part 84: (1) issues certificates of approval for respirators which have met specified construction, performance, and protection requirements; (2) establishes procedures and requirements to be met in filing applications for approval; (3) specifies minimum requirements and methods to be employed by NIOSH and by applicants in conducting inspections, examinations, and tests to determine effectiveness of respirators; (4) establishes a schedule of fees to be charged for testing and certification; and (5) establishes approval labeling requirements. Information is collected from those who request services under 42 CFR part 84 in order to properly establish the scope and intent of request.

Information collected from requests for respirator approval functions includes contact information and information about factors likely to affect respirator performance and use. Such information includes, but is not necessarily limited to, respirator design, manufacturing methods and materials, quality assurance plans and procedures, and user instruction and draft labels, as specified in the regulation.

The main instrument for data collection for respirator approval functions is the Standard Application Form for the Approval of Respirators (SAF), currently Version 9. Respirator manufacturers are the respondents (estimated to average 120 each year over the years 2023–2025) and upon completion of the SAF their requests for approval are evaluated. A total of 375 applications were submitted in CY2025. To date, 293 applications have been submitted in CY2026. The decreased submission rate is due to the implementation of new workflows that has reduced the amount of denials and resubmission of work.

The applications are submitted, at will, and taking into account both historical conditions as well as the current situation, our prediction of the number of respondents each year between CY2022 and CY2025 is 140. A $200 fee is required for each application. Respondents requesting respirator approval or certain extensions of approval are required to submit additional fees for necessary testing and evaluation as specified in 42 CFR parts 84.20–22, 84.66, 84.258 and 84.1102. Applicants are required to provide test data that shows that the manufacturer is able to ensure that the respirator is capable of meeting the specified requirements in 42 CFR part 84. The requirement for submitted test data is likely to be satisfied by standard testing performed by the manufacturer, and is not required to follow the relevant NIOSH Standard Test Procedures. As additional testing is not required, providing proof that an adequate test has been performed is limited to providing existing paperwork.

The secondary instruments for data collection for respirator approval

functions are instruments used to collect data from human subjects who are serving as test fixture surrogates to perform tests while wearing the respirator being evaluated. Such instruments are completed by the human subject or test operator and are limited to specific information required for the test. Approvals under 42 CFR part 84 offer corroboration that approved respirators are produced to certain quality standards. Although 42 CFR part 84 Subpart E prescribes certain quality standards, it is not expected that requiring approved quality standards will impose an additional cost burden over similarly effective quality standards that are not approved under 42 CFR part 84.

Manufacturers with current approvals are subject to site audits by the Institute or its agents. Audits may occur periodically (typically every second year), or because of a reported issue. Approximately 50% of the sites are audited each year, each having a primary point of contact. It is estimated that the average number of site audits over the next three years will be 89. One additional form was added to the collection to assist with scheduling

CDC requests OMB approval for an additional three years of data collection. The estimated annual burden hours are 113,708.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)	Total burden (in hours)
Business or other for-profit	Standard Application Form for the Approval of Respirators.	120	4	229	109,920
Business or other for profit	Audit	89	2	16	2,848
Member of the general public	Human Participant-Consent	425	1	12/60	85
Member of the general public	Human Participant-Subject Payment Information.	425	1	24/60	170
Member of the general public	Human Participant-Questionnaire	425	1	12/60	85
Member of the general public	Human Participant-Information Sheet.	150	1	4	600
Total					113,708

Jeffrey M. Zirger,

Lead, Information Collection Review Office, Office of Public Health Ethics and Regulations, Office of Science, Centers for Disease Control and Prevention.

[FR Doc. 2026–20348 Filed 10–2–26; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[30Day–26–1422]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information collection request titled ''National Wastewater Surveillance System for Infectious Diseases to Inform Public Health Action'' to the Office of Management and budget (OMB) for review and approval. CDC previously published a ''Proposed Data Collection Submitted for Public Comment and Recommendations'' notice on February 24, 2026, to obtain comments from the public and affected agencies. CDC received 463 comments related to the previous notice. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) Evaluate 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) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(c) Enhance the quality, utility, and clarity of the information to be collected;

(d) Minimize the burden of the collection of information on those who are to respond, including, through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639–7570. Comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain*. Find this particular information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function. Direct written comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street NW, Washington, DC 20503 or by fax to (202) 395–5806. Provide written comments within 30 days of notice publication.

Proposed Project

National Wastewater Surveillance System for Infectious Diseases to Inform Public Health Action (OMB Control No. 0920–1422, Exp. 12/31/2026)—Revision—National Center for Emerging and Zoonotic Infectious Diseases (NCEZID), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The Rapid Response Research and Surveillance Branch (R3SB) in the Division of Infectious Disease Readiness and Innovation works to reduce disease burden through collaboration with an integrated network of public health partners to rapidly respond to infectious diseases of public health concern. The branch also leads nation-wide wastewater surveillance, an innovative public health tool to monitor infectious disease threats regardless of symptoms

and clinical testing. The National Wastewater Surveillance System (NWSS) was established in 2020 at CDC and continues to serve as a public health tool to provide wastewater surveillance for SARS-CoV–2. It has since expanded to include wastewater surveillance for emerging infectious diseases of public health concern such as Influenza, RSV, monkeypox virus, and measles, and is designed to permit the rapid addition or exchange of infectious disease targets for wastewater testing. This built-in flexibility will allow jurisdictions to adapt wastewater surveillance to changing public health needs, enable rapid responses to outbreaks or emergencies, and support broad capacity to detect future infectious disease threats. Wastewater surveillance data of infectious diseases have provided impactful information to local public health authorities to confirm trends observed in testing or hospitalization rates, and to assert the need for increased testing or healthcare resources. From local universities to statewide efforts, wastewater surveillance has provided data for early warning of disease outbreaks, with an approximate 4–6-day lead time relative to clinical surveillance. NWSS currently supports 64 US jurisdictions, including 50 states and the District of Columbia, six major cities, seven territories, six tribes, and two tribe-serving organizations to implement wastewater surveillance. Together with CDC-funded national-level wastewater testing, data submitted to NWSS covers approximately 142 million people, or about 42% of the US population. NWSS will continue to support state, tribal, local, and territorial (STLT) partners to collect wastewater data for rapid and effective public health action.

NWSS-One CDC Platform (1CDP) accepts data from US jurisdictional partners, allowing them to submit, view, and analyze wastewater detections and trends in near real time. These data may then be used at the state, tribal, local, and territorial level to communicate with the public or to inform public health decision makers. Wastewater surveillance can be especially impactful in underserved populations where clinical testing is limited, or health care seeking is reduced. Wastewater surveillance provides aggregated, anonymized data at the community level to indicate RSV and influenza infection trends, measles prevalence, and data on other infectious disease targets. This data collection could also help inform jurisdictions early about outbreaks leading to efficient resource allocation, providing health departments with additional, independent surveillance data to assess community-level infections.

The NWSS collects and analyzes community-level wastewater to detect and track respiratory viruses and other emerging infectious diseases, providing timely data to inform public health actions. Participating health departments, utilities, and laboratories (including private labs under CDC agreements) collect grab or composite influent samples at least weekly, ship samples and metadata to testing labs for RNA/DNA quantification and, when indicated, sequencing, and submit concentration data to 1CDP and sequence data to CDC's Advanced Molecular Detection (AMD) platform. Wastewater data serve as a pooled community signal—useful even when infections are asymptomatic or clinical testing is limited—and can estimate infection trends, provide early warning (*e.g.,* prior correlations with COVID–19 case increases), and guide interventions such as targeted outreach or provider alerts. The system covers U.S. communities (states, counties, cities, territories, and tribal areas) where sampling occurs, and results are analyzed using standardized metrics—such as a wastewater viral activity level for higher-prevalence pathogens and detection/frequency metrics for lower-prevalence pathogens—with visualization via dashboards, maps, and tables; sequenced samples are further examined for genetic variants.

CDC requests OMB approval for a continuation of the NWSS data collection for an additional three years. Modifications to the data collection package include and update on platform used to collect data from the Data Collation and Integration for Public Health Event Response (DCIPHER) to 1CDP, minor updates and removal of several attachments, and a reduction in the estimated burden that resulted from the NWSS no longer collecting case data. The total estimated annualized burden is 453,505 hours.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
State, tribal, local, territorial health departments.	Component 1 Forms: • Attachment_02_Component_1_NWSS_Data_Dictionary_v6.3.0_2026_05_19.xlsx. • Attachment_03_Component_1_Wastewater_Master_Reference_Guide_v4–2–2.xlsx. • Attachment 04_Component-1_BioSample_ww_template_v1.9_NWSS.xlsx. • Attachment 05-Component-1_SRA_ww_template_v5.8_nwss.xlsx. • Attachment-06_Component-1_NCBI_DCIPHER_Crosswalk_DataDictionary.csv_NEW.xlsx. • Attachment_07_Component_1_2_NWSS_DCIPHER_BulkUploadTool_screenshot_NEW.pdf. • Attachment_08_Component_1_NWSS_1CDP_Wastewater_Data_CSV_Template_v4_All_Fields_NEW.csv.	64	2,080	139/60
Private laboratory	Component 1 Forms: • Attachment_02_Component_1_NWSS_Data_Dictionary_v6.3.0_2026_05_19.xlsx.	1	Up to 62,400 (800 samples per week plus 400 sequenced samples per week is 62,400 annually).	139/60

ESTIMATED ANNUALIZED BURDEN HOURS—Continued

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
	• Attachment_03_Component_1_Wastewater_Master_Reference_Guide_v4–2–2.xlsx. • Attachment 04_Component-1_BioSample_ww_template_v1.9_NWSS.xlsx. • Attachment 05-Component-1_SRA_ww_template_v5.8_nwss.xlsx. • Attachment_06_Component_1_NCBI_DCIPHER_Crosswalk_DataDictionary_New.xlsx. • Attachment_07_Component_1_2_NWSS_DCIPHER_BulkUploadTool_screenshot_NEW.pdf. • Attachment_08_Component_1_NWSS_1CDP_Wastewater_Data_CSV_Template_v4_All_Fields_NEW.csv. • Attachment-10_Component-1_CDC_seq_manifest_data_dict.xlsx.			
State, tribal, local, territorial health departments and wastewater utilities.	Component 2 Forms: • Sewershed spatial files, no form required • Attachment_07_Component_1_2_NWSS_DCIPHER_BulkUploadTool_screenshot_NEW.pdf. • Attachment_09-Component-2_NWSS_DCIPHER_Sewershed_Name_Crosswalk_CSV_Upload_Template_NEW.xlsx.	213	1	155/60

Jeffrey M. Zirger,

Lead, Information Collection Review Office, Office of Public Health Ethics and Regulations, Office of Science, Centers for Disease Control and Prevention.

[FR Doc. 2026–20351 Filed 10–2–26; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[60Day–26–0286; Docket No. CDC–2026–1618]

Proposed Data Collection Submitted for Public Comment and Recommendations

AGENCY: Centers for Disease Control and Prevention (CDC), Department of Health and Human Services (HHS).

ACTION: Notice with comment period.

SUMMARY: The Centers for Disease Control and Prevention (CDC), as part of its continuing effort to reduce public burden and maximize the utility of government information, invites the general public and other federal agencies the opportunity to comment on a proposed information collection, as required by the Paperwork Reduction Act of 1995. This notice invites comment on a proposed information collection project titled Public Health Crisis Response (PHCR) Cooperative Agreement. The Public Health Crisis Response (PHCR) Cooperative Agreement provides rapid funding to help existing public health programs respond to major public health emergencies and crises.

DATES: CDC must receive written comments on or before December 4, 2026.

ADDRESSES: You may submit comments, identified by Docket No. CDC–2026–1618 by either of the following methods:

• *Federal eRulemaking Portal: www.regulations.gov.* Follow the instructions for submitting comments.

• *Mail:* Jeffrey M. Zirger, Information Collection Review Office, Centers for Disease Control and Prevention, 1600 Clifton Road NE, MS H21–8, Atlanta, Georgia 30329.

Instructions: All submissions received must include the agency name and Docket Number. CDC will post, without change, all relevant comments to *www.regulations.gov.*

Please note: Submit all comments through the Federal eRulemaking portal (*www.regulations.gov*) or by U.S. mail to the address listed above.

FOR FURTHER INFORMATION CONTACT: To request more information on the proposed project or to obtain a copy of the information collection plan and instruments, contact Jeffrey M. Zirger, Information Collection Review Office, Centers for Disease Control and Prevention, 1600 Clifton Road NE, MS H21–8, Atlanta, Georgia 30329; Telephone: 404–639–7570; Email: *omb@cdc.gov.*

SUPPLEMENTARY INFORMATION: Under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3520), federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. In addition, the PRA also requires federal agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each new proposed collection, each proposed extension of existing collection of information, and each reinstatement of previously approved information collection before submitting the collection to the OMB for approval. To comply with this requirement, we are publishing this notice of a proposed data collection as described below.

The OMB is particularly interested in comments that will help:

1. Evaluate 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;

2. Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

3. Enhance the quality, utility, and clarity of the information to be collected;

4. Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submissions of responses; and

5. Assess information collection costs.

Proposed Project

Public Health Crisis Response (PHCR) Cooperative Agreement—New—Office of Readiness and Response (ORR), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The Public Health Crisis Response (PHCR) Cooperative Agreement (CDC–RFA–TU–27–0020) is designed to strengthen the nation's ability to respond quickly to public health emergencies. It establishes a list of approved but unfunded (ABU) jurisdictions and organizations that may receive rapid funding when federal funds become available for a public health emergency or when CDC determines one is imminent. Congress must provide emergency appropriations to CDC, or a CDC program must have available funds to support a public health response that exceeds the resources of a jurisdiction or organization. When funding becomes available, CDC will notify eligible jurisdictions and organizations on the ABU list and provide instructions for requesting and receiving funds.

This cooperative agreement includes two funding components:

- Component A supports initial emergency response activities to begin emergency response activities, hire surge staff, activate Emergency Operations Centers (EOCs), and conduct a rapid assessment to identify response needs.
- Component B supports emergency-specific response activities.

Depending on the emergency and the availability of funds, CDC may award Component A, Component B, or both. Depending on the emergency and the availability of funds, CDC may award Component A, Component B, or both.

CDC proposes collecting information from eligible applicants on how they intend to implement the following strategies, if awarded:

Component A—Initial Emergency Response:

- Strategy 1—Legal and Administrative Readiness, Strategy 2—Incident Management, and Strategy 3—Information Management

Component B—Emergency Response Activities:

- Strategy 4—Countermeasures and Mitigation, Strategy 5—Surge Management and Strategy 6—Bio surveillance

If CDC activates this cooperative agreement, emergency revisions may be requested to this ICR, as needed. CDC will collect information through *Grants.gov*as part of the application for the Public Health Crisis Response (PHCR) Cooperative Agreement (CDC–RFA–TU–27–0020). CDC requests a three-year approval for this information collection request. The total estimated annualized burden for all data collection is estimated as 565 hours. There is no cost to the respondents other than their time.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondents	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)	Total burden (in hours)
PHCR Applicants	Strategies and Activities	113	1	5	565
Total					

Jeffrey M. Zirger,

Lead, Information Collection Review Office, Office of Public Health Ethics and Regulations, Office of Science, Centers for Disease Control and Prevention.

[FR Doc. 2026–20344 Filed 10–2–26; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[30Day–26–0728]

Agency Forms Undergoing Paperwork Reduction Act Review

In accordance with the Paperwork Reduction Act of 1995, the Centers for Disease Control and Prevention (CDC) has submitted the information collection request titled ''National Notifiable Diseases Surveillance System'' to the Office of Management and Budget (OMB) for review and approval. CDC previously published a ''Proposed Data Collection Submitted for Public Comment and Recommendations'' notice on April 7, 2026 to obtain comments from the public and affected agencies. CDC received five comments related to the previous notice. This notice serves to allow an additional 30 days for public and affected agency comments.

CDC will accept all comments for this proposed information collection project. The Office of Management and Budget is particularly interested in comments that:

(a) Evaluate 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) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(c) Enhance the quality, utility, and clarity of the information to be collected;

(d) Minimize the burden of the collection of information on those who are to respond, including, through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses; and

(e) Assess information collection costs.

To request additional information on the proposed project or to obtain a copy of the information collection plan and instruments, call (404) 639–7570. Comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain*. Find this particular

information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function. Direct written comments and/or suggestions regarding the items contained in this notice to the Attention: CDC Desk Officer, Office of Management and Budget, 725 17th Street NW, Washington, DC 20503 or by fax to (202) 395–5806. Provide written comments within 30 days of notice publication.

Proposed Project

National Notifiable Diseases Surveillance System (OMB Control No. 0920–0728, Exp. 11/30/2028)—Revision—Office of Public Health Data, Surveillance, and Technology (OPHDST), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

The Public Health Services Act (42 U.S.C. 241) authorizes CDC to disseminate nationally notifiable condition information. The National Notifiable Diseases Surveillance System (NNDSS) is based on data collected at the state, territorial and local levels because of legislation and regulations in those jurisdictions that require health care providers, medical laboratories, and other entities to submit health-related data on reportable conditions to public health departments. These reportable conditions, which include infectious and non-infectious diseases, vary by jurisdiction depending upon each jurisdiction's health priorities and needs. Each year, the Council of State and Territorial Epidemiologists (CSTE), supported by CDC, determines which reportable conditions should be designated nationally notifiable or under standardized surveillance.

CDC requests a three-year approval for a Revision for the NNDSS (OMB Control No. 0920–0728, Exp. 11/30/2028). This Revision includes requests for approval to: (1) receive case notification data for two new conditions under standardized surveillance (CSS): flea-borne typhus and soil-transmitted helminth infections; (2) receive new disease-specific data elements for leprosy (Hansen's disease); (3) receive additional data elements for all conditions; and (4) expand the respondent population to include up to 50 Tribal Nations that will voluntarily submit case notification data directly to CDC.

The NNDSS currently facilitates the submission and aggregation of case notification data voluntarily submitted to CDC from up to 110 jurisdictions: public health departments in every U.S. state, New York City, Washington, DC, five U.S. territories (American Samoa, the Commonwealth of Northern Mariana Islands, Guam, Puerto Rico, and the U.S. Virgin Islands), and three freely associated states (Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau), and up to 50 tribal nations. This information is shared across jurisdictional boundaries and both surveillance and prevention and control activities are coordinated at regional and national levels.

Approximately 90% of case notifications are encrypted and submitted to NNDSS electronically from already existing databases by automated electronic messages. When automated transmission is not possible, case notifications are faxed, emailed, uploaded to a secure network or entered into a secure website. All case notifications that are faxed or emailed are done so in the form of an aggregate weekly or annual report, not individual cases. The different mechanisms used to send case notifications to CDC vary by the jurisdiction and the disease or condition. Jurisdictions remove most personally identifiable information (PII) before data are submitted to CDC, but some data elements (*e.g.,* date of birth, date of diagnosis, county of residence) could potentially be combined with other information to identify individuals. Private information is not disclosed unless otherwise compelled by law. All data are treated in a secure manner consistent with the technical, administrative, and operational controls required by the Federal Information Security Management Act of 2002 (FISMA) and the 2010 National Institute of Standards and Technology (NIST) Recommended Security Controls for Federal Information Systems and Organizations. Weekly tables of provisional reports of nationally notifiable diseases are available through *https://stacks.cdc.gov* and *https://data.cdc.gov*. Annual summaries of finalized nationally notifiable disease data are published on CDC WONDER and *https://stacks.cdc.gov*. Disease-specific data are published by individual CDC programs.

The burden estimates include the number of hours that the public health department uses to process and send case notification data from their jurisdiction to CDC. Specifically, the burden estimates include separate burden hours incurred for automated and non-automated transmissions, separate weekly burden hours incurred for modernizing surveillance systems as part of CDC's Data Modernization Initiative (DMI) implementation, separate burden hours incurred for annual data reconciliation and submission, and separate one-time burden hours incurred for the addition of new diseases and data elements. The burden estimates for the one-time burden for reporting jurisdictions are for the addition of case notification data for Soil-Transmitted Helminth Infections and Flea-borne Typhus; new conditions under standardized surveillance; and the addition of new disease-specific data elements for Leprosy (Hansen's disease).

CDC requests OMB approval for an estimated annual burden of 33,471 hours for the 457 respondents is 33,471 hours. The increase reflects the addition of up to 50 Tribal Nations to the respondent population. There is no cost to respondents other than their time to participate.

ESTIMATED ANNUALIZED BURDEN HOURS

Type of respondent	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
States	Weekly (Automated)	50	52	20/60
States	Weekly (Non-automated)	10	52	2
States	Weekly (DMI Implementation)	50	52	4
States	Annual	50	1	75
States	One-time Addition of Diseases and Data Elements	50	1	2
Territories	Weekly (Automated)	5	52	20/60
Territories	Weekly, Quarterly (Non-automated)	5	56	20/60
Territories	Weekly (DMI Implementation)	5	52	4
Territories	Annual	5	1	5

ESTIMATED ANNUALIZED BURDEN HOURS—Continued

Type of respondent	Form name	Number of respondents	Number of responses per respondent	Average burden per response (in hours)
Territories	One-time Addition of Diseases and Data Elements	5	1	2
Freely Associated States	Weekly (Automated)	3	52	20/60
Freely Associated States	Weekly, Quarterly (Non-automated)	3	56	20/60
Freely Associated States	Annual	3	1	5
Freely Associated States	One-time Addition of Diseases and Data Elements	3	1	2
Cities	Weekly (Automated)	2	52	20/60
Cities	Weekly (Non-automated)	2	52	2
Cities	Weekly (DMI Implementation)	2	52	4
Cities	Annual	2	1	75
Cities	One-time Addition of Diseases and Data Elements	2	1	2
Tribal Nations	Weekly (Automated)	50	52	20/60
Tribal Nations	Weekly (DMI Implementation)	50	52	4
Tribal Nations	Annual	50	1	75
Tribal Nations	One-time Addition of Diseases and Data Elements	50	1	2

Jeffrey M. Zirger,

Lead, Information Collection Review Office, Office of Public Health Ethics and Regulations, Office of Science, Centers for Disease Control and Prevention.

[FR Doc. 2026–20346 Filed 10–2–26; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[Document Identifier: CMS–10203]

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Centers for Medicare & Medicaid Services, Health and Human Services (HHS).

ACTION: Notice.

SUMMARY: The Centers for Medicare & Medicaid Services (CMS) is announcing an opportunity for the public to comment on CMS' intention to collect information from the public. Under the Paperwork Reduction Act of 1995 (PRA), federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information (including each proposed extension or reinstatement of an existing collection of information) and to allow 60 days for public comment on the proposed action. Interested persons are invited to send comments regarding our burden estimates or any other aspect of this collection of information, including the necessity and utility of the proposed information collection for the proper performance of the agency's functions, the accuracy of the estimated burden, ways to enhance the quality, utility, and clarity of the information to be collected, and the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

DATES: Comments must be received by December 4, 2026.

ADDRESSES: When commenting, please reference the document identifier or OMB control number. To be assured consideration, comments and recommendations must be submitted in any one of the following ways:

1. *Electronically.* You may send your comments electronically to *http://www.regulations.gov.* Follow the instructions for ''Comment or Submission'' or ''More Search Options'' to find the information collection document(s) that are accepting comments.

2. *By regular mail.* You may mail written comments to the following address: CMS, Office of Strategic Operations and Regulatory Affairs, Division of Regulations Development, Attention: Document Identifier: _____ OMB Control Number: ____, Room C4–26–05, 7500 Security Boulevard, Baltimore, Maryland 21244–1850.

To obtain copies of a supporting statement and any related forms for the proposed collection(s) summarized in this notice, please access the CMS PRA website by copying and pasting the following web address into your web browser: *https://www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing.*

FOR FURTHER INFORMATION CONTACT: William N. Parham at (410) 786–4669.

SUPPLEMENTARY INFORMATION:

Contents

This notice sets out a summary of the use and burden associated with the following information collections. More detailed information can be found in each collection's supporting statement and associated materials (see **ADDRESSES**).

Under the PRA (44 U.S.C. 3501–3520), federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. The term ''collection of information'' is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA requires federal agencies to publish a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension or reinstatement of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, CMS is publishing this notice.

Information Collections

1. *Type of Information Collection Request:* Revision of a currently approved collection; *Title of Information Collection:* Medicare Health Outcomes Survey; *Use:* The HOS is a longitudinal patient-reported outcome measure (PROM) that assesses self-reported beneficiary quality of life and daily functioning. As a PROM, the HOS measures the impact of services provided by MA health plans, whereas process and patient experience measures only provide a snapshot of activities or experiences at a specific point in time. PROM data collected by the HOS allow CMS to continue to assess the health of the MA population.

The HOS meets the requirements for collecting and publicly reporting quality

and performance indicators as required by the Balanced Budget Act of 1997, which established a new Part C of the Medicare program, then known as the Medicare+Choice (M+C) program, and mandated collection of Medicare+Choice and PACE quality and performance indicators and the provision of this information to beneficiaries; *Form Number:* CMS–10203 (OMB control number: 0938–0701); *Frequency:* Yearly; *Affected Public:* Individuals and Households; *Number of Respondents:* 1,275; *Total Annual Responses:* 601,425; *Total Annual Hours:* 192,456. (For policy questions regarding this collection contact Alyssa Rosen at 410–786–8559.)

William N. Parham, III,

Director, Division of Information Collections and Regulatory Impacts, Office of Strategic Operations and Regulatory Affairs.

[FR Doc. 2026–20364 Filed 10–2–26; 8:45 am]

BILLING CODE 4169–69–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–5547–CN]

Medicare Program; Alternative Payment Model (APM) Incentive Payment Advisory for Clinicians—Request for Current Billing Information for Qualifying APM Participants; Correction

AGENCY: Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services (HHS).

ACTION: Payment advisory; correction.

SUMMARY: This document corrects a technical error in the payment advisory that appeared in the August 13, 2026, **Federal Register** titled ''Medicare Program; Alternative Payment Model (APM) Incentive Payment Advisory for Clinicians—Request for Current Billing Information for Qualifying APM Participants''.

DATES: *Applicability Date:* This correcting document is applicable August 13, 2026.

FOR FURTHER INFORMATION CONTACT: Tanya Dorm, (667) 290–9530.

SUPPLEMENTARY INFORMATION:

I. Background

In FR Doc. 2026–16472 of August 13, 2026, entitled '' Medicare Program; Alternative Payment Model (APM) Incentive Payment Advisory for Clinicians-Request for Current Billing Information for Qualifying APM Participants'' (91 FR 52305), there was a technical error that is identified and corrected in this correcting document.

II. Summary of Errors

On page 52305, we inadvertently did not provide a hyperlink corresponding to the web address where relevant QPs who anticipated receiving an APM Inventive Payment but have not received a payment, may provide CMS with updated Medicare billing information.''

III. Correction of Errors

In FR Doc. 2026–16472 of August 13, 2026, (91 FR 52305), make the following correction:

1. On page 52305, second column, third full paragraph, lines 10 and 11, remove the phrase ''2026 QP Notice for APM Incentive'' and add in its place ''*https://d2g5m5leph8kam.cloudfront.net/s3fs/s3fs-public/2026-08/2026-qp-notice-for-apm-incentive-payment.zip?VersionId=EfxfCWv.NH0e9Nd59vkJe6AGs8qa8bsK*''.

The Director of the Office of Strategic Operations and Regulatory Affairs of the Centers for Medicare & Medicaid Services (CMS), Kathleen Cantwell, having reviewed and approved this document, authorizes Chyana Woodyard, who is the Federal Register Liaison, to electronically sign this document for purposes of publication in the **Federal Register**.

Chyana Woodyard,

Federal Register Liaison, Department of Health and Human Services.

[FR Doc. 2026–20334 Filed 10–2–26; 8:45 am]

BILLING CODE 4169–69–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[Document Identifier: CMS–10722 and CMS–10008]

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Centers for Medicare & Medicaid Services, Health and Human Services (HHS).

ACTION: Notice.

SUMMARY: The Centers for Medicare & Medicaid Services (CMS) is announcing an opportunity for the public to comment on CMS' intention to collect information from the public. Under the Paperwork Reduction Act of 1995 (PRA), federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information (including each proposed extension or reinstatement of an existing collection of information) and to allow 60 days for public comment on the proposed action. Interested persons are invited to send comments regarding our burden estimates or any other aspect of this collection of information, including the necessity and utility of the proposed information collection for the proper performance of the agency's functions, the accuracy of the estimated burden, ways to enhance the quality, utility, and clarity of the information to be collected, and the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

DATES: Comments must be received by December 4, 2026.

ADDRESSES: When commenting, please reference the document identifier or OMB control number. To be assured consideration, comments and recommendations must be submitted in any one of the following ways:

1. *Electronically.* You may send your comments electronically to *http://www.regulations.gov.* Follow the instructions for ''Comment or Submission'' or ''More Search Options'' to find the information collection document(s) that are accepting comments.

2. *By regular mail.* You may mail written comments to the following address: CMS, Office of Strategic Operations and Regulatory Affairs, Division of Regulations Development, Attention: Document Identifier: __/OMB Control Number: __, Room C4–26–05, 7500 Security Boulevard, Baltimore, Maryland 21244–1850.

To obtain copies of a supporting statement and any related forms for the proposed collection(s) summarized in this notice, please access the CMS PRA website by copying and pasting the following web address into your web browser: *https://www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing.*

FOR FURTHER INFORMATION CONTACT: William N. Parham at (410) 786–4669.

SUPPLEMENTARY INFORMATION:

Contents

This notice sets out a summary of the use and burden associated with the following information collections. More detailed information can be found in each collection's supporting statement and associated materials (see **ADDRESSES**).

Under the PRA (44 U.S.C. 3501–3520), federal agencies must obtain

approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. The term ''collection of information'' is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA requires federal agencies to publish a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension or reinstatement of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, CMS is publishing this notice.

Information Collections

1. *Type of Information Collection Request:* Revision of a currently approved collection; *Title of Information Collection:* Annual State Report on CMS Value Based Purchasing Arrangements (VBP) Supplemental Rebate Agreements; *Use:* The reported data is being collected to safeguard against unnecessary utilization of such care and services and to assure that state payments to providers of Medicaid services are consistent with efficiency, economy, and quality of care. CMS will collect this data to ensure that VBP programs adopted by states continue to meet these standards. The revisions would add Puerto Rico and revise the annual report; *Form Number:* CMS–10722 (OMB control number: 0938–1385); *Frequency:* Yearly; *Affected Public:* State, Local, or Tribal Governments; *Number of Respondents:* 52; *Total Annual Responses:* 52; *Total Annual Hours:* 312. (For policy questions regarding this collection contact Whitney Swears at 410–786–6543.)

2. *Type of Information Collection Request:* Revision of a currently approved collection; *Title of Information Collection:* Transitional Pass through payments related to Drugs, Biologicals, and Radiopharmaceuticals to determine eligibility under the Outpatient Prospective Payment System; *Use:* Section 1833(t)(6)(D)(i) of the Act sets the payment rate for pass-through eligible drugs and biologicals (assuming that no pro rata reduction in pass-through payment is necessary) as the amount determined under section 1842(o) of the Act. Section 303(c) of Public Law 108–173 amended Title XVIII of the Act by adding new section 1847A. This new section establishes the use of the average sales price (ASP) methodology for payment for drugs and biologicals described in section 1842(o)(1)(C) of the Act furnished on or after January 1, 2005. Therefore, as we stated in the November 15, 2004 **Federal Register** (69 FR 65776), in CY 2005, we will pay under the OPPS for drugs, biologicals and radiopharmaceuticals with pass-through status consistent with the provisions of section 1842(o) of the Act as amended by Public Law 108–173 at a rate that is equivalent to the payment these drugs and biologicals will receive in the physician office setting, and established in accordance with the methodology described in the CY 2005 Physician Fee Schedule final rule.

Interested parties such as hospitals, pharmaceutical companies, and physicians will apply for transitional pass-through payment for drugs, biologicals, and radiopharmaceuticals used with services covered under the hospital OPPS. After we receive all requested information, we will evaluate the information to determine if the criteria for making a transitional pass-through payment are met and if an interim healthcare common procedure coding system (HCPCS) code for a new drug, biological, or radiopharmaceutical is necessary. We will advise the applicant of our decision and update the hospital OPPS during its next scheduled quarterly update to reflect any newly approved drug, biological, or radiopharmaceutical. Based on experience gained in processing transitional pass-through and new technology applications, we have reworded some of the statements for clarity and have more clearly requested information in a format that will allow us to determine if the drug, biological, or radiopharmaceutical meets the cost significance test, as well as to estimate the associated pass-through payment amount. In addition, we have also eliminated the requirement for applicants to obtain a national Level II HCPCS code prior to seeking transitional pass-through payment eligibility or provide us with a copy of their application for a national HCPCS code, as we originally required in the April 7, 2000, final rule.

Form Number: CMS–10008 (OMB control number: 0938–0802); *Frequency:* Once; *Affected Public:* Private Sector, Business or other for-profit and Not-for-profit institutions; *Number of Respondents:* 40; *Total Annual Responses:* 40; *Total Annual Hours:* 640. (For policy questions regarding this collection contact Kelcymarie Kelly at 667–290–8463).

William N. Parham, III,

Director, Division of Information Collections and Regulatory Impacts, Office of Strategic Operations and Regulatory Affairs.

[FR Doc. 2026–20352 Filed 10–2–26; 8:45 am]

BILLING CODE 4169–69–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

[Office of Management and Budget #: 0970–0421]

Submission for Office of Management and Budget Review; Federal Case Registry

AGENCY: Office of Child Support Enforcement, Administration for Children and Families, U.S. Department of Health and Human Services.

ACTION: Request for public comments.

SUMMARY: The Office of Child Support Enforcement (OCSE), Administration for Children and Families (ACF), is requesting a three-year extension of the Federal Case Registry (FCR) (Office of Management and Budget (OMB) # 0970–0421, expiration November 30, 2026) There are no changes requested to the FGR.

DATES: *Comments due November 4, 2026.*

ADDRESSES: The public may view and comment on this information collection request at: *https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202610-0970-001.* You can also obtain copies of the proposed collection of information by emailing *InfoCollection@acf.hhs.gov.* Identify all emailed requests by the title of the information collection.

SUPPLEMENTARY INFORMATION:

Description: The FCR is a national database of information pertaining to child support cases processed by state child support agencies, referred to as IV–D cases, and non-IV–D support orders privately established or modified by courts or tribunals on or after October 1, 1998. FCR information is comprised of child support orders and case information from each State Case Registry (SCR). The FCR automatically compares new SCR submissions to existing FCR information and to wage and employment information in the National Directory of New Hires. The Federal Parent Locator Service notifies state agencies if a IV–D case participant in the state matches a participant in a

IV–D or non-IV–D case in another state and supplies any matched wage and employment information. Matches enable state agencies to locate parties that live in different states; establish, modify, or enforce child support obligations; establish paternity; enforce state law regarding parental kidnapping; and establish or enforce child custody or visitation determinations. There are no proposed changes to the FCR instrument, Appendix G: Input Transactions Layout.

Respondents: State and territory child support enforcement agencies.

Annual Burden Estimates: Burden estimates have been adjusted to reflect the average number of FCR batches submitted by each state in the most recent calendar year (CY 2025). The total number of annual batch submissions from states has declined since the FCR was last reviewed and approved by OMB.

Instrument	Total number of respondents	Annual number of responses per respondent	Average burden hours per response	Annual burden hours
Appendix G: Input Transactions Layout	54	390	0.0333	701

Authority: 42 U.S.C. 653(h); 42 U.S.C. 654a(e); 42 U.S.C. 654a(f)(1).

Samantha L. Illangasekare,

ACF/OPRE Certifying Officer.

[FR Doc. 2026–20363 Filed 10–2–26; 8:45 am]

BILLING CODE 4184–41–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

[Office of Management and Budget #: 0970–0509]

Submission for Office of Management and Budget Review; Mental Health Assessment Form and Onsite Health Intervention Form

AGENCY: Office of Refugee Resettlement, Administration for Children and Families, U.S. Department of Health and Human Services.

ACTION: Request for public comments.

SUMMARY: The Administration for Children and Families (ACF) Office of Refugee Resettlement (ORR) is requesting a 3-year extension with changes of the Mental Health Assessment Form and Onsite Health Intervention Form (formerly Public Health Investigation Form: Non-TB Illness, and Public Health Investigation Form: Active TB, OMB #0970–0509, expiration 9/30/2026). Proposed revisions include merging two forms (Public Health Investigation Forms, Active TB and Non-TB Illness) into the single Onsite Health Intervention (OHI) Form. The proposed restructuring and revisions will improve transparency, lessen burden, improve data quality, and ensure alignment with ORR requirements. In addition, to ensure continuity of care, the request has been revised to include the sharing of health information with the Department of Homeland Security (DHS) in specific circumstances.

DATES: *Comments due* November 4, 2026.

ADDRESSES: The public may view and comment on this information collection request at: *https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202609-0970-009.* You can also obtain copies of the proposed collection of information by emailing *infocollection@acf.hhs.gov.* Identify all emailed requests by the title of the information collection.

SUPPLEMENTARY INFORMATION:

Description: Unaccompanied alien children in ORR custody are placed in care provider programs until unification with a qualified sponsor. Care providers ensure children receive a range of services including routine and emergency medical, dental, and mental health care. Care provider staff are expected to implement all recommended treatment plans (*e.g.,* referrals to specialists, medication administration, accommodation for physical or mental impairments that impact daily living activities) as directed by the evaluating healthcare provider. Care provider staff are also expected to respond to reported or observed non-emergency healthcare concerns (including exposures to specific reportable communicable illnesses) through triage with a licensed healthcare professional or administration of over-the-counter medications as indicated by the child's primary healthcare provider's standing orders. If a child with a health condition that requires daily management or accommodation (*e.g.,* medication, durable medical equipment) is identified for repatriation by DHS, relevant information from their established treatment plan must be shared with DHS to ensure continuity of care. See ''Proposed Changes'' for more information.

Data from scheduled mental health assessments and onsite health interventions is captured through the following forms under OMB# 0970–0509:

- Mental Health Assessment Form
- Onsite Health Intervention Form (Formerly, Public Health Investigation Form: Active TB, and Public Health Investigation Form: Non-TB Illness)

The Mental Health Assessment Form (MHAF) has a corresponding instructional ''Dear Colleague'' letter that healthcare providers are expected to read at the initial visit with the child. The forms are used as worksheets by healthcare providers and care provider staff to compile information that would otherwise have been collected during the health assessment or onsite health intervention. Once completed, care provider staff transcribe the information from the form into ORR's secure, electronic system of record. Although the MHAF is not completed during emergency or urgent care visits, hospitalizations, or admissions to an out-of-network facility (*e.g.,* residential treatment center), care providers are required to complete the respective form in ORR's electronic system of record by extracting relevant data from health records.

Data is used by ORR to monitor and support the health of unaccompanied alien children while in care, for case management of identified illnesses/conditions, and to ensure care provider compliance with ORR requirements. Finally, ORR has updated the stated uses of data sharing to include providing relevant health information to DHS when a child with healthcare needs is identified by DHS for repatriation.

Proposed Changes

ORR is proposing updates to streamline and strengthen health documentation by combining the two Public Health Investigation Forms into a single expanded Onsite Health Intervention Form that would cover quarantine for communicable disease exposure, triage with a licensed healthcare professional, and medication-related standing orders. The MHAF would also be revised to:

- *reduce duplicate documentation* by removing the History section requirement for follow-up mental health visits,
- *improve compliance and care tracking* by strengthening the disabilities and accommodations field and adding a field for all ordered or completed labs and imaging, and
- *improve data quality* through clearer instructions by visit type, standardizing options for findings outside of normal limits for the mental status exam, expanding the types of substances that may have been used by the child, adding a healthcare provider acknowledgement and signature section authorizing record sharing with ORR, replacing fixed diagnosis choices with free-text fields, and broadening field reformatting.

The related Dear Colleague Letter would also be updated to reflect these MHAF changes.

In addition, language was updated to expand the purposes of data to include sharing relevant health data captured on the MHAF with DHS when a child in ORR custody has healthcare needs and is identified by DHS for repatriation. Shared information includes:

- Child's identifying information (name, alien number, date of birth)
- Active diagnoses or concerns that require management
- Allergies
- Current medications and dosages
- Isolation/Quarantine requirements
- Health-related accommodations (including durable medical equipment needs)
- Health-related travel restrictions

The purpose of sharing this data is to ensure children receive healthcare services and accommodation as recommended by their treating healthcare providers.

Respondents: Mental health professionals (psychiatrists, psychiatric nurse practitioners and physician assistants, licensed psychologists, social workers, and any other community-based licensed mental health provider) and care provider staff.

Annual Burden Estimates

The overall annual burden of response and recordkeeping time decreased by 46.1 and 55.1 percent, respectively.

The decrease is attributed to a significantly lower census of unaccompanied alien children in ORR care which reduced the number of respondents and responses per respondent. In addition, the average burden hours per response decreased for each form because unnecessary fields were removed and skip patterns were introduced for fields that are only needed for specific types of visits.

ESTIMATED RESPONSE TIME FOR RESPONDENTS

Instrument	Respondent	Total number of respondents	Annual number of responses per respondent	Average burden hours per response	Annual burden hours
Mental Health Assessment Form	Mental health professionals	250	9.8	0.13	318.5
Onsite Health Intervention Form	Care Provider Staff	150	321.6	0.09	4,341.6
Estimated Total Annual Burden Hours					4,660.1

ESTIMATED RECORDKEEPING TIME

Instrument	Respondent	Total number of respondents	Annual number of responses per respondent	Average burden hours per response	Annual burden hours
Mental Health Assessment Form completed by a mental health professional.	Care Provider Staff	150	16.4	0.17	418.2
Mental Health Assessment Form not completed by a mental health professional(information obtained via health records).		150	4.4	0.21	138.6
Onsite Health Intervention Form		150	321.6	0.07	3,376.8
Estimated Total Annual Burden Hours.					3,933.6

Authority: These information collections are related to and funded by the ORR Unaccompanied Alien Children Bureau (UACB), are authorized by the statutes and regulations listed below, and are being conducted by ORR UACB.

- *Homeland Security Act (HSA), 6 U.S.C. 279*—Transferred responsibilities for the care and placement of unaccompanied alien children from the Commissioner of the former Immigration and Naturalization Service to the Director of ORR.
- *Unaccompanied Children Program Foundational Rule, 45 CFR part 410*—Establishes a uniform set of standards and procedures concerning the placement, care, and services provided to unaccompanied alien children in ORR care that is consistent with ORR's statutory duties. § 410.1306(g) and 410.1307 require care provider programs to ensure children are provided with routine and emergency healthcare services while in care.
- *Lucas R. et al* v. *Becerra et al(Case No. 2:18–CV–05741 DMG PLA) Psychotropic Medication Settlement Agreement*—Establishes standards for

monitoring the administration of psychotropic medication to children in ORR custody and care.

Samantha L. Illangasekare,

ACF/OPRE Certifying Officer.

[FR Doc. 2026–20314 Filed 10–2–26; 8:45 am]

BILLING CODE 4184–45–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Advisory Council on Alzheimer's Research, Care, and Services; Meeting

AGENCY: Assistant Secretary for Planning and Evaluation, HHS.

ACTION: Notice of meeting.

SUMMARY: This notice announces the public meeting of the Advisory Council on Alzheimer's Research, Care, and Services (Advisory Council) and the U.S. Department of Health and Human Services Alzheimer's Disease and Related Dementias Summit. The Advisory Council provides advice on how to prevent or reduce the burden of Alzheimer's disease and related dementias on people living with the disease and their caregivers. During the Summit, attendees will hear updates on the coordinated national response to Alzheimer's disease and related dementias, including panel presentations on care, services, and supports, as well as research, innovation, and prevention. During the fourth and final Advisory Council meeting of 2026, the Advisory Council will hear from a panel organized by the clinical care subcommittee, receive budget updates from the National Institutes of Health, and hear a presentation on innovation in Alzheimer's disease interventions using focused ultrasound technology.

DATES: The events will be held on Monday, October 19, 2026. The Summit will take place from 9:30 a.m. to noon ET and the Advisory Council meeting will be held from 1:00 to 5:00 p.m. ET.

ADDRESSES: The Summit will be held in person, and the Advisory Council meeting will be a hybrid of in-person and virtual. Both events will be held in the Great Hall of the Hubert H. Humphrey Building, 200 Independence Avenue SW, Washington, DC 20201. They will also stream live at *www.hhs.gov/live.*

FOR FURTHER INFORMATION CONTACT: Maria-Theresa Okafor, 771–223–7102, *maria-theresa.okafor@hhs.gov.*

SUPPLEMENTARY INFORMATION: Notice of these meetings is given under the Federal Advisory Committee Act (5 U.S.C. App. 2, section 10(a)(1) and (a)(2)). Topics of the Meeting: Alzheimer's disease and related dementias, department initiatives, clinical care, and innovation.

Procedure and Agenda: The events will be webcast at *www.hhs.gov/live* and video recordings will be added to the National Alzheimer's Project Act website [1] when available after the meeting. These events are open to the public.

Public Attendance and Registration: To register for the Summit, the Advisory Council meeting, or both, please complete the registration form by Monday, October 12: *https://forms.cloud.microsoft/g/QLYF2dvykW.* In-person seating for members of the public is limited and will be available on a first-come, first-served basis. Submitting the registration form does not reserve or guarantee a seat. The names of expected in-person attendees will be provided to HHS security. Any interested member of the public who is a non-U.S. citizen should include this information on the registration form to ensure that the appropriate security procedure to gain entry to the building is carried out. Although the meeting is open to the public, procedures governing security and entrance to Federal buildings may change without notice. If you wish to make a public comment, you must indicate on your registration form. Please note that individuals entering HHS owned, leased, or operated facilities must present a REAL ID compliant credential or another federally approved form of identification. Below is the list of acceptable forms of ID.

- State-issued Enhanced Driver's License
- U.S. passport [2]
- U.S. passport card [3]
- DHS trusted traveler cards (Global Entry, NEXUS, SENTRI, FAST)
- U.S. Department of Defense ID, including IDs issued to dependents
- Permanent resident card
- Border crossing card
- ≤• An acceptable photo ID issued by a federally recognized [4] Tribal Nation/Indian Tribe, including Enhanced Tribal Cards (ETCs)
- HSPD–12 PIV card
- Foreign government-issued passport
- Canadian provincial driver's license or Indian and Northern Affairs Canada card
- Transportation worker identification credential
- U.S. Citizenship and Immigration Services Employment Authorization Card (I–766)
- U.S. Merchant Mariner Credential
- Veteran Health Identification Card (VHIC)

Comments: Time will be allocated on the agenda to hear public comments from 3:30 p.m. to 3:55 p.m. Oral comments will be limited to two (2) minutes per individual. Individuals who wish to provide an oral public comment must register using the registration form no later than Monday, October 12: *https://forms.cloud.microsoft/g/QLYF2dvykW.*

Registered commenters participating virtually will receive a meeting link and dial-in number and may use either option to join the meeting. Individuals may also request that NAPA staff read their comments during the public comment session. To make this request, please select the applicable response on the registration form and email the comment to *napa@hhs.gov* with the subject line ''October 19 Public Comments Reading Request.'' Comments to be read by NAPA staff must be received by Monday, October 12. *Note:* There may be a 30–45 second delay in the livestream video presentation of the meeting. For this reason, if you have pre-registered to submit a public comment, it is important to connect to the meeting by 2:55 p.m., to ensure that you do not miss your name and allotted time when called. If you miss your name and allotted time to speak, you may not be able to make your public comment. All participant audio lines will be muted for the duration of the meeting and only unmuted by the Host at the time of the participant's public comment. Should you have questions during the meeting, email *napa@hhs.gov* and someone will respond to your message as quickly as possible. To ensure accuracy, please submit a written copy of oral comments for the record by emailing *napa@hhs.gov* by Wednesday, October 21, 2026. Please attach the comments as a Microsoft Word (.docx) file so they can be compiled for publication. You may also attach a PDF copy for reference, but a Word version is required. These comments will be shared on the website and reflected in the meeting summary.

- In lieu of oral comments, formal written comments may be submitted for the record by emailing them to *napa@hhs.gov* or mailing them to Maria-

[1] *https://aspe.hhs.gov/collaborations-committees-advisory-groups/napa.*

[2] *https://travel.state.gov/content/travel/en/passports.html.*

[3] *https://travel.state.gov/content/travel/en/passports/need-passport/card.html.*

[4] *https://www.federalregister.gov/documents/2021/01/29/2021-01606/indian-entities-recognized-by-and-eligible-to-receive-services-from-the-united-states-bureau-of.*

Theresa Okafor, Ph.D., MCG, Designated Federal Officer, OASPE, 200 Independence Avenue SW, Room 438F.7, Washington, DC 20201 by Wednesday, October 21, 2026. Those submitting written comments should identify themselves and any relevant organizational affiliations.

Authority: 42 U.S.C. 11225; Section 2(e)(3) of the National Alzheimer's Project Act. The panel is governed by provisions of Public Law 92–463, as amended (5 U.S.C. Appendix 2), which sets forth standards for the formation and use of advisory committees.

Cynthia L. Goss,

Deputy Assistant Secretary for Planning and Evaluation (Health Policy), Performing the Delegable Duties of the Assistant Secretary for Planning and Evaluation.

[FR Doc. 2026–20385 Filed 10–2–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meetings

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Training and Career Development in Basic and Integrative Biological Sciences.
Date: October 28–29, 2026.
Time: 10:00 a.m. to 6:00 p.m.
Agenda: To review and evaluate grant applications.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Priya Srinivasan, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (240) 276–6459, *priya.srinivasan@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Neuropathophysiology of Addictive Substances.
Date: October 28–29, 2026.
Time: 10:00 a.m. to 9:00 p.m.
Agenda: To review and evaluate grant applications.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Eileen Marie Moore, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–8928, *eileen.moore@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Training: Institutional Research Grant.
Date: October 28, 2026.
Time: 10:00 a.m. to 6:00 p.m.
Agenda: To review and evaluate grant applications.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Srihari Seshadri, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Dr., Bethesda, MD 20817, (301) 594–4738, *srihari.seshadri@nih.gov.*

Name of Committee: Oncology 1—Basic Translational Integrated Review Group; Biochemical and Cellular Oncogenesis Study Section.
Date: October 28–29, 2026.
Time: 10:00 a.m. to 6:00 p.m.
Agenda: To review and evaluate grant applications.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Jian Cao, M.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 827–5902, *caojn@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Training: Career Development.
Date: October 28–29, 2026.
Time: 11:00 a.m. to 6:00 p.m.
Agenda: To review and evaluate grant applications.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Delia Tang, M.D., Scientific Review Officer, Center for Scientific Review, National Institute of Health, 6701 Rockledge Drive Bethesda, MD 20892, (240) 276–6456, *tangd@mail.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Biology Of Complex Brain Disorders.
Date: October 29–30, 2026.
Time: 9:00 a.m. to 6:00 p.m.
Agenda: To review and evaluate grant applications.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Adem Can, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4190, MSC 7850, Bethesda, MD 20892, (301) 451–7863, *cana2@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Collaborative International Research in Health Promotion and Interventions.
Date: October 29, 2026.
Time: 9:00 a.m. to 6:00 p.m.
Agenda: To review and evaluate grant applications.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Xinli Nan, M.D., Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–7784, *Xinli.Nan@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Health and Medical Technologies for Clinical Decision Making.
Date: October 29, 2026.
Time: 9:00 a.m. to 7:00 p.m.
Agenda: To review and evaluate grant applications.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Siddhartha Shankar Roy, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (706) 373–3901, *royss@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; RFA–DA–26–056: Accelerating the Pace of Substance Use Research Using Existing Data (R21).
Date: October 29, 2026.
Time: 9:00 a.m. to 6:00 p.m.
Agenda: To review and evaluate grant applications.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Magnus A. Azuine, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 435–7579, *magnus.azuine@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Skeletal Connective Tissue Biology (SCTB).
Date: October 29–30, 2026.
Time: 9:00 a.m. to 5:00 p.m.
Agenda: To review and evaluate grant applications.
Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.
Meeting Format: Virtual Meeting.
Contact Person: Kan Ma, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 451–4838, *mak2@mail.nih.gov.*

Name of Committee: Aging and Neurodegeneration Integrated Review Group;

Cognitive Disorders and Brain Aging Study Section.

Date: October 29–30, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Simone Chebabo Weiner, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 1011K Bethesda, MD 20892, (301) 435–1042 *weinersc@csr.nih.gov.*

Name of Committee: Infectious Diseases and Immunology B Integrated Review Group; Bacterial-Host Interactions Study Section.

Date: October 29–30, 2026.

Time: 9:00 a.m. to 8:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Uma Basavanna, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 827–1398. *uma.basavanna@nih.gov.*

Name of Committee: Vascular and Hematology Integrated Review Group; Basic Biology of Blood, Heart and Vasculature Study Section.

Date: October 29–30, 2026.

Time: 9:00 a.m. to 7:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Aisha Lanette Walker, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–3527 *aisha.walker@nih.gov.*

Name of Committee: Brain Disorders and Clinical Neuroscience Integrated Review Group; Clinical Neuroimmunology and Brain Tumors Study Section.

Date: October 29–30, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Dario Dieguez, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 827–3101 *dario.dieguez@nih.gov.*

Name of Committee: Cardiovascular and Respiratory Sciences Integrated Review Group; Pulmonary Injury, Repair, and Remodeling Study Section.

Date: October 29–30, 2026.

Time: 9:00 a.m. to 9:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Ghenima Dirami, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 804–G Bethesda, MD 20892, (240) 498–7546, *diramig@csr.nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393–93.396, 93.837–93.844, 93.846–93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: September 30, 2026.

Kuleni D. Onnen,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–20366 Filed 10–2–26; 8:45 am]

BILLING CODE 4167–05–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Amended Notice of Meeting

Notice is hereby given of a change in the meeting of the Biodata Management and Analysis Study Section, October 15, 2026, 09:00 a.m. to October 16, 2026, 06:30 p.m., National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892, which was published in the **Federal Register** on August 27, 2026, 91 FR 55350 FR Doc. No: 2026–17452.

This meeting is being amended to change the meeting from a two-day to a one-day meeting on October 15, 2026. The meeting is closed to the public.

Dated: September 30, 2026.

Kuleni D. Onnen,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–20370 Filed 10–2–26; 8:45 am]

BILLING CODE 4167–05–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center For Scientific Review; Notice of Closed Meetings

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Biological Chemistry and Macromolecular Biophysics Integrated Review Group; Macromolecular Structure and Function C Study Section.

Date: October 29–30, 2026.

Time: 9:30 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Guillermo Andres Bermejo, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 827–5742, *bermejog@mail.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; RFA–OD–24–011: NIH Research Software Engineer (RSE) Award (R50).

Date: October 29, 2026.

Time: 9:30 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Klaus B. Piontek, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (240) 276–5413, *klaus.piontek@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Psychopathology, Addictions, Sleep, and Eating Disorders.

Date: October 29, 2026.

Time: 9:30 a.m. to 9:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Mamatha Garige, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Dr., Bethesda, MD 20892, (301) 443–1706, *mamatha.garige@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR Panel: Neuroimmune Cross-Talk (NICT).

Date: October 29–30, 2026.

Time: 9:30 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Mariam Zaka, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 1009J, Bethesda, MD 20892, (301) 594–2661, *zakam2@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Mentored Training and Career Development: Molecular Genetics and Genomics.

Date: October 29, 2026.

Time: 10:00 a.m. to 4:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Maryam Rohani, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 451–0987, *maryam.rohani@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; RFA–HL–27–002: Cardiothoracic Surgical Trials Network (CTSN) Data Coordinating Center.

Date: October 29, 2026.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Weihua Luo, M.D., Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 5114, MSC 7854, Bethesda, MD 20892, 301–435–1170, *luow@csr.nih.gov,*

Name of Committee: Brain Disorders and Clinical Neuroscience Integrated Review Group; Developmental Brain Disorders Study Section.

Date: October 29–30, 2026.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Meysam Yazdankhah, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20817, (301) 435–5000, *meysam.yazdankhah@nih.gov.*

Name of Committee: Infectious Diseases and Immunology B Integrated Review Group; Mechanisms of Autoimmunity Study Section.

Date: October 29–30, 2026.

Time: 10:00 a.m. to 8:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Maria Chiara G. Monaco-Kushner, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Dr., Bethesda, MD 20892, (301) 555–1212, *monaco@csr.nih.gov.*

Name of Committee: Infectious Diseases and Immunology B Integrated Review Group; Etiology, Diagnostic, Intervention and Treatment of Infectious Diseases Study Section.

Date: October 29–30, 2026.

Time: 10:00 a.m. to 8:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Lisa Ann Lewis, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 480–2582, *lisa.lewis3@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Program Projects: National Centers for Biomedical Imaging and Bioengineering.

Date: October 29, 2026.

Time: 10:00 a.m. to 6:30 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Marie-Jose Belanger, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Rm. 6188, MSC 7804, Bethesda, MD 20892, 301–435–1267, *belangerm@csr.nih.gov.*

Name of Committee: Infectious Diseases and Immunology A Integrated Review Group; Adaptive Immunity Study Section.

Date: October 29–30, 2026.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Liying Guo, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4198, MSC 7812, Bethesda, MD 20892, (301) 827–7728, *lguo@mail.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Nucleic Acid Therapeutic Delivery (NATD).

Date: October 29–30, 2026.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Jingwu Xie, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–8625, *jingwu.xie@nih.gov.*

Name of Committee: Integrative, Functional and Cognitive Neuroscience Integrated Review Group; Sensory-Motor Neuroscience Study Section.

Date: October 29–30, 2026.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Alena Valeryevna Savonenko, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 1009J, Bethesda, MD 20892, (301) 594–3444, *savonenkoa2@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; RFA–DA–26–055: Substance Use Research Using Existing Data.

Date: October 29–30, 2026.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Nketi I. Forbang, M.D., MPh, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 1006K1, Bethesda, MD 20892, (301) 594–0357, *forbangni@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR–25–353: National Cooperative Drug/Device Discovery/Development Groups (NCDDG) for the Treatment of Mental Disorders U19 Review.

Date: October 30, 2026.

Time: 11:00 a.m. to 9:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Bo-Shiun Chen, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–8177, *bo-shiun.chen@nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393–93.396, 93.837–93.844, 93.846–93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: October 1, 2026.

Sterlyn H. Gibson,

Program Specialist, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–20365 Filed 10–2–26; 8:45 am]

BILLING CODE 4167–05–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Amended Notice of Meeting

Notice is hereby given of a change in the meeting of the Center for Scientific Review Special Emphasis Panel, Basic and Mechanistic Glial Studies, October 22, 2026, 09:00 a.m. to October 23, 2026, 06:00 p.m., National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892, which was published in the **Federal Register** on September 16, 2026, FR Doc No. 2026–18953, 91 FR 58688.

This notice is being amended to change the contact person from Sung-Wook Jang to Robert Elliott, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, Bethesda, MD 20892. The meeting is closed to the public.

Dated: September 30, 2026.

Kuleni D. Onnen,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–20368 Filed 10–2–26; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center For Scientific Review; Notice of Closed Meetings

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Risk, Prevention and Health Behavior Integrated Review Group; HIV/AIDS Intra- and Inter-personal Determinants and Behavioral Interventions Study Section.

Date: October 28, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Xinli Nan, MD, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–7784, *Xinli.Nan@nih.gov.*

Name of Committee: Musculoskeletal, Oral and Skin Sciences Integrated Review Group; Skeletal Development, Repair and Regeneration Study Section.

Date: October 28–29, 2026.

Time: 9:00 a.m. to 9:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Vanessa Dawn Sherk, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 801–C, Bethesda, MD 20892, (301) 594–3218, *sherkv2@csr.nih.gov.*

Name of Committee: Molecular, Cellular and Developmental Neuroscience Integrated Review Group; Molecular and Cellular Neuropharmacology Study Section.

Date: October 28–29, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Beata Buzas, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Rm 1009–E, Bethesda, MD 20892, (301) 435–5999, *bbuzas@mail.nih.gov.*

Name of Committee: Brain Disorders and Clinical Neuroscience Integrated Review Group; Pathophysiology of Eye Disease—2 Study Section.

Date: October 28–29, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Barbara Susanne Mallon, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 480–8992, *mallonb@mail.nih.gov.*

Name of Committee: Surgical Sciences, Biomedical Imaging and Bioengineering Integrated Review Group; Surgery, Anesthesiology and Trauma Study Section.

Date: October 28–29, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Evon Sami Abisaid, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (227) 259–7968, *evon.abisaid@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Topics in Health Services Research: Maternal, Child, and Reproductive Health.

Date: October 28–29, 2026.

Time: 9:00 a.m. to 9:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: June L Gin, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 480–2589, *june.gin@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Program Projects: Cardiovascular Biology and Hematology.

Date: October 28, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Bukhtiar H Shah, DVM, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4120, MSC 7802 Bethesda, MD 20892, (301) 806–7314, *shahb@csr.nih.gov.*

Name of Committee: Endocrinology, Metabolism, Nutrition and Reproductive Sciences Integrated Review Group; Pregnancy and Neonatology Study Section.

Date: October 28–29, 2026.

Time: 9:00 a.m. to 8:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Anthony Wing Sang Chan, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 809–K, Bethesda, MD 20892, (301) 496–9392, *chana3@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR Panel: Environmental Factors, Brain Injury and Glia in Neurodegeneration.

Date: October 28–29, 2026.

Time: 9:30 a.m. to 7:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Surojeet Sengupta, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 496–9223, *surojeet.sengupta@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR Panel:

Maximizing Investigators' Research Award (R35).

Date: October 28–29, 2026.

Time: 9:30 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Tianhong Wang, Scientific Review Officer, Center for Scientific Review, National Institutes of Health 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–9259. *wangt3@mail.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR–24–306 Research Projects to Enhance Applicability of Mammalian Models for Translational Research.

Date: October 28, 2026.

Time: 9:30 a.m. to 7:30 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Susan Lynn Spence, Scientific Review Officer, Center for Scientific Review, National Institute of Health, 6701 Rockledge Drive, Bethesda, MD 20892, *susan.spence@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Social, Biobehavioral, and Population Health: NIH Collaborative International Research Projects (PF5)—Panel B.

Date: October 28, 2026.

Time: 9:30 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Steven M Frenk, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 3141 Bethesda, MD 20892, (301) 480–8665, *frenksm@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Nutrition, Diet, Obesity, and Diabetes Management and Treatment.

Date: October 28–29, 2026.

Time: 9:30 a.m. to 5:30 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Erica C Spears, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 480–3211, *spearsec@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Training and Career Development: Immunology and Infectious Diseases.

Date: October 28–29, 2026.

Time: 10:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Melinda Harrison Krick, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Dr., Room 808G, Bethesda, MD 20892, (301) 435–1199, *krickmh@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Training: Immunology and Infectious Diseases.

Date: October 28, 2026.

Time: 10:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Noton K Dutta, Ph.D., Scientific Review Officer, National Institutes of Health, Center for Scientific Review, 6701 Rockledge Drive, Bethesda, MD 20892, (240) 669–2857, *noton.dutta@nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393–93.396, 93.837–93.844, 93.846–93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: September 30, 2026.

Kuleni D. Onnen,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–20284 Filed 10–2–26; 8:45 am]

BILLING CODE 4167–05–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

[OMB Control Number 1651–0149]

Agency Information Collection Activities; Court-Ordered Refunds Under the International Emergency Economic Powers Act Worksheet

AGENCY: U.S. Customs and Border Protection (CBP), Department of Homeland Security.

ACTION: 30-Day notice and request for comments.

SUMMARY: The Department of Homeland Security, U.S. Customs and Border Protection (CBP) will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995 (PRA). The information collection is published in the **Federal Register** to obtain comments from the public and affected agencies.

DATES: Comments are encouraged and must be submitted (no later than November 4, 2026) to be assured of consideration.

ADDRESSES: Written comments and/or suggestions regarding the item(s) contained in this notice should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain.* Please submit written comments and/or suggestions in English. Find this particular information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function.

FOR FURTHER INFORMATION CONTACT: Requests for additional PRA information should be directed to Seth Renkema, Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection, Office of Trade, Regulations and Rulings, 90 K Street NE, 10th Floor, Washington, DC 20229–1177, Telephone number 202–325–0056 or via email *CBP_PRA@cbp.dhs.gov.* Please note that the contact information provided here is solely for questions regarding this notice. Individuals seeking information about other CBP programs should contact the CBP National Customer Service Center at 877–227–5511, (TTY) 1–800–877–8339, or CBP website at *https://www.cbp.gov/.*

SUPPLEMENTARY INFORMATION: CBP invites the general public and other Federal agencies to comment on the proposed and/or continuing information collections pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). This proposed information collection was previously published in the **Federal Register** (91 FR 42207) on July 8, 2026, allowing for a 60-day comment period. This notice allows for an additional 30 days for public comments. This process is conducted in accordance with 5 CFR 1320.8. Written comments and suggestions from the public and affected agencies should address one or more of the following four points: (1) 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; (2) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) suggestions to enhance the quality, utility, and clarity of the information to be collected; and (4) suggestions to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological

collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses. The comments that are submitted will be summarized and included in the request for approval. All comments will become a matter of public record.

Overview of This Information Collection

Title: Court-Ordered Refunds under the International Emergency Economic Powers Act Worksheet.
OMB Number: 1651–0149.
Form Number: N/A.
Current Actions: Extension.
Type of Review: Extension.
Affected Public: Businesses.
Abstract:

Background

On February 20, 2026, the U.S. Supreme Court ruled in *Learning Resources, Inc.* v. *Trump* that all tariffs imposed by the President under the International Emergency Economic Powers Act (IEEPA), which U.S. Customs and Border Protection (CBP) has collected pursuant to the President's Executive Orders and associated provisions in the Harmonized Tariff Schedule of the United States (HTSUS) since February 3, 2025, were unlawful. In so holding, the Supreme Court affirmed the August 29, 2025 judgment of the U.S. Court of Appeals for the Federal Circuit (CAFC) in *V.O.S. Selections, Inc.* v. *Trump,* which in turn had affirmed-in-part, vacated-in-part, and remanded-in-part the May 28, 2025 decision of the U.S. Court of International Trade (CIT) in that case. On March 2, 2026, the CAFC issued its formal mandate to the CIT.

On March 4, 2026, the CIT ordered in *Atmus Filtration, Inc.* v. *United States* ''that, with respect to any and all unliquidated entries that were entered subject to the IEEPA duties, U.S. Customs and Border Protection is hereby directed to liquidate those entries without regard to the IEEPA duties,'' and ''[a]ny liquidated entries for which liquidation is not final shall be reliquidated without regard to IEEPA duties.'' On March 5, 2026, the CIT amended its March 4, 2026, order in *Atmus Filtration, Inc.* v. *United States* to clarify that it applies to entries made ''subject to the IEEPA duties imposed by the Executive Orders considered by the Supreme Court in *Learning Resources, Inc.* v. *Trump*.'' On March 6, 2026, the CIT suspended its March 4, 2026, order, as amended, ''to the extent that it directs immediate compliance,'' to allow CBP time to develop an automated tool capable of processing the unprecedented volume and value of refunds covered by the CIT order. On the same day, the CIT also ordered the government to provide periodic status reporting on this development. The government submitted detailed status reports to the court on March 12, 2026, and March 19, 2026.

On March 20, 2026, the CIT again amended its Amended Order of March 5, 2026, to clarify that it applies to ''any and all unliquidated entries that were entered subject to IEEPA duties'' as well as to any such ''liquidated entries for which liquidation is not final,'' provided, however, that ''nothing in this order addresses issues concerning duty free de minimis treatment under 19 U.S.C. 1321 that are otherwise before this Court'' in *Axle of Dearborn, Inc.* v. *Department of Commerce.* The CIT's March 20, 2026 order continued to suspend the Amended Order of March 5, 2026, ''to the extent that it requires immediate compliance,'' and ordered that the government file another status report on March 31, 2026, ''describing the progress Customs has made toward the completion of a process to issue refunds of IEEPA duties paid with interest,'' and join another closed settlement conference with the Court later the same day to further discuss the same. In accordance with this order, the government submitted a detailed status report and attended a closed settlement conference on March 31, 2026. On April 6, 2026, the plaintiff in *Atmus Filtration, Inc.* v. *United States* filed a notice of voluntary dismissal in its case, which the CIT granted on April 8, 2026.

On April 7, 2026, the CIT lifted the stay on *Euro-Notions Florida, Inc.* v. *United States,* CIT Ct. No. 25–00595, another pending case challenging the IEEPA duties, and issued an injunctive order substantively identical to its March 4, 2026, order, as amended, in *Atmus Filtration, Inc.* Accordingly, the *Euro-Notions Florida, Inc.* case has replaced the *Atmus Filtration, Inc.* case as the test case for the IEEPA refund process. On April 8, 2026, the CIT issued an order in *Euro-Notions Florida, Inc.* ordering the government to file another status update on April 14, 2026, regarding CBP's progress on the IEEPA duty refund process and join another closed settlement conference with the Court later the same day.

Specifically, the Department of Homeland Security (DHS) and CBP have initiated the development of the Consolidated Administration and Processing of Entries (CAPE) tool to handle the volume of tariff refunds anticipated in the timeframe required by the CIT. While the CIT has not set a timeframe to date, the Court has signaled that refunds be issued as quickly as possible because of the accrual of interest. Further, while the order to refund IEEPA duties with interest is currently suspended ''to the extent that it requires immediate compliance,'' the CIT is closely monitoring CBP's progress to timely complete the development of CAPE and can lift the suspension of its order at any time.

The tariffs assessed under IEEPA from February 3, 2025 to February 24, 2026 total an estimated $166 billion, with over 53 million entry summaries requiring processing in order to issue accurate refunds with required interest. Prior to CAPE, refunds were reviewed and processed entry summary-by-entry summary. Given the volume and values of the entries affected by the CIT order, CBP is unable to process the refunds owed in a timely or efficient manner using the existing process.

The CAPE tool may be accessed through CBP's Automated Commercial Environment (ACE), which is the CBP-operated system used to report, manage, process, and track U.S. imports and exports.

The CAPE tool allows CBP to process multiple entry summaries by the same importer on a single submission, which will lead to a single refund for a given importer rather than multiple refund transactions. Importers are able to file as many CAPE Declarations as they need. Thus, potentially thousands of refund transactions can be consolidated into a single payment that is directly deposited into an IOR's account (or the account of their designated party) on file. The request for a refund that is filed through CAPE is called a ''CAPE Declaration''.

The new CAPE tool allows—

- Automated processes to be leveraged to the fullest extent possible to segment risk and execute millions of mathematical calculations with precision.
- CBP personnel to focus on those refund CAPE Declarations that are considered ''high risk'' due to the dollar values involved or the risk profile of the IOR.
- CBP personnel to determine with confidence which lines on an entry summary are eligible for an IEEPA refund while ensuring the remaining duties (including duties owed for antidumping/countervailing duty (AD/CVD) remedies and Section 232 tariffs), tax, and fees that are owed the U.S. government are retained and collected as usual.
- CBP personnel to ensure that the precise duty owed to the IOR is refunded directly to the IOR's account—

no overpayments or payments to an erroneous party.

IORs will submit the information related to their refund request to CBP through the ACE Portal. Alternatively, IORs may have their information submitted to CBP using a licensed customs broker. Brokers are licensed through CBP to conduct customs business on behalf of their IOR clients. In order to receive a refund through the CAPE process, the IOR, or their designated broker, must have an active and up-to-date ACE Portal account and supporting profile. If a broker is filing a CAPE Declaration on an IOR's behalf, they must be the ''notify party'' designated in the appropriate ACE account. Only ACE account holders will be able to file a CAPE Declaration through the CAPE tool.

Most small businesses do not have an ACE account and instead enlist the assistance of a licensed customs broker to conduct business on their behalf. They will continue to be able, and are expected, to use their customs brokers for the IEEPA refunds process and CAPE.

It is also important to note that the Federal Government no longer disburses paper checks, but issues refunds electronically via Automated Clearinghouse (ACH). The transition to electronic refunds is in line with Executive Order 12247 and was implemented by CBP via the Interim Final Rule (IFR) *Electronic Refunds* (91 FR 21) in January 2026. CBP is currently holding refunds for filers who do not have an ACH account on file in ACE. CBP will continue to do the same for IEEPA Refunds. As noted in the IFR: ''If an importer believes that one of the waiver criteria in 31 CFR part 208 applies and seeks payment of its refund via a U.S. Treasury check, the importer must notify CBP's Revenue Division in writing at *frn-achrefundsupport@cbp.dhs.gov.*'' CBP does not believe it is necessary at this time to create a procedure outside the one established in the IFR.

The term ''Declaration filer'' will be used going forward to cover both IORs who file their own IEEPA refund requests or their designated licensed customs broker.

Previously Approved Emergency Changes

The following modified information collection listed below was submitted to OMB for consideration of approval on an emergency clearance, with the justification of an unanticipated event and reasons to believe following the normal PRA process is likely to prevent or disrupt the collection of information and cause public harm. CBP welcomes public to comment on these approved changes.

To submit an IEEPA refund CAPE declaration, an IOR, or their broker, will submit a Comma-Separated Values (CSV) file with a list of entry summary numbers to the CAPE tool through the ACE Portal. Depending on the CAPE Declaration, this file may contain only a few lines of data or thousands of lines of data (there is a limit of 9,999 entries per CAPE Declaration). If the file submitted is rejected based on the screening and validation CBP will conduct prior to accepting a CAPE Declaration, the Declaration filer will need to adjust their CSV file and resubmit. CBP will issue technical guidance to filers to minimize the number of rejections/resubmissions.

Although the CIT suspended its order ''to the extent that it directs immediate compliance,'' the order indicates that this suspension was based on the CBP declaration filed in that case on March 6, 2026, which declared that CBP anticipates that CAPE would be ready April 20, 2026, and any delay would pose risks for CBP in following CIT orders and for returning those duties deemed refundable with the end of IEEPA.

Type of Information Collection: CSV File.

Estimated Number of Respondents: 330,000.

Estimated Number of Annual Responses per Respondent: 1.5.

Estimated Number of Total Annual Responses: 495,000.

Estimated Time per Response: 1 hour.

Estimated Total Annual Burden Hours: 495,000.

Type of Information Collection: CSV File Replacement.

Estimated Number of Respondents: 33,000.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 33,000.

Estimated Time per Response: 0.5 hours.

Estimated Total Annual Burden Hours: 16,500.

Seth D. Renkema,

Branch Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection.

[FR Doc. 2026–20228 Filed 10–1–26; 2:00 pm]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Immigration and Customs Enforcement

[OMB Control Number 1653–0049]

Agency Information Collection Activities: Revision of a Currently Approved Collection Suspicious/ Criminal Activity Tip Reporting

AGENCY: U.S. Immigration and Customs Enforcement, Department of Homeland Security.

ACTION: 30-Day notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995 the Department of Homeland Security (DHS), U.S. Immigration and Customs Enforcement (ICE) will submit the following Information Collection Request (ICR) to the Office of Management and Budget (OMB) for review and clearance. This information collection was previously published in the **Federal Register** on December 17, 2025, allowing for a 60-day comment period. ICE received one comment in support thereof of this information collection. The purpose of this notice is to allow an additional 30 days for public comments.

DATES: Comments are encouraged and will be accepted until November 4, 2026.

ADDRESSES: Written comments and recommendations should be sent within 30 days of publication of this notice via the Federal eRulemaking Portal website at *http://www.regulations.gov* under e-Docket ID number ICEB–2019–0010; *The comments submitted via this method are visible to the Office of Management and Budget and comply with the requirements of 5 CFR 1320.12(c).*

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact U.S. Immigration and Customs Enforcement at *ICEPRA@ice.dhs.gov.*

SUPPLEMENTARY INFORMATION:

Comments

Written comments and suggestions from the public and affected agencies concerning the proposed collection of information should address one or more of the following four points:

(1) Evaluate 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;

(2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Overview of This Information Collection

(1) *Type of Information Collection:* Revision of a Currently Approved Collection.

(2) *Title of the Form/Collection:* Suspicious/Criminal Activity Tip Reporting.

(3) *Agency form number, if any, and the applicable component of the Department of Homeland Security sponsoring the collection:* U.S. Immigration and Customs Enforcement.

(4) *Affected public who will be asked or required to respond, as well as a brief abstract:* Primary: Individual or Households. The Department of Homeland Security (DHS) tip reporting capability will facilitate the collection of information from the public and law enforcement partners regarding allegations of crimes enforced by DHS.

(5) *An estimate of the total number of responses and the amount of time estimated for an average respondent to respond:* ICE estimates a total of 194,381 responses at 11 minutes per response.

(6) *An estimate of the total public burden (in hours) associated with the collection:* 35,637 annual burden hours.

Dated: September 30, 2026.

Ashley Pearce,

Deputy Chief Data Officer.

[FR Doc. 2026–20367 Filed 10–2–26; 8:45 am]

BILLING CODE 9111–28–P

DEPARTMENT OF THE INTERIOR

Office of the Secretary

[2560102DM; DS6CS00000; DLSN00000.000000; DX6CS25; OMB Control Number 1084–0033]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Private Rental Survey

AGENCY: Office of the Secretary, Office of Acquisition and Property Management, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, we, the Office of Acquisition and Property Management, Office of the Secretary, Department of the Interior are proposing to renew an information collection.

DATES: Interested persons are invited to submit comments on or before November 4, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain*. Find this particular information collection by selecting ''Currently under Review—Open for Public Comments'' or by using the search function. Please provide a copy of your comments to Phil Parkovich, Quarters Rental Program Manager, DOI—Interior Business Center, One Denver Federal Center, Bldg. 48, Denver, CO 80235, or by email to *philip_parkovich@ibc.doi.gov*. Please reference Office of Management and Budget (OMB) Control Number 1084–0033 in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR, contact Phil Parkovich, Quarters Rental Program Manager, DOI—Interior Business Center, One Denver Federal Center, Bldg 48, Denver, CO 80235, by telephone at 303–969–7164, or by email to *philip_parkovich@ibc.doi.gov*. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States. You may also view the ICR at *http://www.reginfo.gov/public/do/PRAMain*.

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), we provide the general public and other Federal agencies with an opportunity to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

A **Federal Register** notice with a 60-day public comment period soliciting comments on this collection of information was published on April 9, 2026 (91 FR 17983). No comments were received.

As part of our continuing effort to reduce paperwork and respondent burdens, we are again soliciting comments from the public and other Federal agencies on the proposed ICR that is described below. We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Abstract: Title 5 of the U.S. Code section 5911 authorizes Federal agencies to provide housing for Government employees under specified

circumstances. In compliance with OMB Circular A–45 (Revised), Rental and Construction of Government Housing, a review of private rental market housing rates is required at least once every 5 years to ensure that the rental, utility charges, and charges for related services to occupants of Government Furnished Housing (GFH) are comparable to corresponding charges in the private sector. To avoid unnecessary duplication and inconsistent rental rates, the Department of the Interior, Office of the Secretary, Interior Business Center (on behalf of the Office of Acquisition and Property Management), conducts housing surveys in support of employee housing management programs for the Departments of the Interior (DOI), Agriculture, Commerce, Homeland Security, Justice, Transportation, Health and Human Services, Veterans Affairs, and other agencies. In this survey, two collection forms are used for rental unit data: OS–2000 covering ''Houses–Apartments–Mobile Homes,'' and OS–2001 covering ''Trailer Spaces.''

Respondents are typically property management companies or significant property owners in specific communities and are contacted by email or telephone. They may provide the rental unit information requested in OS–2000 and OS–2001 verbally, update rental data collected during a previous survey, enhance/complete rental data gathered from published sources, or provide lists of rental units they manage.

This collection of information provides data that is essential for DOI and the other Federal agencies to manage GFH in accordance with the requirements of OMB Circular A–45 (Revised). If this information were not collected from the public, DOI and the other Federal agencies providing GFH would be required to use professional real estate appraisals of private market rental costs, again, in accordance with OMB Circular A–45, but at an increased cost to the taxpayer.

Title of Collection: Private Rental Survey.

OMB Control Number: 1084–0033.

Form Number: OS–2000 and OS–2001.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Businesses and other for-profit institutions.

Total Estimated Number of Annual Respondents: 1,883.

Total Estimated Number of Annual Responses: OS–2000: 3,180; OS–2001: 359; Total: 3,539.

Estimated Completion Time per Response: 6 minutes for OS–2000 and 4 minutes for OS–2001.

Total Estimated Number of Annual Burden Hours: 342 hours.

Respondent's Obligation: Voluntary.

Frequency of Collection: Once per respondent every fourth year. Three or four of 16 total survey regions are surveyed every year. Therefore, a respondent or business may potentially be surveyed every fourth year if the exact same unit is surveyed again four years later. In addition, if an individual respondent or business is a significant rental property manager or rental property owner in the community, they may provide multiple responses in the same survey. Approximately 63% of respondents furnish more than one rental unit (OS–2000 and OS–2001). About 60% of respondents validate published data (tax records, advertisement, etc.), 30% update their previous survey data, and 10% furnish a new OS–2000 or OS–2001. Participation is optional.

Total Estimated Annual Nonhour Burden Cost: None.

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 authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Jeffrey Parrillo,

Departmental Information Collection Clearance Officer.

[FR Doc. 2026–20292 Filed 10–2–26; 8:45 am]

BILLING CODE 4334–63–P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

[Docket ID BSEE–2026–0298; EEEE500000–256E1700D2–ET1SF0000.EAQ000; OMB Control Number 1014–0022]

Agency Information Collection Activities; General

AGENCY: Bureau of Safety and Environmental Enforcement, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Bureau of Safety and Environmental Enforcement (BSEE) proposes to renew an information collection.

DATES: Interested persons are invited to submit comments on or before December 4, 2026.

ADDRESSES: Send your comments on this information collection request (ICR) by either of the following methods listed below:

- Electronically go to *http://www.regulations.gov.* In the Search box, enter BSEE–2026–0298 then click search. Follow the instructions to submit public comments and view all related materials. We will post all comments.
- Email *Kelly.Odom@bsee.gov* or mail or hand-carry comments to the Department of the Interior; Bureau of Safety and Environmental Enforcement; Regulations and Standards Branch; ATTN: Kelly Odom; 45600 Woodland Road, Sterling, VA 20166. Please reference OMB Control Number 1014–0022 in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR, contact Kelly Odom by email at *Kelly.Odom@bsee.gov* or by telephone at (703) 787–1775. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States. You may also view the ICR at *http://www.reginfo.gov/public/do/PRAMain.*

SUPPLEMENTARY INFORMATION: In accordance with the PRA and 5 CFR 1320.8(d)(1), all information collections require approval under the PRA. We may not conduct, or sponsor and you are not required to respond to a collection of information unless it displays a currently valid OMB control number.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Abstract: The BSEE uses the information collected under the Subpart A regulations to ensure that operations on the OCS are carried out in a safe and pollution-free manner, do not interfere with the rights of other users on the OCS, and balance the protection and development of OCS resources. Specifically, we use the information collected to:

- Review records of formal crane operator and rigger training, crane operator qualifications, crane inspections, testing, and maintenance to ensure that lessees/operators perform operations in a safe and workmanlike manner and that equipment is maintained in a safe condition. The BSEE also uses the information to make certain that all new and existing cranes installed on OCS fixed platforms must be equipped with anti-two block safety devices, and to assure that uniform methods are employed by lessees for load testing of cranes.
- Review welding plans, procedures, and records to ensure that welding is conducted in a safe and workmanlike manner by trained and experienced personnel.
- Provide lessees/operators greater flexibility to comply with regulatory requirements through approval of alternative equipment or procedures and departures to regulations if they demonstrate equal or better compliance with the appropriate performance standards.
- Ensure that injection of gas promotes conservation of natural resources and prevents waste.
- Record the agent and local agent empowered to receive notices and comply with regulatory orders issued.
- Provide for orderly development of leases using information to determine the appropriateness of lessee/operator requests for suspension of operations, including production.
- Improve safety and environmental protection on the OCS through collection and analysis of accident reports to ascertain the cause of the accidents and to determine ways to prevent recurrences.
- Ascertain when the lease ceases production or when the last well ceases production in order to determine the 180th day after the date of completion of the last production. The BSEE will use this information to efficiently maintain the lessee/operator lease status.
- Allow lessees/operators who exhibit unacceptable performance an incremental approach to improving their overall performance prior to a final decision to disqualify a lessee/operator or to pursue debarment proceedings through the execution of a performance improvement plan (PIP). The Subpart A regulations do not address the actual process that we will follow in pursuing the disqualification of operators under §§ 250.135 and 250.136; however, our internal enforcement procedures include allowing such operators to demonstrate a commitment to acceptable performance by the submission of a PIP.

We will not be making any changes to the forms this renewal cycle.

The BSEE forms use and information consists of the following:

Form BSEE–0132, Hurricane and Tropical Storm Evacuation and Production Curtailment Statistics (GOMR)

- Be informed when there could be a major disruption in the availability and supply of natural gas and oil due to natural occurrences/hurricanes, to advise the U.S. Coast Guard (USCG) in case of the need to rescue offshore workers in distress, to monitor damage to offshore platforms and drilling rigs, and to advise the news media and interested public entities when production is shut-in and when resumed. The Gulf of Mexico OCS Region (GOMR) uses Form BSEE–0132, Hurricane and Tropical Storm Evacuation and Production Curtailment Statistics, for respondents to report evacuation statistics when necessary. This form requires the respondent to submit general information such as company name, contact, date, time, telephone number, as well as number of platforms and drilling rigs evacuated and not evacuated. We also require production shut-in statistics for oil (BOPD) and gas (MMSCFD).

Form BSEE–0143, Facility/Equipment Damage Report

- Assists lessees, lease operators, and pipeline right-of-way holders when reporting damage by a hurricane, earthquake, or other natural phenomenon. They are required to submit an initial damage report to the Regional Supervisor within 48 hours after completing the initial evaluation of the damage and then, subsequent reports, monthly and immediately, whenever information changes until the damaged structure or equipment is returned to service. Information on the form includes—instructions, general information, a description of the damage, an initial damage assessment, production rate at time of shut-in (BPD and/or MMCFPD), cumulative production shut-in (BPD and/or MMCFPD), and estimated time to return to service (in days).

Form BSEE–1832, Notification of Incident(s) of Noncompliance

- Determine that respondents have corrected all Incident(s) of Noncompliance (INCs), identified during inspections. Everything on the INC form is filled out by a BSEE inspector/representative. The only thing industry does with this form is sign the document upon receipt and respond to BSEE when each INC has been corrected, no later than 14 days from the date of issuance.

Title of Collection: 30 CFR part 250, subpart A, General.

OMB Control Number: 1014–0022.

Form Number: Form BSEE–0132, *Hurricane and Tropical Storm Evacuation and Production Curtailment Statistics (GOMR),* Form BSEE–0143, *Facility/Equipment Damage Report,* and Form BSEE–1832, *Notification of Incident(s) of Noncompliance.*

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Potential respondents include Federal OCS oil, gas, and sulfur lessees and/or operators and holders of pipeline rights-of-way.

Total Estimated Number of Annual Respondents: Currently there are approximately 555 Federal OCS oil, gas, and sulfur lessees and holders of pipeline rights-of-way. Not all the

potential respondents will submit information in any given year, and some may submit multiple times.

Total Estimated Number of Annual Responses: 22,294.

Estimated Completion Time per Response: Varies from 30 minutes to 106 hours, depending on activity.

Total Estimated Number of Annual Burden Hours: 102,221.

Respondent's Obligation: Most responses are mandatory, while others are required to obtain or retain benefits, or voluntary.

Frequency of Collection: Submissions are generally on occasion, daily, monthly, and vary by section.

Total Estimated Annual Nonhour Burden Cost: $246,268.

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 authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Kirk Malstrom,

Chief, Regulations and Standards Branch.

[FR Doc. 2026–20337 Filed 10–2–26; 8:45 am]

BILLING CODE 4310–VH–P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

[Docket ID BSEE–2026–0265; EEEE500000–256E1700D2–ET1SF0000.EAQ000; OMB Control Number 1014–0019]

Agency Information Collection Activities; Oil and Gas Production Requirements

AGENCY: Bureau of Safety and Environmental Enforcement, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Bureau of Safety and Environmental Enforcement (BSEE) proposes to renew an information collection.

DATES: Interested persons are invited to submit comments on or before December 4, 2026.

ADDRESSES: Send your comments on this information collection request (ICR) by either of the following methods listed below:

- Electronically go to *http://www.regulations.gov*. In the Search box, enter BSEE–2026–0265 then click search. Follow the instructions to submit public comments and view all related materials. We will post all comments.
- Email *Kelly.Odom@bsee.gov* or mail or hand-carry comments to the Department of the Interior; Bureau of Safety and Environmental Enforcement; Regulations and Standards Branch; ATTN: Kelly Odom; 45600 Woodland Road, Sterling, VA 20166. Please reference OMB Control Number 1014–0019 in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR, contact Kelly Odom by email at *Kelly.Odom@bsee.gov* or by telephone at (703) 787–1775.

SUPPLEMENTARY INFORMATION: In accordance with the PRA and 5 CFR 1320.8(d)(1), all information collections require approval under the PRA. We may not conduct, or sponsor and you are not required to respond to a collection of information unless it displays a currently valid OMB control number.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Abstract: The regulations at 30 CFR part 250, subpart K, concern Oil and Gas Production Requirements (including the associated forms) and are the subject of this collection. This request also covers any related Notices to Lessees and Operators (NTLs) that BSEE issues to clarify, supplement, or provide additional guidance on some aspects of our regulations. The information collected under Subpart K is used in our efforts to conserve natural resources, prevent waste, and protect correlative rights, including the Government's royalty interest. Specifically, BSEE uses the information to:

- Evaluate requests to burn liquid hydrocarbons and vent and flare gas to ensure that these requests are appropriate;
- Determine if a maximum production or efficient rate is required; and,
- Review applications for downhole commingling to ensure that action does not result in harm to ultimate recovery.

The forms used in this ICR are:

Form BSEE–0126, Well Potential Test Report

BSEE uses this information for reservoir, reserves, and conservation analyses, including the determination of maximum production rates (MPRs) when necessary for certain oil and gas completions. This requirement implements the conservation provisions of the OCS Lands Act and 30 CFR 250. The information obtained from the well potential test is essential to determine if an MPR is necessary for a well and to establish the appropriate rate. It is not possible to specify an MPR in the absence of information about the production rate capability (potential) of the well. The form asks for, in either fill in the blanks or check marks:

- General information about the well and the company;
- Pertinent information relating to the well test; and
- 24-hour rates pertaining to test production.

Form BSEE–0128, Semiannual Well Test Report

BSEE uses this information to evaluate the results of well tests to

determine if reservoirs are being depleted in a manner that will lead to the greatest ultimate recovery of hydrocarbons. This information is collected to determine the capability of hydrocarbon wells and to evaluate and verify an operator's approved maximum production rate if assigned. The form was designed to present current well data on a semiannual basis to permit the updating of permissible producing rates, and to provide the basis for estimates of currently remaining recoverable gas reserves. The form requires, in either fill in the blanks or check marks:

- General information about the well;
- Volumes;
- Choke size;
- Pressures;
- Production method;
- API oil/condensate gravity; and
- Date of test.

Title of Collection: 30 CFR part 250, subpart K, Oil and Gas Production Requirements.

OMB Control Number: 1014–0019.

Form Number: BSEE–0126—Well Potential Test Report, and BSEE–0128—Semiannual Well Test Report.

Type of Review: Extension without change of a currently approved collection.

Respondents/Affected Public: Potential respondents include Federal OCS oil, gas, and sulfur lessees and/or operators and holders of pipeline rights-of-way.

Total Estimated Number of Annual Respondents: Currently there are approximately 60 Oil and Gas Drilling and Production Operators in the OCS. Not all the potential respondents will submit information in any given year, and some may submit multiple times.

Total Estimated Number of Annual Responses: 6,021.

Estimated Completion Time per Response: Varies from 1 hour to 100 hours, depending on activity.

Total Estimated Number of Annual Burden Hours: 37,750.

Respondent's Obligation: Most responses are mandatory, while others are required to obtain or retain benefits.

Frequency of Collection: On occasion, weekly, monthly, semi-annual, annual, and varies by section.

Total Estimated Annual Nonhour Burden Cost: $1,067,544.

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 authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Kirk Malstrom,

Chief, Regulations and Standards Branch.

[FR Doc. 2026–20342 Filed 10–2–26; 8:45 am]

BILLING CODE 4310–VH–P

DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

[S1D1S SS08011000 SX064A000 256S180110; S2D2S SS08011000 SX064A000 25XS501520; OMB Control Number 1029–0114]

Submission to the Office of Management and Budget for Review and Approval; Technical Evaluation Surveys; Agency Information Collection Activities: Technical Evaluation Surveys

AGENCY: Office of Surface Mining Reclamation and Enforcement, Interior.

ACTION: Notice of information collection; request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Office of Surface Mining Reclamation and Enforcement (OSM) is proposing to renew an information collection.

DATES: Interested persons are invited to submit comments on or before November 4, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain.* Once at that website, locate this particular information collection by selecting ''Currently under Review—Open for Public Comments'' or by using the search function. Please provide a copy of your comments to William Frankel, Office of Surface Mining Reclamation and Enforcement, 1849 C Street NW—Room 4512, Washington, DC 20240 or by email to *wfrankel@osmre.gov.* Please reference OMB Control Number 1029–0114 in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: To request additional information about this Information Collection Request (ICR), contact William Frankel by email at *wfrankel@osmre.gov,* or by telephone at (202) 208–0121. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States. You may also view the ICR at *http://www.reginfo.gov/public/do/PRAMain.*

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 *et seq.,* (PRA) and 5 CFR 1320.8(d)(1) and, as part of our continuing effort to reduce paperwork and respondent burdens, OSM provides the general public and other Federal agencies with an opportunity to comment on new, proposed, revised, and continuing collections of information. Public comment helps OSM assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand OSM's information collection requirements and provide the requested data in the desired format.

We published a **Federal Register** notice for this ICR with a 60-day public comment period soliciting comments on June 22, 2026 (91 FR 37139). No comments were received.

As part of our continuing effort to reduce paperwork and respondent burdens, we are again soliciting comments from the public and other Federal agencies on the proposed ICR that is described below. We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While

you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Abstract: A series of surveys are needed to ensure that technical assistance activities, technology transfer activities, and technical forums are useful for those who participate or receive the assistance. These surveys are the primary means through which OSM evaluates its performance in meeting the performance goals outlined in its annual plans developed pursuant to the Government Performance and Results Act (GPRA).

Title of Collection: Technical Evaluation Surveys.

OMB Control Number: 1029–0114.

Form Number: None.

Type of Review: Reinstatement of a previously approved collection.

Respondents/Affected Public: State and Tribal governments.

Total Estimated Number of Annual Respondents: 366.

Total Estimated Number of Annual Responses: 366.

Estimated Completion Time per Response: 2 to 5 minutes.

Total Estimated Number of Annual Burden Hours: 28 hours.

Respondent's Obligation: Voluntary.

Frequency of Collection: Annually.

Total Estimated Annual Nonhour Burden Cost: $0.

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 authority for this action is the Paperwork Reduction Act of 1995.

William L. Frankel,

Information Collection Clearance Officer (ICCO), Office of Surface Mining Reclamation and Enforcement, Department of the Interior.

[FR Doc. 2026–20326 Filed 10–2–26; 8:45 am]

BILLING CODE 4310–05–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–808 and 731–TA–1809 (Preliminary)]

Amine Compounds From China; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the institution of investigations and commencement of preliminary phase antidumping and countervailing duty investigation Nos. 701–TA–808 and 731–TA–1809 (Preliminary) pursuant to the Tariff Act of 1930 to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of amine compounds from China, provided for in statistical reporting numbers 2909.11.00.00, 2921.29.00.55, 2922.19.96.90, and 2934.99.90.01 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value and alleged to be subsidized by the Government of China. Unless the Department of Commerce (''Commerce'') extends the time for initiation, the Commission must reach a preliminary determination in antidumping and countervailing duty investigations in 45 days, or in this case by November 13, 2026. The Commission's views must be transmitted to Commerce within five business days thereafter, or by November 20, 2026.

DATES: September 29, 2026.

FOR FURTHER INFORMATION CONTACT: Rachel Devenney ((202) 205–3172), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for these investigations may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted, pursuant to sections 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a) and 1673b(a)), in response to a petition filed on September 29, 2026, by Evonik Corporation, Piscataway, New Jersey, and Huntsman International LLC, The Woodlands, Texas.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A and B (19 CFR part 201), and part 207, subparts A and B (19 CFR part 207).

Participation in the investigations and public service list.—Persons wishing to participate in the investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in §§ 201.11 and 207.10 of the Commission's rules, not later than seven days after publication of this notice in the **Federal Register**. Industrial users and (if the merchandise under investigation is sold at the retail level) representative consumer organizations have the right to appear as parties in Commission antidumping duty and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these investigations available to authorized applicants representing interested parties (as defined in 19 U.S.C. 1677(9)) who are parties to the investigations under the APO issued in the investigations, provided that the application is made not later than seven days after the publication of this notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Conference.—The Office of Investigations will hold a staff conference in connection with the preliminary phase of these investigations beginning at 9:30 a.m. on Tuesday, October 20, 2026. Requests to appear at the conference should be emailed to *preliminaryconferences@usitc.gov* (DO NOT FILE ON EDIS) on or before noon on Friday, October 16, 2026. Please provide an email address for each conference participant in the email. Information on conference procedures, format, and participation, including guidance for requests to appear as a witness via videoconference, will be available on the Commission's Public Calendar (Calendar (USITC) | United States International Trade Commission). A nonparty who has testimony that may aid the Commission's deliberations may request permission to participate by submitting a short statement.

Please note the Secretary's Office will accept only electronic filings during this time. Filings must be made through the

Commission's Electronic Document Information System (EDIS, *https://edis.usitc.gov*). No in-person paper-based filings or paper copies of any electronic filings will be accepted until further notice.

Written submissions.—As provided in §§ 201.8 and 207.15 of the Commission's rules, any person may submit to the Commission on or before 5:15 p.m. on October 23, 2026, a written brief containing information and arguments pertinent to the subject matter of the investigations. Parties shall file written testimony and supplementary material in connection with their presentation at the conference no later than 4:00 p.m. on October 19, 2026. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures,* available on the Commission's website at *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf,* elaborates upon the Commission's procedures with respect to filings.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Certification.—Pursuant to § 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these investigations must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will acknowledge that any information that it submits to the Commission during these investigations may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of these or related investigations or reviews, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements.

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.12 of the Commission's rules.

By order of the Commission.
Issued: September 30, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–20286 Filed 10–2–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–809 and 731–TA–1810 (Preliminary)]

Railway Tank Cars and Parts Thereof From Mexico; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the institution of investigations and commencement of preliminary phase antidumping and countervailing duty investigation Nos. 701–TA–809 and 731–TA–1810 (Preliminary) pursuant to the Tariff Act of 1930 to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of railway tank cars and parts thereof from Mexico, provided for in subheading 8606.10.00 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value and alleged to be subsidized by the government of Mexico. Unless the Department of Commerce (''Commerce'') extends the time for initiation, the Commission must reach a preliminary determination in antidumping and countervailing duty investigations in 45 days, or in this case by November 16, 2026. The Commission's views must be transmitted to Commerce within five business days thereafter, or by November 23, 2026.

DATES: September 30, 2026.

FOR FURTHER INFORMATION CONTACT: Celia Feldpausch (202) 205–2387 or Jeff Clark (202) 205–3318, Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for these investigations may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted, pursuant to sections 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a) and 1673b(a)), in response to a petition filed on September 30, 2026, by UTLX Manufacturing LLC, Chicago, Illinois.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A and B (19 CFR part 201), and part 207, subparts A and B (19 CFR part 207).

Participation in the investigations and public service list.—Persons wishing to participate in the investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in §§ 201.11 and 207.10 of the Commission's rules, not later than seven days after publication of this notice in the **Federal Register**. Industrial users and (if the merchandise under investigation is sold at the retail level) representative consumer organizations have the right to appear as parties in Commission antidumping duty and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these investigations available to authorized applicants representing interested parties (as defined in 19 U.S.C. 1677(9)) who are parties to the investigations under the APO issued in the investigations, provided that the application is made not later than seven days after the publication of this notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Conference.—The Office of Investigations will hold a staff

conference in connection with the preliminary phase of these investigations beginning at 9:30 a.m. on Wednesday, October 21, 2026. Requests to appear at the conference should be emailed to *preliminaryconferences@usitc.gov* (DO NOT FILE ON EDIS) on or before noon on Monday, October 19, 2026. Please provide an email address for each conference participant in the email. Information on conference procedures, format, and participation, including guidance for requests to appear as a witness via videoconference, will be available on the Commission's Public Calendar (Calendar (USITC) | United States International Trade Commission). A nonparty who has testimony that may aid the Commission's deliberations may request permission to participate by submitting a short statement.

Please note the Secretary's Office will accept only electronic filings during this time. Filings must be made through the Commission's Electronic Document Information System (EDIS, *https://edis.usitc.gov*). No in-person paper-based filings or paper copies of any electronic filings will be accepted until further notice.

Written submissions.—As provided in §§ 201.8 and 207.15 of the Commission's rules, any person may submit to the Commission on or before 5:15 p.m. on October 26, 2026, a written brief containing information and arguments pertinent to the subject matter of the investigations. Parties shall file written testimony and supplementary material in connection with their presentation at the conference no later than 4:00 p.m. on October 20, 2026. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures,* available on the Commission's website at *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf,* elaborates upon the Commission's procedures with respect to filings.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Certification.—Pursuant to § 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these investigations must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will acknowledge that any information that it submits to the Commission during these investigations may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of these or related investigations or reviews, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements.

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.12 of the Commission's rules.

By order of the Commission.

Issued: October 1, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–20349 Filed 10–2–26; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Notice of Comment Period Extension on Proposed Consent Decree Under the Comprehensive Environmental Response, Cleanup, and Liability Act

On September 10, 2026, the Department of Justice lodged a proposed consent decree with the United States District Court for the District of New Jersey in the lawsuit entitled *United States* v. *Environmental Resource Holdings, LLC,* Civil Action No. 2:26–cv–11675. On September 15, 2026, notice of the proposed consent decree and the start of the comment period was published in the **Federal Register**. The United States is extending the comment period for this proposed consent decree by thirty (30) days, to November 14, 2026.

The United States filed this lawsuit on behalf of the Environmental Protection Agency (''EPA'') under the Comprehensive Environmental Response, Cleanup, and Liability Act, 42 U.S.C. 9601 *et seq.* In its complaint, the United States seeks the performance of initial remedial work for Operable Units 2 and 4 of the Diamond Alkali Superfund Site in New Jersey. The proposed consent decree requires the defendant to perform this work, which includes construction of an upland processing facility and several upland support facilities that would enable dredging and capping work in the Lower Passaic River. The construction includes a facility to handle sediment dredged from the river before it is sent for off-site disposal. The upland support facilities would provide land and infrastructure needed to support future in-river construction work. The defendant will also sample the lower 8.3 miles of the river to establish a baseline and reimburse EPA for future oversight costs related to this work.

The publication of this notice extends the period for public comment on the proposed consent decree by thirty days, to November 14, 2026. Comments should be addressed to the Assistant Attorney General, Environment and Natural Resources Division, and should refer to *United States* v. *Environmental Resource Holdings, LLC,* D.J. Ref. No. 90–11–3–07683/20. All comments must be submitted no later than November 14, 2026. Comments may be submitted either by email or by mail:

To submit comments:	*Send them to:*
By email	*pubcomment-ees.enrd@usdoj.gov.*
By mail	Assistant Attorney General, U.S. DOJ—ENRD, P.O. Box 7611, Washington, DC 20044–7611.

Any comments submitted in writing may be filed by the United States in whole or in part on the public court docket without notice to the commenter.

During the public comment period, the proposed consent decree may be examined and downloaded at this Justice Department website: *https://www.justice.gov/enrd/consent-decrees.* If you require assistance accessing the proposed consent decree, you may request assistance by email or by mail to the addresses provided above for submitting comments.

Eric D. Albert,

Assistant Section Chief, Environmental Enforcement Section, Environment and Natural Resources Division.

[FR Doc. 2026–20288 Filed 10–2–26; 8:45 am]

BILLING CODE 4410–15–P

EXECUTIVE OFFICE OF THE PRESIDENT

Office of National Drug Control Policy

Appointment of Members of Senior Executive Service Performance Review Board

AGENCY: Office of National Drug Control Policy (ONDCP).

ACTION: Notice of Appointments.

SUMMARY: The following persons have been appointed to the ONDCP Senior Executive Service Performance Review Board: Ms. Michele Marx (as Chair), Mr. Victor Avila, Ms. Shannon Kelly, and Mr. Kemp Chester.

FOR FURTHER INFORMATION CONTACT: Please direct any questions to Darren Dodd, General Counsel, (202) 881–4804, Office of National Drug Control Policy, Executive Office of the President, Washington, DC 20503.

Authority: 5 U.S.C. 4314(c)(1).

Dated: September 30, 2026.

Darren Dodd,

General Counsel.

[FR Doc. 2026–20290 Filed 10–2–26; 8:45 am]

BILLING CODE 3280–F5–P

NATIONAL SCIENCE FOUNDATION

Proposal Review Committee Name Changes

AGENCY: National Science Foundation.

ACTION: Notice: committee management notice of amendment.

SUMMARY: This notice announces amendments by the National Science Foundation (NSF) of the names for eight of its proposal review committees (listing follows) due to a recent reorganization at NSF.

DATES: NSF approves the amending of these committees on 8/31/2026. Applicable date for amendment is October 1, 2026. For more information, please contact Crystal Robinson, NSF, at (703) 292–8687.

FOR FURTHER INFORMATION CONTACT: Crystal Robinson, Committee Management Officer, NSF, at (703) 292–8687, or by mail to National Science Foundation, Randolph Building, 401 Dulany Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION: The NSF management officials having responsibility for the advisory committees listed below have determined that amending these committees is necessary and in the public interest in connection with the performance of duties imposed upon the Director, National Science Foundation (NSF), by 42 U.S.C. 1861 *et seq.* This determination follows consultation with the Committee Management Secretariat, General Services Administration.

Committees:

—#57 Proposal Review Panel for STEM Workforce and Talent Development; formerly the Proposal Review Panel for Graduate Education

—#59 Proposal Review Panel for STEM Research and Innovation; formerly the Proposal Review Panel for Research on Learning in Formal and Informal Settings

—#1185 Proposal Review Panel for Computer and Information Science and Engineering; formerly the Proposal Review Panel for Cyberinfrastructure

—#1208 Proposal Review Panel for Mathematical and Physical Sciences; formerly the Proposal Review Panel for Physics

—#34558 Proposal Review Panel for Engineering; formerly the Proposal Review Panel for Emerging Frontiers and Multidisciplinary Activities

—#44011 Proposal Review Panel for Biological Sciences; formerly the Proposal Review Panel for Emerging Frontiers in Biological Sciences

—#84683 Proposal Review Panel for Startups and Small Businesses; formerly the Proposal Review Panel for Translational Impacts

—#84685 Proposal Review Panel for Technology, Innovation, and Workforce Building Programs; formerly the Proposal Review Panel for Innovation and Technology Ecosystems

Dated: October 1, 2026.

Crystal Robinson,

Committee Management Officer, National Science Foundation.

[FR Doc. 2026–20332 Filed 10–2–26; 8:45 am]

BILLING CODE 7555–01–P

NATIONAL SCIENCE FOUNDATION

Agency Information Collection Activities: Comment Request

AGENCY: National Science Foundation.

ACTION: Submission for OMB Review; comment request.

SUMMARY: The National Science Foundation (NSF) has submitted the following information collection requirement to OMB for review and clearance under the Paperwork Reduction Act of 1995. This is the second notice for public comment; the first was published in the **Federal Register**, and no comments were received. NSF is forwarding the proposed submission to the Office of Management and Budget (OMB) for clearance simultaneously with the publication of this second notice. The full submission may be found at: *http://www.reginfo.gov/public/do/PRAMain.*

DATES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAmain.* Find this particular information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function.

FOR FURTHER INFORMATION CONTACT: Suzanne H. Plimpton, Reports Clearance Officer, National Science Foundation, Randolph Building, 401 Dulany Street, Alexandria, Virginia 22314; telephone (703) 292–7556; or send email to *splimpto@nsf.gov.* Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1–800–877–8339, which is accessible 24 hours a day, 7 days a week, 365 days a year (including Federal holidays).

SUPPLEMENTARY INFORMATION:

Comments: Comments regarding (a) whether the proposed collection of information is necessary for the proper performance of the functions of the NSF, including whether the information shall have practical utility; (b) the accuracy of the NSF's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, use, and clarity of the information on respondents; and (d) ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology should be addressed to the points of contact in the **FOR FURTHER INFORMATION CONTACT** section.

Copies of the submission may be obtained by calling 703–292–7556. NSF may not conduct or sponsor a collection of information unless the collection of information displays a currently valid OMB control number, and the agency informs potential persons who are to respond to the collection of information that such persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

Title of Collection: Grantee Reporting Requirements for Materials Research Science and Engineering Centers (MRSECs).

OMB Number: 3145–0230.

Overview of This Information Collection

The Materials Research Science and Engineering Centers (MRSECs) Program provides sustained support of materials science and education of the highest quality while addressing fundamental problems in science and engineering. The MRSECs support materials research infrastructure in the United States, promote active collaboration between universities and other sectors, including industry, national laboratories, and international organizations. They contribute to the development of national university-based centers in materials research, education, and facilities. By supporting innovation in interdisciplinary research, education, and knowledge transfer, MRSECs build intellectual and physical infrastructure within and between disciplines, and weave together knowledge creation, knowledge integration, and knowledge transfer. New knowledge thus created is meaningfully linked to society.

MRSECs enable and foster excellent education, integrate research and education, and create bonds between learning and inquiry so that discovery and creativity more fully support the learning process.

MRSECs are required to submit annual reports on progress and plans, which are used as a basis for performance review and determining the level of continued funding. To support this review and the management of a Center, MRSECs will be required to develop a set of management and performance indicators for submission annually to NSF via the Research Performance Project Reporting module in *Research.gov* and an external technical assistance contractor that collects programmatic data electronically. These indicators are both quantitative and descriptive and may include, for example, the characteristics of center personnel and students; sources of financial support and in-kind support; expenditures by operational component; characteristics of industrial and/or other sector participation; research activities; education activities; knowledge transfer activities; patents, licenses; publications; degrees granted to students involved in Center activities; descriptions of significant advances and other outcomes of the MRSEC effort. Such reporting requirements are included in the cooperative agreement that is binding between the academic institution and NSF.

Each Center's annual report will address the following categories of activities: (1) research, (2) shared experimental facilities, (3) education, (4) knowledge transfer, (5) partnerships, (6) management, and (7) budget issues.

For each of the categories the report will describe overall objectives for the year, specific outputs and outcomes of the reporting period, challenges that the Center has encountered in making progress towards goals and remedies, and plans for the following year.

MRSECs are required to file a final annual report through the RPPR and external technical assistance contractor. Final annual reports contain similar information and metrics as annual reports, effectively they constitute the last annual report; the Program Officer maintains a cumulative database with all relevant achievements and metrics.

Use of the Information: NSF will use the information to continue funding of the Centers, and to evaluate the progress of the program.

Estimate of Burden: 185 hours per annual report for each of 22 centers for a total of 4,070 hours per year.

Respondents: Non-profit institutions.

Estimated Number of Responses per Report: One from each of the 22 MRSECs.

Dated: October 1, 2026.

Suzanne H. Plimpton,

Reports Clearance Officer, National Science Foundation.

[FR Doc. 2026–20339 Filed 10–2–26; 8:45 am]

BILLING CODE 7555–01–P

NUCLEAR REGULATORY COMMISSION

[Docket No. 50–615; NRC–2024–0146]

Tennessee Valley Authority; Clinch River Nuclear Unit 1; Construction Permit and Record of Decision

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC or the Commission) is providing notice of the issuance of Construction Permit (CP) No. CPAR–2 to Tennessee Valley Authority (TVA) for the Clinch River Nuclear Unit 1 reactor facility and the associated record of decision (ROD).

DATES: The Construction Permit No. CPAR–2 was issued on September 28, 2026.

ADDRESSES: Please refer to Docket ID NRC–2024–0146 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- *Federal Rulemaking Website:* Go to *https://www.regulations.gov* and search for Docket ID NRC–2024–0146. Address questions about Docket IDs in *Regulations.gov* to Bridget Curran; telephone: 301–415–1003; email: *Bridget.Curran@nrc.gov.* For technical questions, contact the individual(s) listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.
- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at *https://www.nrc.gov/reading-rm/adams.html.* To begin the search, select ''Begin ADAMS Public Search.'' For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, at 301–415–4737, or by email to *PDR.Resource@nrc.gov.* For the convenience of the reader, instructions about obtaining materials referenced in this document are provided in the ''Availability of Documents'' section.
- *NRC's PDR:* The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to *PDR.Resource@nrc.gov* or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Ricky Vivanco, Office of Advanced Reactors, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone: 301–415–0021; email: *Ricky.Vivanco@nrc.gov.*

SUPPLEMENTARY INFORMATION:

I. Introduction

Under section 2.106 of title 10 of the *Code of Federal Regulations* (10 CFR), ''Notice of issuance,'' the NRC is providing notice of the issuance of CP No. CPAR–2 to TVA and issuance of the ROD under 10 CFR 51.102, ''Requirement to provide a record of decision; preparation.'' The CP, which is immediately effective, authorizes TVA to construct a power reactor facility in Roane County, Tennessee, as described in the CP application. With respect to the CP application filed by TVA, the NRC found that the applicable standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's regulations have been met. The NRC found that any required notifications to other agencies or bodies have been duly made and that, among other things, there is reasonable assurance that the activities authorized

by the permit will be conducted in compliance with the rules and regulations of the Commission, that safety questions will be satisfactorily resolved by the completion of construction, and that, taking into consideration siting criteria, the proposed facility can be constructed and operated at the proposed location without undue risk to public health and safety, subject to the conditions listed in the CP. Furthermore, the NRC found that the licensee, TVA, is technically and financially qualified to construct the facility, and that issuance of the CP will not be inimical to the common defense and security or to the health and safety of the public. The NRC further found that the conditions in the early site permit (ESP–006), with the exception of those listed in the CP, had been met. Finally, the NRC found that issuance of the CP was in accordance with subpart A, ''National Environmental Policy Act—Regulations Implementing Section 102(2),'' of 10 CFR part 51, ''Environmental Protection Regulations for Domestic Licensing and Related Regulatory Functions,'' and that all applicable requirements had been satisfied.

Accordingly, the immediately effective CP was issued on September 28, 2026.

II. Further Information

The NRC staff prepared a Safety Evaluation (SE) and Supplemental Environmental Impact Statement (SEIS) which document the staff's evaluation of the CP application and its findings. The NRC staff also prepared the ROD that incorporates by reference the materials contained in the SEIS. In accordance with 10 CFR 2.390, ''Public inspections, exemptions, requests for withholding,'' of the NRC's ''Agency Rules of Practice and Procedure,'' details with respect to this action, including the SE, SEIS, the ROD, and accompanying documentation included in the CP package, are available online in the ADAMS Public Documents collection at *https://www.nrc.gov/reading-rm/adams.html.* From this site, persons can access the NRC's ADAMS, which provides text and image files of NRC's public documents.

III. Availability of Documents

The documents identified in the following table are available to interested persons through ADAMS.

Document description	ADAMS accession No.
Construction Permit No. CPAR–2, dated September 28, 2026	ML26243A056.
Record of Decision, dated September 28, 2026	ML26245A346.
Safety Evaluation Related to the Tennessee Valley Authority Construction Permit Application for Clinch River Nuclear Unit 1, dated June 24, 2026.	ML26168A505.
Supplement to NUREG–2226, ''Supplemental Environmental Impact Statement for a Construction Permit at the Clinch River Nuclear Site,'' dated April 1, 2026.	ML26035A285.
TVA Construction Permit Application Documentation, dated April 2026	ML26119A628 (Package).
Tennessee Valley Authority, Clinch River Nuclear Site, Early Site Permit No. ESP–006, dated December 19, 2019	ML19352D868.

Authority: 42 U.S.C. 2011 *et seq.*

Dated: October 1, 2026.

For the Nuclear Regulatory Commission.

Jeremy Bowen,

Director, Office of Advanced Reactors.

[FR Doc. 2026–20345 Filed 10–2–26; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

[NRC–2026–4159]

Information Collection: Information Collections Contained in the Sunset Rule

AGENCY: Nuclear Regulatory Commission.

ACTION: Proposed information collection; request for comment.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) invites public comment on this proposed information collection. The information collection is entitled, ''Information Collections Contained in the Sunset Rule.''

DATES: Submit comments by December 4, 2026. Comments received after this date will be considered if it is practical to do so, but the Commission is able to ensure consideration only for comments received on or before this date.

ADDRESSES: Submit your comments, identified by Docket ID NRC–2026–4159, electronically through the *Federal rulemaking website*:

- *Federal rulemaking website*: Go to *https://www.regulations.gov* and search for Docket ID NRC–2026–4159. Address questions about Docket IDs in *Regulations.gov*to Bridget Curran; telephone: 301–415–1003; email: *Bridget.Curran@nrc.gov.* For technical questions, contact the individual(s) listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

For additional direction on obtaining information and submitting comments, see ''Obtaining Information and Submitting Comments'' in the **SUPPLEMENTARY INFORMATION** section of this document.

FOR FURTHER INFORMATION CONTACT: Kristen Benney, Office of the Chief Information Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone: 301–415–6355; email: *Infocollects.Resource@nrc.gov.*

SUPPLEMENTARY INFORMATION:

I. Obtaining Information and Submitting Comments

A. Obtaining Information

Please refer to Docket ID NRC–2026–4159 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- *Federal Rulemaking website:* Go to *https://www.regulations.gov* and search for Docket ID NRC–2026–4159. A copy of the collection of information and related instructions may be obtained without charge by accessing Docket ID NRC–2026–4159 on this website.

- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at *https://www.nrc.gov/reading-rm/adams.html.* To begin the search, select ''Begin ADAMS Public Search.'' For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, at 301–415–4737, or by email to *PDR.Resource@nrc.gov.* The supporting statement is available in ADAMS under Accession No. ML26266A265.

- *NRC's PDR*: The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to *PDR.Resource@nrc.gov* or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern

time (ET), Monday through Friday, except Federal holidays.

• *NRC's Clearance Officer*: A copy of the collection of information and related instructions may be obtained without charge by contacting the NRC's Clearance Officer, Kristen Benney, Office of the Chief Information Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone: 301–415–6355; email: *Infocollects.Resource@nrc.gov.*

B. Submitting Comments

The NRC encourages electronic comment submission through the Federal rulemaking website (*https://www.regulations.gov*). Please include Docket ID NRC–2026–4159, in your comment submission.

The NRC cautions you not to include identifying or contact information in comment submissions that you do not want to be publicly disclosed in your comment submission. All comment submissions are posted at *https://www.regulations.gov* and entered into ADAMS. Comment submissions are not routinely edited to remove identifying or contact information.

If you are requesting or aggregating comments from other persons for submission to the NRC, then you should inform those persons not to include identifying or contact information that they do not want to be publicly disclosed in their comment submission. Your request should state that comment submissions are not routinely edited to remove such information before making the comment submissions available to the public or entering the comment into ADAMS.

II. Background

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the NRC is requesting public comment on its intention to request the OMB's approval for the information collection summarized as follows.

1. *The title of the information collection:* Information Collections Contained in the Sunset Rule.

2. *OMB approval number:* An OMB control number has not yet been assigned to this proposed information collection.

3. *Type of submission:* New.

4. *The form number, if applicable:* Not applicable.

5. *How often the collection is required or requested:* Annually.

6. *Who will be required or asked to respond:* Reporting requirements will be removed for certain applicants and licensees under 10 CFR parts 34, 35, 36, and 39.

7. *The estimated number of annual responses:* −34.

8. *The estimated number of annual respondents:* −34.

9. *The estimated number of hours needed annually to comply with the information collection requirement or request:* −450.

10. *Abstract:* The NRC is conducting a review and wholesale revision of its regulations in part 10 of title 10 of the *Code of Federal Regulations* (10 CFR). As part of this initiative, the NRC is proposing to deregulate and sunset regulations throughout 10 CFR, including sections related to the submission of exemption requests. The proposed rulemaking will deregulate multiple 10 CFR requirements and would necessitate changes to information collection. The information collections removed in this final rule would affect certain applicants and licensees under 10 CFR parts 34, 35, 36, and 39.

III. Specific Requests for Comments

The NRC is seeking comments that address the following questions:

1. Is the proposed collection of information necessary for the NRC to properly perform its functions? Does the information have practical utility? Please explain your answer.

2. Is the estimate of the burden of the information collection accurate? Please explain your answer.

3. Is there a way to enhance the quality, utility, and clarity of the information to be collected?

4. How can the burden of the information collection on respondents be minimized, including the use of automated collection techniques or other forms of information technology?

Authority: 42 U.S.C. 2011 *et seq.*

Dated: October 1, 2026.

For the Nuclear Regulatory Commission.

Kristen Benney,

NRC Clearance Officer, Office of the Chief Information Officer.

[FR Doc. 2026–20354 Filed 10–2–26; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

[NRC–2026–0001]

Sunshine Act Meetings

TIME AND DATE: Weeks of October 5, 12, 19, 26, and November 2, 9, 2026. The schedule for Commission meetings is subject to change on short notice. The NRC Commission Meeting Schedule can be found on the internet at: *https://www.nrc.gov/public-involve/public-meetings/schedule.html.*

PLACE: The NRC provides reasonable accommodation to individuals with disabilities where appropriate. If you need a reasonable accommodation to participate in these public meetings or need this meeting notice or the transcript or other information from the public meetings in another format (*e.g.,* braille, large print), please contact the Reasonable Accommodations Resource by email at *Reasonable_Accommodations.Resource@nrc.gov*. Determinations on requests for reasonable accommodation will be made on a case-by-case basis.

STATUS: Public.

Members of the public may request to receive the information in these notices electronically. If you would like to be added to the distribution, please contact the Nuclear Regulatory Commission, Office of the Secretary, Washington, DC 20555, at 301–415–1969, or by email at *Betty.Thweatt@nrc.gov* or *Samantha.Miklaszewski@nrc.gov*.

MATTERS TO BE CONSIDERED:

Week of October 5, 2026

There are no meetings scheduled for the week of October 5, 2026.

Week of October 12, 2026—Tentative

Thursday, October 15, 2026

9:00 a.m. CDT Nuclear Regulatory Commission Reorganization First 100 Days: Enhancing Reactor and Materials Oversight Integration and Performance (Public Meeting) (Contact: Myla Ruffin: 817–200–1203)

Additional Information: The meeting will be held in the NRC Region IV offices at 1600 East Lamar Boulevard, Arlington, Texas 76011–4511. The public is invited to attend the Commission's meeting in person or watch live via webcast at the Web address—*https://video.nrc.gov/*.

Week of October 19, 2026—Tentative

There are no meetings scheduled for the week of October 19, 2026.

Week of October 26, 2026—Tentative

There are no meetings scheduled for the week of October 26, 2026.

Week of November 2, 2026—Tentative

There are no meetings scheduled for the week of November 2, 2026.

Week of November 9, 2026—Tentative

There are no meetings scheduled for the week of November 9, 2026.

CONTACT PERSON FOR MORE INFORMATION: For more information or to verify the status of meetings, contact Wesley Held at 301–287–3591 or via email at *Wesley.Held@nrc.gov*.

The NRC is holding the meetings under the authority of the Government in the Sunshine Act, 5 U.S.C. 552b.

Dated: October 1, 2026.

For the Nuclear Regulatory Commission.

Wesley W. Held,

Policy Coordinator, Office of the Secretary.

[FR Doc. 2026–20373 Filed 10–1–26; 4:15 pm]

BILLING CODE 7590–01–P

POSTAL REGULATORY COMMISSION

[Docket Nos. MC2026–400 and K2026–389]

New Postal Products

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recent Postal Service filing for the Commission's consideration concerning a negotiated service agreement. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* October 7, 2026.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at *https://www.prc.gov.* Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

Table of Contents

I. Introduction
II. Public Proceeding(s)
III. Summary Proceeding(s)

I. Introduction

Pursuant to 39 CFR 3041.405, the Commission gives notice that the Postal Service filed request(s) for the Commission to consider matters related to Competitive negotiated service agreement(s). The request(s) may propose the addition of a negotiated service agreement from the Competitive product list or the modification of an existing product currently appearing on the Competitive product list.

The public portions of the Postal Service's request(s) can be accessed via the Commission's website (*http://www.prc.gov*). Non-public portions of the Postal Service's request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3011.301.[1]

Section II identifies the docket number(s) associated with each Postal Service request, if any, that will be reviewed in a public proceeding as defined by 39 CFR 3010.101(p), the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. For each such request, the Commission appoints an officer of the Commission to represent the interests of the general public in the proceeding, pursuant to 39 U.S.C. 505 and 39 CFR 3000.114 (Public Representative). The Public Representative does not represent any individual person, entity or particular point of view, and, when Commission attorneys are appointed, no attorney-client relationship is established. Section II also establishes comment deadline(s) pertaining to each such request.

The Commission invites comments on whether the Postal Service's request(s) identified in Section II, if any, are consistent with the policies of title 39. Applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3035, and 39 CFR part 3041. Comment deadline(s) for each such request, if any, appear in Section II.

Section III identifies the docket number(s) associated with each Postal Service request, if any, to add a standardized distinct product to the Competitive product list or to amend a standardized distinct product, the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. Standardized distinct products are negotiated service agreements that are variations of one or more Competitive products, and for which financial models, minimum rates, and classification criteria have undergone advance Commission review. *See* 39 CFR 3041.110(n); 39 CFR 3041.205(a). Such requests are reviewed in summary proceedings pursuant to 39 CFR 3041.325(c)(2) and 39 CFR 3041.505(f)(1). Pursuant to 39 CFR 3041.405(c)-(d), the Commission does not appoint a Public Representative or request public comment in proceedings to review such requests.

II. Public Proceeding(s)

1. *Docket No(s).:* MC2026–400 and K2026–389; *Filing Title:* USPS Request to Add Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 127 to Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 29, 2026; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative:* Christopher Mohr; *Comments Due:* October 7, 2026.

III. Summary Proceeding(s)

None. *See* Section II for public proceedings.

This Notice will be published in the **Federal Register**.

Sarah Wessel,

Senior Paralegal Specialist.

[FR Doc. 2026–20293 Filed 10–2–26; 8:45 am]

BILLING CODE 7710–FW–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 33–11447; File No. 4–933]

Potential Designation of Chartered Financial Analyst Designation as Qualifying Natural Persons for Accredited Investor Status

AGENCY: Securities and Exchange Commission.

ACTION: Notice; request for comment.

SUMMARY: Notice is given that the Securities and Exchange Commission (the ''Commission'') is considering whether to issue an order designating holding a charter as a Chartered Financial Analyst (''CFA'') in good standing as qualifying natural persons for accredited investor status.

DATES: This release was published in the **Federal Register** on October 5, 2026. Comments should be received on or before December 4, 2026.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number 4–933 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 4–933. To submit a comment to more than one file, please refer to each

[1] *See* Docket No. RM2018–3, Order Adopting Final Rules Relating to Non-Public Information, June 27, 2018, Attachment A at 19–22 (Order No. 4679).

file number. 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 of submission. The Commission will post all submitted comments on its website (*https://www.sec.gov/rules-regulations/public-comments/4-933*). Do not include personally identifiable information in submissions; you should submit only information that you wish to make available publicly. The Commission may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

FOR FURTHER INFORMATION CONTACT: John Byrne, Office Chief, Kenisha D. Nicholson, Senior Special Counsel, or Max Corey, Special Counsel, Office of Small Business Policy, Division of Corporation Finance, at 202–551–3460, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION:

I. Background

A. Accredited Investor Definition

Regulation D [1] provides a widely-used set of exemptions from registration under 15 U.S.C. 77a *et seq.* (the ''Securities Act'') for the offer and sale of securities.[2] Among other things, Regulation D includes the regulatory definition of ''accredited investor'' in 17 CFR 230.501(a) (''Rule 501(a)'') followed by the three main operative provisions—17 CFR 230.504 (''Rule 504''),[3] 17 CFR 230.506(b) (''Rule 506(b)''),[4] and 17 CFR 230.506(c) (''Rule 506(c)'').[5] The Commission has stated that the ''accredited investor'' definition under Regulation D is intended to capture persons whose financial sophistication renders the protection of the Securities Act's registration process unnecessary.[6]

The definition of ''accredited investor'' is a cornerstone of Regulation D and also plays an important role in other Federal securities law contexts.[7] Qualifying for accredited investor status is significant because accredited investors may, under Commission rules, participate in investment opportunities that are generally not available to non-accredited investors, such as investments in private companies and offerings by private funds.

Accredited investors are natural persons and entities that come within, or that the issuer reasonably believes come within, any of the enumerated categories contained in Rule 501(a). Natural persons may qualify as accredited investors if they are:

- Any director, executive officer, or general partner of the issuer of the securities being offered or sold or of a general partner of that issuer, pursuant to 17 CFR 230.501(a)(4);
- Individuals who have a net worth exceeding $1,000,000 (excluding the value of the individual's primary residence and any indebtedness secured by such residence up to the estimated value of the residence), either alone or with their spouse or spousal equivalent, pursuant to 17 CFR 230.501(a)(5);
- Individuals who had an income in excess of $200,000 in each of the two most recent years, or joint income with the individual's spouse or spousal equivalent in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in the current year, pursuant to 17 CFR 230.501(a)(6);
- Individuals who are holders in good standing of one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status, pursuant to 17 CFR 230.501(a)(10) (''Rule 501(a)(10)'');
- Individuals who are ''knowledgeable employees,'' [8] under the Investment Company Act of 1940 (the ''Investment Company Act''),[9] of the private-fund issuer of the securities being offered or sold, pursuant to 17 CFR 230.501(a)(11); or
- Individuals who are ''family clients'' of a ''family office'' [10] under the Investment Advisers Act of 1940 (the ''Advisers Act'') [11] and whose prospective investment in the issuer is directed by such family office in accordance with 17 CFR 230.501(a)(12)(iii), pursuant to 17 CFR 230.501(a)(13) (''Rule 501(a)(13)'').

Various institutions may qualify as accredited investors based on their status alone or on a combination of their status and the amount of their total assets or investments. Institutions that qualify include:

- Banks, savings and loan associations; brokers or dealers registered pursuant to section 15 of the Securities Exchange Act of 1934; [12] certain investment advisers; insurance companies; investment companies registered under the Investment Company Act or business development companies as defined in section 2(a)(48) of the Investment Company Act; [13] and certain specialized investment companies; [14] plans established and maintained by a state, its political subdivisions, or any agency or

[1] 17 CFR 230.500 through 230.508.

[2] Approximately $400 billion was raised in Regulation D offerings (excluding pooled funds) between July 1, 2024 and June 30, 2025. *See Staff Report from Office of the Advocate for Small Business Capital Formation* (''OASB'') Fiscal Year 2025 OASB Annual Report (Jan. 8, 2026) at 14, available at *https://www.sec.gov/files/2025-oasb-staff-report.pdf.*

[3] Rule 504 provides an exemption from registration under the Securities Act for the offer and sale of up to $10 million of securities in a 12-month period from an unlimited number of investors (without regard to whether those investors are accredited).

[4] Rule 506(b) is a safe harbor under section 4(a)(2) of the Securities Act that permits issuers to raise any amount from an unlimited number of accredited investors but limits the number of non-accredited investors to 35 in any 90-calendar-day period. The rule does not permit general solicitation and, where non-accredited investors purchase in the Rule 506(b) offering, the information requirements in 17 CFR 230.502(b) must be met. *See* 17 CFR 230.506(b)(1); 17 CFR 230.506(b)(2)(i); 17 CFR 230.502(b).

[5] Rule 506(c) provides an exemption from registration under the Securities Act, and permits issuers to raise any amount from an unlimited number of accredited investors. The exemption permits general solicitation, but issuers may not make any sales to non-accredited investors under Rule 506(c), and the issuer must take reasonable steps to verify that all purchasers are accredited. *See also* Jumpstart Our Business Startups Act of 2012, Public Law 112–106, sec. 201(a), 126 Stat. 306 (2012) (directing the Commission to revise its rules ''to provide that the prohibition against general solicitation or general advertising contained in section 230.502(c) of such title [17] shall not apply to offers and sales of securities made pursuant to section 230.506, provided that all purchasers of the securities are accredited investors . . . . Section 230.506 of title 17, Code of Federal Regulations, as revised pursuant to this section, shall continue to be treated as a regulation issued under section 4(2) of the Securities Act of 1933 (15 U.S.C. 77d(2))'').

[6] *See Accredited Investor Definition,* Release No. 33–10824 (Aug. 26, 2020) [85 FR 64234, n.7 and accompanying text (Oct. 9, 2020)] (''Accredited Investor Adopting Release''); Regulation D Revisions; Exemption for Certain Employee Benefit Plans, Release No. 33–6683 (Jan. 16, 1987) [52 FR 3015 (Jan. 30, 1987)]. *See also SEC* v. *Ralston Purina Co.,* 346 U.S. 119, 125 (1953) (taking the position that the availability of the section 4(a)(2) exemption ''should turn on whether the particular class of persons affected needs the protection of the [Securities] Act. An offering to those who are shown to be able to fend for themselves is a transaction 'not involving any public offering' '').

[7] For example, each of 17 CFR 230.251 through 230.263 (''Regulation A'') and 17 CFR 227.100 through 227.504 (''Regulation Crowdfunding'') contains limitations on the amount an investor may invest if such investor is not an accredited investor. *See* 17 CFR 230.251(d)(2)(i)(C) and 17 CFR 227.100(a)(2).

[8] 17 CFR 270.3c–5(a)(4).

[9] 15 U.S.C. 80a–1 *et seq.*

[10] 17 CFR 275.202(a)(11)(G)–1 (defining ''family office'').

[11] 15 U.S.C. 80b–1 *et seq.*

[12] 15 U.S.C. 78*o.*

[13] 15 U.S.C. 80a–2(a)(48).

[14] This includes small business investment companies licensed under section 301(c) or (d) of the Small Business Investment Act of 1958 [15 U.S.C. 661 *et seq.*], and any rural business investment company as defined in section 384A of the Consolidated Farm and Rural Development Act [7 U.S.C. 1921].

instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5 million; employee benefit plans (within the meaning of the Employee Retirement Income Security Act of 1974 [15]) if a bank, savings and loan association, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of $5 million, or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors, pursuant to 17 CFR 230.501(a)(1) (''Rule 501(a)(1)'');

- Any private business development company as defined in section 202(a)(22) of the Advisers Act,[16] pursuant to 17 CFR 230.501(a)(2) (''Rule 501(a)(2)'');
- Charitable organizations, corporations, business trusts, partnerships, or limited liability companies not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000, pursuant to 17 CFR 230.501(a)(3) (''Rule 501(a)(3)''); [17]
- Trusts with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in 17 CFR 230.506(b)(2)(ii), pursuant to 17 CFR 230.501(a)(7) (''Rule 501(a)(7)'');
- Entities in which all of the equity owners are accredited investors, pursuant to 17 CFR 230.501(a)(8) (''Rule 501(a)(8)'');
- Any entity, of a type not listed in Rules 501(a)(1), (2), (3), (7), or (8), not formed for the specific purpose of acquiring the securities offered, owning investments in excess of $5,000,000, pursuant to 17 CFR 230.501(a)(9);
- ''Family offices'' meeting certain requirements, pursuant to 17 CFR 230.501(a)(12) (''Rule 501(a)(12)''); [18] and
- Entities that are ''family clients'' of a ''family office'' that meets the requirements of Rule 501(a)(12), pursuant to Rule 501(a)(13).

[15] 29 U.S.C. 1001 *et seq.*

[16] 15 U.S.C. 80b–2(a)(22).

[17] A charitable organization is as described in section 501(c)(3) of the Internal Revenue Code [26 U.S.C. 501(c)(3)].

[18] The family office must have assets under management in excess of $5,000,000; not been formed for the specific purpose of acquiring the securities offered; and its prospective investments directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment. *See* 17 CFR 230.501(a)(12)(i) through 230.501(a)(12)(iii).

B. Background on Rule 501(a)(10) and Overview of Potential Designation

Rule 501(a)(10) confers accredited investor status on any natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status.[19] In adopting Rule 501(a)(10), the Commission stated that certain ''professional credentials and experience should enable [investors that hold such credentials] to assess investment opportunities, appropriately allocate capital based on their individual circumstances, including whether to reallocate investment capital between private investments and other equivalent-sized investments, and otherwise make appropriately informed decisions regarding their financial interests, including their ability to bear the financial risk.'' [20]

Rule 501(a)(10) contains the following non-exclusive list of attributes that the Commission will consider in determining whether to designate a professional certification or designation or credential from an accredited educational institution as qualifying for accredited investor status:

- The certification, designation, or credential arises out of an examination or series of examinations administered by a self-regulatory organization or other industry body or is issued by an accredited educational institution, under 17 CFR 230.501(a)(10)(i) (''Rule 501(a)(10)(i)'');
- The examination or series of examinations is designed to reliably and validly demonstrate an individual's comprehension and sophistication in the areas of securities and investing, under 17 CFR 230.501(a)(10)(ii) (''Rule 501(a)(10)(ii)'');
- Persons obtaining such certification, designation, or credential can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment, under 17 CFR 230.501(a)(10)(iii) (''Rule 501(a)(10)(iii)''); and
- An indication that an individual holds the certification or designation is either made publicly available by the relevant self-regulatory organization or other industry body or is otherwise independently verifiable, under 17 CFR 230.501(a)(10)(iv) (''Rule 501(a)(10)(iv)''). [21]

In proposing Rule 501(a)(10), the Commission noted prior recommendations to designate CFAs [22] as qualifying natural persons for accredited investor status, but did not include them in the proposed list of certifications or designations to be included in an initial Commission order accompanying the final rule, if adopted.[23] In response to the omission, the CFA Institute, which is a global, not-for-profit professional association of CFAs that also awards the CFA charter, recommended the inclusion of CFAs on the initial list of professional certifications, designations, and credentials.[24] The CFA Institute stated ''[w]e believe that the CFA Charter demonstrates that an investor has the requisite level of financial sophistication and abilities to render the protections of the Securities Act unnecessary. Therefore, the Commission should designate the CFA Charter as qualifying for accredited investor status.'' [25]

In July 2026, the CFA Institute submitted another letter in support of designating the CFA charter as qualifying individuals for accredited investor status.[26] In that letter, the CFA Institute specifically noted ways in which it believed that the CFA charter would satisfy the requirements of Rule 501(a)(10), including that ''[t]he CFA Program curriculum and series of three exams . . . are designed to reliably and validly demonstrate comprehension and sophistication of securities and

[19] Rule 501(a)(10) does not expressly define what constitutes good standing. In connection with the adoption of Rule 501(a)(10), the Commission stated that in addition to passing the relevant exam, ''maintaining an active certification, designation, or license is sufficient to demonstrate the individual's financial sophistication to invest in exempt offerings . . . . [and] that an inactive certification, designation, or license, particularly when the certification or designation has been inactive for an extended period of time, could lessen the validity of the certification or designation as a measure of financial sophistication.'' Accredited Investor Adopting Release at 64242. *See infra* section II.B.1.

[20] *Id.* at 64241.

[21] Additionally, Note 1 to paragraph 501(a)(10) specifies that the Commission will designate professional certifications or designations or credentials as qualifying such holders as accredited investors by order, after notice and an opportunity for public comment.

[22] As used herein, a CFA refers to those persons that are considered ''CFA Charterholders'' and eligible to use such designation publicly.

[23] *See Amending the ''Accredited Investor'' Definition,* Release No. 33–10734 (Dec. 18, 2019) [85 FR 2574, 2579–2581 (Jan. 15, 2020)] (the ''Accredited Investor Proposing Release'').

[24] *See* letter from the CFA Institute (May 4, 2020) (''CFA Institute 2020''). The comment letters to the Accredited Investor Proposing Release are available at *https://www.sec.gov/comments/s7-25-19/s72519.htm.*

[25] *See* letter from CFA Institute 2020 at n.8.

[26] *See* letter from the CFA Institute (July 26, 2026) (''CFA Institute 2026''), available at *https://www.sec.gov/comments/S7-25-19/s72519-974860-3046830.pdf.*

investing at a professional level''; ''[p]ersons obtaining the CFA charter can reasonably be expected to have the knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment''; and the ''CFA Institute offers the public access to an online searchable Member Directory to verify whether an individual (i) is a member in good standing of CFA Institute, (ii) holds the CFA charter and (iii) the date when the individual earned the charter.'' [27]

Other commenters also generally supported the inclusion of CFAs.[28] One of those commenters stated that holding a charter as a CFA ''generally require[s] the mastery of a broader range of material at a deeper level than the series 7 exam and, therefore better equip[s] a person to evaluate investments.'' [29] Another commenter stated holding a charter as a CFA ''demonstrate[s] the same type[ ] of financial sophistication as the Series 7, 65, or 82 licenses.'' [30] One commenter stated that the exclusion of CFA ''unnecessarily limits the definition [of ''accredited investor''] without providing an investor protection benefit.'' [31]

Consistent with the proposal, at the time of adoption of Rule 501(a)(10), the Commission issued an order designating the General Securities Representative license (Series 7), Private Securities Offerings Representative license (Series 82), and Investment Adviser Representative license (Series 65) as qualifying a holder of such licenses in good standing for accredited investor status.[32] In the Accredited Investor Adopting Release, the Commission expressly noted that ''[a]lthough other professional certifications, designations, and credentials, such as other FINRA exams, a specific accredited investor exam, other educational credentials, or professional experience received broad commenter support, we are taking a measured approach to the expansion of the definition . . . . [and] we believe it is appropriate to consider these other credentials after first gaining experience with the revised rules.'' [33]

The Commission has now had over five years of experience with the initially designated professional licenses. There is no evidence that we are aware of to suggest that the expansion in 2020 of the accredited investor definition to include these types of financially sophisticated investors has created investor protection concerns. Since the adoption of Rule 501(a)(10) and the initial designations, the Commission has received recommendations to further expand the number of investors that qualify as accredited investors under Rule 501(a)(10).[34] The arguments in some of these recommendations echo the arguments contained in letters from commenters in connection with the adoption of Rule 501(a)(10), which stated that the definition limits access to private investments primarily to those who are wealthy,[35] have close ties to the issuer,[36] or have certain jobs in the financial industry.[37] The Commission has also received petitions for rulemaking requesting changes to the accredited investor definition.[38]

For the reasons set forth in section II, we believe that holding a charter as a CFA in good standing would satisfy the standard in Rule 501(a)(10).[39]

[27] *See id.*

[28] *See e.g.,* letter from James J. Angel (Mar. 3, 2020); letter from Artivest Holdings, Inc. (Apr. 22, 2020) (''Artivest''); letter from American Association of Private Lenders (May 27, 2020); letter from Association of Trust Organizations, Inc. (Apr. 15, 2020); letter from Michael Bernstein (Dec. 19, 2019); letter from David R. Burton (May 1, 2020) (''D. Burton''); letter from Carta, Inc. (Mar. 16, 2020); letters from CityVest (Jan. 6, 2020 and Jan. 7, 2020); letter from Luke Denlinger (Dec. 22, 2019); letter from Fidelity Investments (Mar. 16, 2020) (''Fidelity''); letter from Geraci LLP (Mar. 9, 2020); letter from HLWG (Mar. 16, 2020); letter from the Institute for Portfolio Alternatives (Mar. 16, 2020) (''IPA''); letter from Kevin King (Jan. 23, 2020); letter from Chris Lakumb (Dec. 18, 2019); letter from Mercer Advisors (Mar. 11, 2020); letter from Adam Moehn (Mar. 8, 2020); letter from Alex Naegele (Jan. 9, 2020); letter from G. Philip Rutledge (Jan. 31, 2020); letter from Ashley Wunderlich (Feb. 7, 2020); letter from Kurt Wunderlich (Feb. 7, 2020).

[29] *See* letter from D. Burton.

[30] *See* letter from Fidelity.

[31] *See* letter from Artivest. *See also* letter from IPA (similarly stating that the exclusion of CFAs ''would unnecessarily limit the definition without commensurate investor benefit.'').

[32] The exams for the General Securities Representative license (Series 7) and the Private Securities Offerings Representative license (Series 82) are developed and administered by the Financial Industry Regulatory Authority (''FINRA''), and the exam for the Investment Adviser Representative license (Series 65) was developed by the North American Securities Administrators Association and is administered by FINRA. *See Order Designating Certain Professional Licenses as Qualifying Natural Persons for Accredited Investor Status,* Release No. 33–10823 (Aug. 26, 2020) [85 FR 64234 (Oct. 9, 2020)].

[33] Accredited Investor Adopting Release at 64243.

[34] *See, e.g.,* Letter from CFA Institute 2026; *Report on the 45th Annual Small Business Forum* (July 27, 2026) at 17, available at *https://www.sec.gov/files/2026-oasb-annual-forum-report.pdf* (recommending that the Commission ''expand the accredited investor definition to include additional measures of sophistication, including through an investor test and experience''); *Report on the 44th Annual Small Business Forum* (Sept. 22, 2025) at 18, available at *https://www.sec.gov/files/2025-oasb-annual-forum-report.pdf* (recommending that the Commission ''[e]xpand the accredited investor definition to include additional measures of sophistication''); SEC Small Business Capital Formation Advisory Committee Recommendation regarding the Accredited Investor Definition (May 1, 2024), available at *https://www.sec.gov/files/recs-accredited-investor-definition.pdf* (recommending in part that persons not meeting the definition be able to undertake an educational program, which would allow them to invest a percent of their assets); OASB, *Annual Report for Fiscal Year 2023* at 75, available at *https://www.sec.gov/files/2023-oasb-annual-report.pdf* (recommending expansion of the accredited investor definition to add qualitative professional criteria and alternative ways to demonstrate financial sophistication). *See also* SEC Investor Advisory Committee Recommendation regarding Retail Investor Access to Private Market Assets (Sept. 18, 2025), available at *https://www.sec.gov/files/iac-recommendation-private-market-assets-final-09182025.pdf* (not taking a position on whether the accredited investor definition should be expanded, but recommending that, if the definition were to be expanded, the Commission consider expanding the accredited investor definition to cover additional professional certifications or designations or credentials, including the CFA).

[35] *See, e.g.,* letter from D. Burton (stating that ''people outside of the financial industry should have a means to prove that they have the knowledge and sophistication to qualify as [accredited investors] . . . . [o]therwise, the Commission will effectively creat[e] barriers where only affluent people or those it regulates in the financial industry have access to these investments.''); letter from Tron Black (Nov. 20, 2019, last updated Dec. 24, 2019).

[36] *See, e.g.,* letter from Bruce A. Wallick (Dec. 19, 2019) (stating that the ''[accredited investor definition] should include an opportunity for self-taught investors to demonstrate their financial sophistication and achieve accredited status.''); letter from D. Burton.

[37] *See, e.g.,* letter from Crowdwise, LLC (Mar. 1, 2020) (stating that it is crucial for the Commission to ''consider how self-taught, sophisticated investors who do *not* have any other financial credentials (nor the ability to get them) or finance industry experience can still have access to the same investment opportunities that are available to accredited investors today.''); letter from D. Burton (stating that expansion of the accredited investor definition ''will help investors that would typically otherwise be barred from investing in Regulation D offerings (most often younger investors or those that live outside of high-income metropolitan areas).'').

[38] *See* Benjamin Bartel, *Petition for Rulemaking to Amend the Accredited Investor Definition in Rule 501(a) of SEC Regulation D* (Sept. 25, 2025), available at *https://www.sec.gov/files/rules/petitions/2025/petn4-871.pdf;* Fabricio R. Murillo Garcia, *Petition for Modification of Definition of Accredited Investors* (Feb. 13, 2024), available at *https://www.sec.gov/files/rules/petitions/2024/petn4-823.pdf;* Nicholas Morgan, Investor Choice Advocates Network, *Rulemaking petition to reduce the diversity, equity, and inclusion (''DEI'') barriers for ''accredited investors'' by replacing the net worth and income requirements of Rule 501(a) under the Securities Act of 1933 with non-financial metrics* (Nov. 9, 2022), available at *https://www.sec.gov/files/rules/petitions/2022/petn4-796.pdf;* Benny R. Brown, *Request to change the rules which qualifies an individual or individuals as an accredited investor* (Apr. 26, 2021), available at *https://www.sec.gov/files/rules/petitions/2021/petn4-773.pdf.* The Commission has considered these petitions in connection with this notice and the other notices published elsewhere in this issue of the **Federal Register**. *See infra* note 39.

[39] We are also concurrently providing notice pursuant to Note 1 to paragraph 501(a)(10) with respect to the potential designation of each of the following as qualifying natural persons for accredited investor status: the passage of an accredited investor exam to be developed by FINRA; holding a license as a U.S. certified public accountant in good standing; holding a certification

Continued

Accordingly, as required by Rule 501(a)(10), we are providing notice and an opportunity for public comment on the potential designation of holding a charter as a CFA in good standing as qualifying natural persons for accredited investor status.[40]

II. Discussion

A. CFA Requirements

1. Background

We believe designating the holding of a charter as a CFA in good standing as qualifying natural persons for accredited investor status would be consistent with the standard in Rule 501(a)(10) because such status meets the non-exclusive attributes the Commission identified in Rule 501(a)(10) as relevant to its consideration of adding additional professional certifications or designations or credentials.

CFA charterholders are often professionals in the investment industry—the CFA Institute states that they ''occupy a range of investment decision-making roles including buy-side, sell-side, and corporate and advisory positions.'' [41] The CFA Institute also states that ''[a]mong charterholders globally, the two top professions are portfolio managers and investment analysts.'' [42]

In order to earn the CFA charter, a candidate must meet the eligibility requirements related to education or work experience to register and enroll in the CFA Program, pass all three levels of the CFA exam (the ''Exam'') and meet the work experience requirements.[43] The Exam tests CFA candidates' knowledge and skills related to investment analysis, valuation, portfolio construction, and ethical decision-making.[44] The CFA Institute is the credentialing body responsible for developing and scoring the Exam. The candidate must also join the CFA Institute as a member and commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.[45] As of August 10, 2026, the CFA Institute estimates that there are approximately 194,000 CFAs worldwide.[46]

2. Educational and Work Experience Requirements

In order to be eligible to enroll in the CFA Program and register for the Exam, a candidate must either: (1) hold a bachelor's degree; (2) be currently enrolled in a bachelor's degree program (if the candidate is within 23 months of their graduation month); or (3) have either 4,000 hours of qualified professional work experience or a combination of professional work experience and higher education totaling 4,000 hours.[47] Further, in order to apply to hold a charter as a CFA, in addition to having successfully passed the Exam, a candidate must have a minimum of 4,000 qualified hours of experience completed in a minimum of 36 months and such ''[q]ualified hours must be directly related to the investment decision-making process or producing a work product that informs or adds value to that process.'' [48]

3. Exam

i. Contents

The Exam is composed of three separate exams, each of which a CFA candidate must pass to be eligible to obtain a CFA:

- Over a four-hour and thirty-minute period, the Level I exam tests knowledge and skills related to key terms, concepts, and formulas that are the foundation of the investment industry through 180 questions on the 10 following topics: ethical and professional standards; quantitative methods; economics; financial statement analysis; corporate issuers; equity investments; fixed income; derivatives; alternative investments; and portfolio management.[49]
- Over a four-hour and twenty-four-minute period, the Level II exam tests knowledge and skills related to analyzing and evaluating situations that draw upon the knowledge and skills tested by the Level I exam through 88 multiple choice questions covering the same 10 topics as the Level I exam.[50]
- Over a four-hour and twenty-four-minute period, the Level III exam tests knowledge and skills obtained from Levels I and II and requires the application of such knowledge to real-world scenarios.[51] For the Level III exam, candidates have the opportunity to select the specialized pathway ''more directly related to their interests and aspirations'' from one of the following: portfolio management, private wealth, or private markets.[52] Approximately 65 to 70 percent of the Level III exam tests on a common core of knowledge, skills and ability applicable to all three pathways.[53] The remaining 30 to 35

as a Certified Financial Planner in the United States in good standing; and the Investment Banking Representative license (Series 79) and the Research Analyst license (Series 86 and Series 87). *See Potential Designation of Passage of an Accredited Investor Exam to be Developed by FINRA as Qualifying Natural Persons for Accredited Investor Status; Potential Designation of U.S. Certified Public Accountant License as Qualifying Natural Persons for Accredited Investor Status; Potential Designation of Certified Financial Planner Certification as Qualifying Natural Persons for Accredited Investor Status; Potential Designations of the Investment Banking Representative License (Series 79) and the Research Analyst License (Series 86 and Series 87) as Qualifying Natural Persons for Accredited Investor Status* published elsewhere in this issue of the **Federal Register**.

[40] As is the case for the other prongs of the accredited investor definition, individuals holding a CFA in good standing would only themselves qualify as accredited investors and could not rely on their status as accredited investors to purchase securities on behalf of another person.

[41] Letter from CFA Institute 2026 at 8.

[42] *Id.* Other professions include private wealth manager/financial adviser/financial planner, corporate finance/M&A analyst, and risk analyst/manager. *Id.*

[43] *See* CFA Institute, *CFA Program exam information,* available at *https://www.cfainstitute.org/programs/cfa-program/exam* (last retrieved Sept. 24, 2026).

[44] *See* letter from CFA Institute 2026.

[45] *See* letter from CF Institute 2026.

[46] *See* CFA Institute, *Where do CFA charterholders work?,* available at *https://www.cfainstitute.org/programs/cfa-program/careers/employers-list* (last retrieved Sept. 24, 2026). *See also* CFA Institute 2026 (''We have nearly 200,000 members in 160 locations around the world. The vast majority of our members (97%) are CFA charterholders.'').

[47] *See* CFA Institute, *CFA Program,* available at *https://help.cfainstitute.org/s/article/Enrollment-Requirements?language=en_US* (noting ''Additional Requirements,'' including requiring candidates to sign statements of ''Professional Conduct and Candidate Responsibility'' during registration and having a valid passport) (last retrieved Sept. 24, 2026).

[48] *See* letter from CFA Institute 2026 at 8.

[49] The 2026 potential weights for the topics range from five percent to 20 percent, with four topics weighted a minimum of 11 percent (ethical and professional standards; financial statement analysis; equity investments; and fixed income). *See* CFA Institute, *CFA Program Level I exam,* available at *https://www.cfainstitute.org/programs/cfa-program/candidate-resources/level-i-exam#topic-weights* (last retrieved Sept. 24, 2026). The CFA slightly revised the Level I topics for 2027, replacing ''corporate issuers'' with ''corporate finance,'' ''equity investments'' with ''equities,'' and ''portfolio management'' with ''portfolio construction.'' *See id.* The weights for the topics also were adjusted for 2027, with a range of weights from five percent to 15 percent. *See id.*

[50] The topics are weighted differently for the Level II exam, with the potential weights ranging from five percent to 15 percent, with five topics weighted a minimum of 10 percent (financial statement analysis; equities; fixed income; portfolio construction; and ethical and professional standards). *See* CFA Institute, *CFA Program Level II exam,* available at *https://www.cfainstitute.org/programs/cfa-program/candidate-resources/level-ii-exam* (last retrieved Sept. 24, 2026).

[51] *See* CFA Institute, *CFA Program Level III exam* (''Level III exam details''), available at *https://www.cfainstitute.org/programs/cfa-program/candidate-resources/level-iii-exam* (last retrieved Sept. 24, 2026).

[52] *See* CFA Institute, *Level III specialized pathways,* available at *https://www.cfainstitute.org/programs/cfa-program/candidate-resources/level-iii-exam/specialized-pathways* (stating that the CFA Institute introduced the pathways ''recogniz[ing] there is more we can do to prepare candidates for promotion or lateral hiring into . . . [private markets and private wealth] job roles'') (last retrieved Sept. 24, 2026).

[53] The common core knowledge topics are: asset allocation; portfolio construction; performance

percent of the Level III exam tests on knowledge and skills related to the specialized pathway selected by the CFA candidate. Unlike the Level I and Level II exams, the Level III exam includes essay questions, in addition to multiple choice questions.[54]

In addition, in connection with each level of the Exam, a CFA candidate is required to complete a ''Practical Skill Module,'' which is designed to develop a CFA candidate's practical skills through videos, multiple-choice questions, guided practice, and case studies.[55] Each Practical Skill Module is not scored and takes from 10 to 20 hours to complete. A different one must be completed with each level of the Exam.

As part of the CFA Institute's development of the Exam, it annually conducts a ''practice analysis process,'' to ''assess and update the Candidate Body of Knowledge, which identifies knowledge, skills, and abilities that investment professionals need to perform successfully throughout their career.'' [56]

ii. Administration of the Exam

The CFA candidate applies to take the Exam through the CFA Institute. The current standard registration fee is $1,490 for each of the Level I and Level II exams, and $1,590 for the Level III exam.[57] The Exam is administered four times a year, in February, May, August, and November, and may only be taken at certain designated testing centers.[58] Candidates may take up to two of the levels during a calendar year, and the levels cannot be taken in consecutive administration windows or within six months of each other.[59]

4. Additional Requirements

To become CFAs, in addition to passing the Exam and having the requisite work experience, candidates must become a ''charterholder'' member of the CFA Institute.[60] This requirement includes, among other things, submitting professional references to the CFA Institute.[61] When applying for membership, individuals must also separately apply to a local CFA society, which is a local chapter of the CFA Institute.[62] CFAs are required to pay annual dues to the CFA Institute (currently $299).[63] Also, CFAs are required to annually make a ''Professional Conduct Statement'' regarding their compliance with the CFA Institute Code of Ethics and Standards of Professional Conduct.[64]

5. Public Verification

The CFA Institute has a member directory website that allows the public to search at no cost for current CFA Institute members and does not include individuals whose CFA Institute membership has lapsed, been suspended, or revoked.[65]

B. Rationale for Designation

1. Rule 501(a)(10) Generally and Rule 501(a)(10)(i)

We believe it would be appropriate to designate holding a charter as a CFA in good standing as qualifying an individual for accredited investor status pursuant to Rule 501(a)(10). The addition of holding a charter as a CFA in good standing as a designated professional designation would provide an additional knowledge-based means for individuals to qualify as accredited investors while appropriately balancing investor protection concerns.[66]

Rule 501(a)(10) requires that any professional certifications and designations and other credentials designated as qualifying such holder for accredited investor status be held in good standing.[67] We believe that the standards set by the CFA Institute for CFAs to maintain their CFA charter (annually pay dues and make the ''Professional Conduct Statement'') are an appropriate measure of good standing; and therefore, a person must maintain their CFA status to be considered in good standing.

Rule 501(a)(10)(i) additionally requires that a designated certification,

measurement; derivatives and risk management; and ethical and professional standards. *Id.*

[54] *See* Level III exam details. According to the CFA Institute, ''over the past five years, the average pass rate has been less than 50 percent,'' cumulatively, for each level of the Exam (Level II pass rate of 46% for candidates who successfully passed Level I (41%) Level III pass rate of 49% for candidates who successfully passed Level II and who go on to sit for Level III). *See* letter from CFA Institute 2026.

[55] The topics available vary by level. For the Level I exam, they are financial modeling or python programming fundamentals. For the Level II exam, they are python programming fundamentals; python, data science, and artificial intelligence; or analyst skills. For the Level III exam, they are specific to the specialized pathway that the CFA candidate selected. *See* CFA Institute, *Practical Skill Modules,* available at *https://www.cfainstitute.org/programs/cfa-program/candidate-resources/practical-skills-modules* (last retrieved Sept. 24, 2026).

[56] CFA Institute, *CFA Program practice analysis,* available at *https://www.cfainstitute.org/programs/cfa-program/practice-analysis* (last retrieved Sept. 24, 2026). According to the CFA institute, the ''Candidate Body of Knowledge'' ''represents the core knowledge, skills, and abilities (competencies) generally accepted and applied by investment professionals globally.'' CFA Institute, *Candidate Body of Knowledge (CBOK),* available at *https://www.cfainstitute.org/programs/cfa-program/candidate-resources/cbok* (last retrieved Sept. 24, 2026).

[57] *See* CFA Institute, *CFA Program,* available at *https://www.cfainstitute.org/programs/cfa-program/dates-fees* (last retrieved Sept. 24, 2026). In addition, to the extent that a CFA candidate needs to reschedule, the fee is currently approximately $250.

[58] *See id.*

[59] *See* CFA Institute, *CFA Exam Eligibility Policy,* available at *https://www.cfainstitute.org/about/governance/policies/cfa-exam-eligibility-policy* (last retrieved Sept. 24, 2026). For example, a candidate that fails the Feb. Exam would have to wait until at least Aug. to re-take the Exam.

[60] The CFA Institute has three levels of membership: ''charterholder'' (''For distinguished individuals who have demonstrated professional excellence by completing the CFA® Program.''), ''professional'' (''For experienced investment industry professionals who want to deepen their impact and stay current as the industry evolves.''), and ''associate'' (''For early career finance professionals who seek a foundation and access point into the investment industry and community.''). *See* CFA Institute, *Compare membership types,* available at *https://www.cfainstitute.org/membership/types* (last retrieved Sept. 24, 2026).

[61] *See* CFA Institute, *How to become a CFA charterholder,* available at *https://www.cfainstitute.org/programs/cfa-program/charter* (requiring ''two professional references if one of them is an active regular member of the local [CFA] society to which [the candidate is] applying. If none are active members, [the candidate will] need to submit three professional references.'') (last retrieved Sept. 24, 2026).

[62] *See* CFA Institute, *Application resources,* available at *https://www.cfainstitute.org/membership/types/application-resources* (''When applying for CFA Institute professional or charterholder membership, you must apply to a local society. The selected society will review your application, and you can choose whether to join after approval . . . . [S]ociety membership is voluntary for CFA Institute professional and charterholder members.'') (last retrieved Sept. 24, 2026). *See also* CFA Institute, *Find a CFA Society,* available at *https://www.cfainstitute.org/membership/find-cfa-society#sortCriteria=%40titlebasic%20ascending* (last retrieved Sept. 24, 2026).

[63] *See* CFA Institute, *Charterholder membership,* available at *https://www.cfainstitute.org/membership/types/charterholder* (last retrieved Sept. 24, 2026).

[64] *See* CFA Institute, *Code of Ethics and Standards of Professional Conduct,* available at *https://www.cfainstitute.org/sites/default/files/-/media/documents/ethics-in-practice/code_of_ethics_and_standards_of_professional_conduct_2024.pdf* (last retrieved Sept. 24, 2026). The CFA Institute also encourages CFAs to ''earn at least 20 [professional learning] credits (including two credits in the areas of Standards, Ethics, and Regulations)'' annually. *See* CFA Institute, *Professional Learning Program,* available at *https://www.cfainstitute.org/membership/benefits/professional-learning-program* (last retrieved Sept. 24, 2026). The CFA Institute provides CFAs with professional learning resources on a number of topics. *See* CFA Institute, *Resources for professional learning,* available at *https://www.cfainstitute.org/insights/professional-learning#sortCriteria=%40officialz32xdate%20descending* (last retrieved Sept. 24, 2026).

[65] *See* CFA Institute, *Member Directory Search,* available at *https://directory.cfainstitute.org/.*

[66] As the Commission stated in connection with adoption of Rule 501(a)(10) ''[w]e believe that the amendments we are adopting in [the Accredited Investor Adopting Release] provide appropriate investor protections while facilitating capital formation.'' *See* Accredited Investor Adopting Release at 64256. *See also supra* note 20.

[67] *See supra* note 19.

designation, or credential arise out of an examination or series of examinations administered by a self-regulatory organization or other industry body or be issued by an accredited educational institution. As described in section II.A.1, the Exam, which is a prerequisite to holding a charter as a CFA in good standing, is designed and administered by the CFA Institute. Although ''other industry body'' is not defined in Rule 501(a)(10), we believe that the CFA Institute is an industry body as contemplated under Rule 501(a)(10) due to its role in setting best practices for professionals in the fields of financial analysis and investment management.[68]

2. Rules 501(a)(10)(ii) and 501(a)(10)(iii)

Rule 501(a)(10)(ii) states that the Commission will consider whether ''[t]he examination or series of examinations is designed to reliably and validly demonstrate an individual's comprehension and sophistication in the areas of securities and investing.'' Rule 501(a)(10)(iii) states the Commission will consider whether ''[p]ersons obtaining [a] certification, designation, or credential [designated under Rule 501(a)(10)] can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment.''

We believe that passage of the Exam satisfies the objectives of Rule 501(a)(10)(ii). We further believe that passage of the Exam combined with the satisfaction of the requirements to obtain a CFA charter would satisfy the objectives of Rule 501(a)(10)(iii). As described in more detail in section II.A.3.i, the topics covered by the three levels of the Exam are designed to evaluate a person's knowledge and skill in the areas of investment analysis and portfolio management. Levels I and II test knowledge and situational application of various terms, concepts, and formulas that are foundational to the investment industry, including financial statement analysis, equity investments, fixed income instruments, and portfolio management.[69] The Level III exam tests knowledge and skills applied to real-world scenarios, with approximately 65 to 70 percent of the exam focused on testing asset allocation, portfolio construction, performance measurement, and derivatives and risk management.[70] The remainder of the Level III exam tests the CFA candidate's knowledge related to the specialized pathway that they have selected, which includes pathways for private wealth, private markets, and portfolio management. Additionally, in connection with each of Level I, II, and III, the CFA candidate is required to complete a ''Practice Skills Module,'' which, while not scored, is required and intended to teach in-depth practical application of specialized knowledge and skills.[71]

As described in more detail in section II.A.2, in addition to the passage of the Exam, in order to be eligible to obtain a CFA charter, the CFA candidate must have the required work experience. We therefore believe that in obtaining a CFA charter, which requires attaining and demonstrating the knowledge and skills tested by the Exam, and obtaining the required work experience, such persons will have demonstrated that they have the comprehension and sophistication to evaluate the merits and risks of investment opportunities, and ultimately, appropriately allocate capital based on their individual circumstances, and otherwise make appropriately informed decisions regarding their financial interests.[72]

3. Rule 501(a)(10)(iv)

Rule 501(a)(10)(iv) states the Commission will consider whether ''[a]n indication that an individual holds the certification or designation is either made publicly available by the relevant self-regulatory organization or other industry body or is otherwise independently verifiable.'' As described in section II.A.5, the public may use the website maintained by the CFA Institute to verify whether an individual is a CFA in good standing.

C. Economic Considerations

As discussed above, we are considering whether to add holding a charter as a CFA in good standing to the list of designated professional certifications, designations, or credentials that would qualify natural persons for accredited investor status under Rule 501(a)(10). Thus, individuals who hold such a designation would qualify as accredited investors and would be able to participate in investment opportunities that may not otherwise have been available to them, unless they were already accredited investors based on another criterion. This change could also impact issuers seeking to raise capital.[73] The designation of holders of charters as a CFA in good standing as accredited investors would have economic effects on investors and issuers that would be consistent with those the Commission discussed in creating the Rule 501(a)(10) designation process in the Accredited Investor Adopting Release.[74]

It is difficult to quantify how many additional natural persons would qualify as accredited investors because we cannot gauge how many CFAs[75] already qualify as accredited investors based on one or more of the other eligibility criteria in Rule 501(a), such as those for net worth, income, and other qualifying professional certifications, designations, or credentials.[76] Further, it is unclear to what extent any newly eligible accredited investors will choose to participate in exempt offerings.

Issuers are expected to benefit from the expansion of the accredited investor definition under Rule 501(a)(10) through potentially greater capital formation, lower cost of capital, and greater efficiency in raising capital due to an expanded pool of accredited investors (especially for issuers that are small or do not have access to a network of institutional accredited investors or persons with the required net worth or income to qualify as accredited investors).[77] This change may also benefit issuers in exempt offerings by

[68] *See* CFA Institute, *Our Purpose,* available at *https://www.cfainstitute.org/about/set-the-standard* (last retrieved Sept. 24, 2026).

[69] *See supra* notes 49–50.

[70] *See supra* note 53. The remainder of the Level III exam tests the CFA candidate's knowledge related to the specialized pathway that they have selected.

[71] *See supra* note 55.

[72] *See* Accredited Investor Adopting Release at 64241.

[73] To the extent that the accredited investor definition is used outside of the Federal securities laws (such as for non-Federal securities laws that incorporate the accredited investor definition), the designation of additional credentials might have indirect economic effects.

[74] *See* Accredited Investor Adopting Release at section VI.

[75] According to the CFA Institute, there are currently approximately 194,000 CFAs worldwide. *See supra* note 46 and accompanying text.

[76] For instance, some investors that would qualify based on holding a charter as a CFA in good standing may already qualify as accredited investors based on income or net worth criteria in Rule 501. Such individuals also may hold other licenses or credentials that are already designated, or that we are potentially designating, under Rule 501(a)(10). *See supra* note 39. In that scenario, the CFA category may not contribute to a meaningful net expansion of the pool of accredited investors. According to the CFA Institute website, the ''average salary'' of a CFA is $180,000. *See Make the Right Choice with the CFA Program,* CFA Inst., *https://www.cfainstitute.org/programs/cfa-program/careers/credential-comparison* (last retrieved Sept. 24, 2026). In its comment letter from July 26, 2026, the CFA Institute cites total compensation figures as well, including median total compensation of $185,000 for global members and $250,000 for U.S. members, and a 25%-75% range of $116,000–$305,000 for global members and $174,000–$399,000 for U.S. members. The CFA Institute states that these data suggest that ''[t]he median member in the US would qualify as an accredited investor based on the income threshold.''

[77] *See* Accredited Investor Adopting Release at 64264–65.

making it easier and less costly to find and verify accredited investors (*i.e.,* by reducing search costs).[78] As discussed in section II.A.5, the status as a CFA in good standing could be easily independently verified, which would directly reduce issuers' costs of confirming accredited investor eligibility, relative to verifying income or net worth.[79] This is expected to benefit issuers and intermediaries in exempt offerings where only accredited investors may be purchasers (such as Rule 506(c)) or where some provisions, such as limits on the number of purchasers or investment limits, are dependent on accredited investor status (*e.g.,* Rule 506(b), Regulation A, and Regulation Crowdfunding). However, to the extent that issuers would have otherwise pursued additional financing from accredited investors meeting the existing definition or engaged in an offering that is not dependent on accredited investor participation (such as a registered securities offering), the amount of additional capital formation may be limited. Still, issuers may benefit from greater flexibility in how they may raise capital, which could result in some cost savings and a lower cost of capital. For instance, issuers undertaking a Rule 506(b) offering may incur lower costs if all of their purchasers are accredited investors as compared to if not all of their purchasers are accredited investors, as the rule would not require them to furnish the financial and other information prescribed by Rule 502(b) for offerings involving non-accredited investors.[80] For issuers in Rule 506(c) offerings, verification of accredited investor status based on a credential that is easier to confirm may be less costly than verification of other prongs of the accredited investor definition (such as financial eligibility), reducing their transaction costs.[81] For issuers that undertake a Tier 2 Regulation A or Regulation Crowdfunding offering, both of which are subject to investment limits for non-accredited investors, having more accredited investors in the offering enables higher investment amounts per investor, which may decrease all-in offering costs.[82] Issuers choosing among different exempt offering alternatives may choose a Regulation D offering if they have enough prospective investors that meet the accredited investor definition, instead of pursuing a Regulation A or Regulation Crowdfunding offering, potentially lowering their compliance, intermediary, and marketing costs-per-dollar raised. Some issuers choosing between an exempt and a registered offering may choose an exempt offering if they have enough prospective investors that meet the accredited investor definition, instead of pursuing a registered offering.

For investors, the designation of this credential as a means of becoming an accredited investor could enable more natural persons who would not otherwise meet one of the eligibility criteria in Rule 501(a), such as the income and net worth criteria, to access a broader range of investment options, potentially enhancing their ability to diversify and optimize portfolio allocations.[83]

However, these investment options generally come without the additional disclosure provided by registration under the Securities Act and could entail greater costs related to illiquidity,[84] agency costs (*i.e.,* costs arising from conflicts of interest between investors and managers), adverse selection, and business risk, as compared to investments in the public capital markets. Individual investors' comprehension and sophistication in the areas of securities and investing, and knowledge and experience in financial and business matters, as reflected in having a professional certification or designation or credential under Rule 501(a)(10), increases the likelihood that such individual investors would be capable of evaluating the merits and risks of a prospective investment in an exempt offering and managing such risks. For example, such individuals may be more likely to consider the size of any single investment relative to their overall portfolio and diversify their portfolio.[85] It is unclear whether additional investment opportunities would improve portfolio efficiency for newly eligible accredited investors.

While individuals incur costs to prepare for and take the Exam, and obtain and maintain a charter as a CFA in good standing, we do not expect there to be incremental costs of a CFA in good standing being designated as an accredited investor designation under Rule 501(a)(10), since we expect individuals to continue to pursue and maintain the CFA charter chiefly for professional purposes, rather than to qualify as accredited investors.

The described effects, including both the benefits and the costs to issuers and investors, may be modest in magnitude, as discussed in detail in the Accredited Investor Adopting Release. First, it is possible that a number of the individuals who would qualify as accredited investors under the potential designation may already qualify as accredited investors based on one or more of the criteria in Rule 501(a).[86] Second, because any newly eligible individuals may have income and net worth below the currently required thresholds for individual accredited investors, the increase in the capital supply from an individual newly eligible accredited investor would likely be low, and the collective impact would depend on the size of any increase in the number of individual accredited investors.[87] Third, the effects may be more modest to the extent that some of the newly eligible natural persons may end up not participating in exempt offerings.[88] Fourth, it is possible that

[78] *See* Accredited Investor Adopting Release at 64264.

[79] *See supra* note 65 and accompanying text. Thus, even if some CFAs already meet other accredited investor eligibility criteria, the overall costs of verification of accredited investor status may decrease with the designation of this credential under Rule 501(a)(10).

[80] *See* 17 CFR 230.502(b).

[81] *See* 17 CFR 230.506(c)(1) through 230.506(c)(2).

[82] *See* 17 CFR 230.251(d)(2)(i)(C); 17 CFR 227.100(a)(2).

[83] As noted above, the extent of overlap between CFAs and the investors that meet the existing accredited investor criteria is unclear. CFAs who are earlier in their careers, employed at smaller firms, or located in lower cost-of-living geographic areas, and thus may on average have lower incomes, may be most affected by the potential designation. Some investors that already meet income or net worth criteria may find it is easier or less costly to demonstrate their accredited investor status under Rule 501(a)(10).

[84] While securities sold in an exempt offering are generally illiquid, the introduction of a larger pool of investors that become eligible as accredited investors through holding a charter as a CFA in good standing could potentially (at the margin) create impetus for additional secondary market liquidity in these securities. In addition, the expansion of the accredited investor pool also would potentially increase the feasibility of resales under section 4(a)(7) of the Securities Act [15 U.S.C. 77d(a)(7)]. However, if some newly eligible investors have fewer financial resources (see *infra* note 85), they may be less willing to hold restricted securities over long holding periods, and especially, seek to unload positions during downturns.

[85] As stated in the Accredited Investor Adopting Release, while certain of these individuals may have fewer financial resources and, as a result, be less able to bear the financial risk of private investments, we believe their professional credentials and experience should enable these investors to assess investment opportunities, appropriately allocate capital based on their individual circumstances, including whether to reallocate investment capital between private investments and other equivalent-sized investments, and otherwise make appropriately informed decisions regarding their financial interests, including their ability to bear the financial risk. *See* Accredited Investor Adopting Release at 64241.

[86] *See* Accredited Investor Adopting Release at 64262.

[87] *Id.*

[88] *See, e.g.,* Katherine Carman et al., *Exploring Accredited Investors and Private Market Securities Ownership* 18 tbl. 6 (OIAD, Working Paper No. 1, June 2025), available at *https://www.sec.gov/files/*

Continued

issuers may choose to offer securities to institutional accredited investors, or apply investment minimums (perhaps in an effort to simplify their capitalization table), such that any individual accredited investors participating in exempt offerings are more likely to be those who meet the net worth or income criteria in Rule 501(a). Fifth, any specific effects of this potential change to the accredited investor pool would be partly diluted to the extent that other Commission actions designating other credentials result in expanding the pool of natural persons qualifying as accredited investors based on multiple criteria.

III. Notice

For the reasons set forth herein, we believe that holding a charter as a CFA in good standing would meet the requirements set forth in Rule 501(a)(10). Accordingly, we believe it is appropriate to designate holding a charter as a CFA in good standing as qualifying natural persons for accredited investor status pursuant to Rule 501(a)(10). We are issuing this notice and providing an opportunity for public comment on such a potential designation. We are particularly interested in comments on whether we should designate holding a charter as a CFA in good standing as qualifying natural persons for accredited investor status pursuant to Rule 501(a)(10), as discussed in this notice, and whether such designation could raise investor protection concerns unique to persons who would be qualified under such designation.

By the Commission.

Dated: September 30, 2026.

Vanessa A. Countryman,

Secretary.

[FR Doc. 2026–20311 Filed 10–2–26; 8:45 am]

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exploring-accredited-investors-june-2025.pdf (reporting, based on a recent investor survey, that, 14.4% of accredited investors and 4.7% of non-accredited investors, respectively, indicate interest in investing in new or private companies, and that 4.3% of accredited investors and 1.1% of non-accredited investors, respectively, report owning a ''private fund or offering''). *See also* Katherine Carman & Alycia Chin, *Accredited Investors in the US Population,* 9 Fin. Plan. Rev. e70023 (2026).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106556; File No. SR–NASDAQ–2026–078]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Make Conforming Changes To Reflect the Name Change of Nasdaq BX, Inc. to Nasdaq Texas, LLC

September 30, 2026.

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 September 18, 2026, The Nasdaq Stock Market LLC (''Nasdaq'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''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 make conforming changes to Options 7 Section 13, Equity 4 Rule 4758, Equity 7 Section 118, Equity 7 Section 130, Equity 7 Section 139 and Equity 7 Section 155 to reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC''.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings,* and at the principal office of the Exchange.

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.

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

[2] 17 CFR 240.19b–4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to make conforming changes to Options 7 Section 13 (Testing Facilities), Equity 4 Rule 4758 (Order Routing), Equity 7 Section 118 (Nasdaq Market Center Order Execution and Routing), Equity 7 Section 130 (Other Services), Equity 7 Section 139 (Nasdaq Last Sale and Nasdaq Last Sale Plus Data Feeds), and Equity 7 Section 155 (Short Sale Monitor) to reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC''.

Background and Proposed Rule Change

The Exchange's affiliate Nasdaq BX, Inc. (''Nasdaq BX'') recently converted from a corporation organized under the laws of the state of Delaware to a limited liability company (''LLC'') organized under the laws of the state of Texas and changed its name to ''Nasdaq Texas, LLC''.[3] The Exchange accordingly proposes conforming changes to its rules to reflect its affiliate's name change. Specifically, the Exchange proposes to replace one reference to ''Nasdaq BX, Inc.'' in Options 7 Section 13 with ''Nasdaq Texas, LLC''. Similarly, the Exchange proposes replacing five references to ''Nasdaq BX'' in Equity 4 Rule 4758 with ''Nasdaq Texas'', twenty-five references to ''Nasdaq BX'' in Equity 7 Section 118 with ''Nasdaq Texas'' or ''Nasdaq Texas'', one reference to ''Nasdaq BX, Inc.'' in Equity 7 Section 130 with ''Nasdaq Texas, LLC'', five references to ''Nasdaq BX'' in Equity 7 Section 139 with ''Nasdaq Texas'', and one reference to ''Nasdaq BX'' in Equity 7 Section 155 with ''Nasdaq Texas''.

The proposed changes are conforming and non-substantive in nature.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[4] in general, and furthers the objectives of Section 6(b)(5) of the Act,[5] 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, because ensuring that the Exchange's

[3] *See* Securities Exchange Act Release No. 34–104736 (January 29, 2026), 91 FR 4980 (February 3, 2026) (SR–BX–2026–005).

[4] 15 U.S.C. 78f(b).

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

rules accurately reflect the correct name of the Exchange's affiliate would contribute to the orderly operation of the Exchange by adding clarity and transparency. In addition, the proposed amendments would reduce potential investor and market participant confusion and therefore remove impediments to and perfect the mechanism of a free and open market and a national market system by ensuring that investors and market participants can more easily navigate, understand and comply with the Exchange's rules. The Exchange also believes that the proposed amendments remove impediments to and perfects the mechanism of a free and open market by ensuring that persons subject to the Exchange's jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange's rules. The proposed amendments would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from the increased transparency and clarity, thereby reducing potential confusion.

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 proposed rule change is not intended to address competitive issues but rather is concerned solely with updating the Exchange's rules to reflect its affiliate's name change.

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)(iii) of the Act[6] and subparagraph (f)(6) of Rule 19b–4 thereunder.[7]

A proposed rule change filed pursuant to Rule 19b–4(f)(6) under the Act[8] normally does not become operative for 30 days after the date of its filing. However, Rule 19b–4(f)(6)(iii)[9] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the Exchange can immediately update its rulebook to reflect the name change. The Exchange states that implementing the proposed non-substantive change as soon as possible will prevent any confusion and make clear through the rulebook that Nasdaq BX, Inc. no longer exists in name. For this reason, and because the proposed rule change raises no new or novel legal or regulatory issues, the Commission believes that waiver of the operative delay would be consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the operative delay and designates the proposal operative upon filing.[10]

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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or 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 (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include File Number SR–NASDAQ–2026–078 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–2026–078. 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 (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR–NASDAQ–2026–078 and should be submitted on or before October 26, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[11]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20303 Filed 10–2–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 36352; File No. 812–16072]

SLR Secured Lending Partners, LLC and SLR Secured Specialty Lending Fund

September 30, 2026.

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

ACTION: Notice.

Notice of an application under section 6(c) of the Investment Company Act of 1940 (the ''Act'') for an exemption from sections 18(a)(2), 18(c),18(i) and 61(a) of the Act.

Summary of Application: Applicants request an order to permit certain closed-end investment companies that have elected to be regulated as business development companies to issue

[6] 15 U.S.C. 78s(b)(3)(A)(iii).

[7] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

[8] 17 CFR 240.19b–4(f)(6).

[9] 17 CFR 240.19b–4(f)(6)(iii).

[10] For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[11] 17 CFR 200.30–3(a)(12), (59).

multiple classes of shares with varying sales loads and asset-based distribution and/or service fees.

Applicants: SLR Secured Lending Partners, LLC and SLR Secured Specialty Lending Fund.

Filing Date: The application was filed on August 14, 2026, and amended on September 1, 2026.

Hearing or Notification of Hearing: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC's Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. The email should include the file number referenced above. Hearing requests should be received by the Commission by 5:30 p.m., Eastern time, on October 26, 2026, 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 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 who wish to be notified of a hearing may request notification by emailing the Commission's Secretary at *Secretarys-Office@sec.gov.*

ADDRESSES: The Commission: *Secretarys-Office@sec.gov.* Applicants: Michael S. Gross, Bruce J. Spohler, Co-Chief Executive Officers, SLR Capital Partners, LLC, 500 Park Avenue, New York, NY 10022, and Thomas J. Friedmann, Esq., Dechert LLP, *thomas.friedmann@dechert.com*.

FOR FURTHER INFORMATION CONTACT: Trace W. Rakestraw, Senior Special Counsel, at (202) 551–6720 or *IMOCC@sec.gov* (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: For Applicants' representations, legal analysis, and conditions, please refer to Applicants' application, dated September 1, 2026, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field on the SEC's EDGAR system. The SEC's EDGAR system may be searched at *https://www.sec.gov/search-filings.* You may also call the SEC's Office of Investor Education and Assistance at (202) 551–8090.

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

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20289 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106550; File No. SR–ISE–2026–51]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Make Conforming Changes To Reflect the Name Change of Nasdaq BX, Inc. to Nasdaq Texas, LLC

September 30, 2026.

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 September 17, 2026, Nasdaq ISE, LLC (''ISE'' 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 make conforming changes to Rules General 8 and Options 7 Section 8 to reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC''.

The text of the proposed rule change is detailed below; proposed new language is italicized and proposed deletions are in brackets.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/ise/rulefilings,* and at the principal office of the Exchange.

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 make conforming changes to Rules General 8 (Connectivity) and Options 7 Section 8 (Access Services) to reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC''.

Background and Proposed Rule Change

The Exchange's affiliate Nasdaq BX, Inc. (''Nasdaq BX'') recently converted from a corporation organized under the laws of the state of Delaware to a limited liability company (''LLC'') organized under the laws of the state of Texas and changed its name to ''Nasdaq Texas, LLC''.[3] The Exchange accordingly proposes conforming changes to its rules to reflect its affiliate's name change. Specifically, the Exchange proposes to replace one reference to ''Nasdaq BX, Inc.'' in Rule General 8 Connectivity with ''Nasdaq Texas, LLC''. Similarly, the Exchange proposes replacing one reference to ''Nasdaq BX, Inc.'' in Options 7 Section 8 with ''Nasdaq Texas, LLC''.

The proposed changes are conforming and non-substantive in nature.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[4] in general, and furthers the objectives of Section 6(b)(5) of the Act,[5] 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, because ensuring that the Exchange's rules accurately reflect the correct name of the Exchange's affiliate would contribute to the orderly operation of the Exchange by adding clarity and transparency. In addition, the proposed amendments would reduce potential investor and market participant confusion and therefore remove impediments to and perfect the

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 34–104736 (January 29, 2026), 91 FR 4980 (February 3, 2026) (SR–BX–2026–005).

[4] 15 U.S.C. 78f(b).

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

mechanism of a free and open market and a national market system by ensuring that investors and market participants can more easily navigate, understand and comply with the Exchange's rules. The Exchange also believes that the proposed amendments remove impediments to and perfects the mechanism of a free and open market by ensuring that persons subject to the Exchange's jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange's rules. The proposed amendments would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from the increased transparency and clarity, thereby reducing potential confusion.

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 proposed rule change is not intended to address competitive issues but rather is concerned solely with updating the Exchange's rules to reflect its affiliate's name change.

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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act[6] and Rule 19b–4(f)(6) thereunder.[7]

A proposed rule change filed under Rule 19b–4(f)(6)[8] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),[9] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. Waiver of the operative delay would allow the Exchange to immediately update its rulebook to reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC.'' The Commission believes that the proposed rule change presents no novel issues and that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposal operative upon filing.[10]

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 (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–ISE–2026–51 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–ISE–2026–51. 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 (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–ISE–2026–51 and should be submitted on or before October 26, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[11]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20299 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106557; File No. SR–PHLX–2026–58]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Make Conforming Changes To Reflect the Name Change of Nasdaq BX, Inc. to Nasdaq Texas, LLC

September 30, 2026.

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 September 18, 2026, Nasdaq PHLX LLC (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''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 make conforming changes to Rule General 8 Connectivity, NASDAQ PSX Rules 3304 and 3315, Equity 4 Rule 3315, Equity 7 Section 3, and Options 7 Section 9 to

[6] 15 U.S.C. 78s(b)(3)(A)(iii).

[7] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) 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.

[8] *See id.*

[9] 17 CFR 240.19b–4(f)(6)(iii).

[10] For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[11] 17 CFR 200.30–3(a)(12) and (59).

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

[2] 17 CFR 240.19b–4.

reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC''.

The text of the proposed rule change is detailed below; proposed new language is italicized and proposed deletions are in brackets. [*stet*]

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/phlx/rulefilings,* and at the principal office of the Exchange.

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 make conforming changes to Rule General 8 (Connectivity), NASDAQ PSX Rule 3304 (Data Feeds Utilized) and Rule 3315 (Order Routing), Equity 4 Rule 3315 (Order Routing), Equity 7 Section 3 (Nasdaq PSX Fees) and Options 7 Section 9 (Other Member Fees) to reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC''.

Background and Proposed Rule Change

The Exchange's affiliate Nasdaq BX, Inc. (''Nasdaq BX'') recently converted from a corporation organized under the laws of the state of Delaware to a limited liability company (''LLC'') organized under the laws of the state of Texas and changed its name to ''Nasdaq Texas, LLC''.[3] The Exchange accordingly proposes conforming changes to its rules to reflect its affiliate's name change. Specifically, the Exchange proposes to replace one reference to ''Nasdaq BX, Inc.'' in Rule General 8 Connectivity with ''Nasdaq Texas, LLC''. Similarly, the Exchange proposes replacing one reference to ''Nasdaq BX'' in NASDAQ PSX Rule 3304 with ''Nasdaq Texas'', two references to ''Nasdaq BX'' in NASDAQ PSX Rule 3315 with ''Nasdaq Texas'', two references to ''Nasdaq BX'' in Equity 4 Rule 3315 to ''Nasdaq Texas'', seventeen references to ''Nasdaq BX'' in Equity 7 Section 3 with ''Nasdaq Texas'', and one reference to ''Nasdaq BX, Inc.'' in Options 7 Section 9 with ''Nasdaq Texas, LLC''.

The proposed changes are conforming and non-substantive in nature.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[4] in general, and furthers the objectives of Section 6(b)(5) of the Act,[5] 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, because ensuring that the Exchange's rules accurately reflect the correct name of the Exchange's affiliate would contribute to the orderly operation of the Exchange by adding clarity and transparency. In addition, the proposed amendments would reduce potential investor and market participant confusion and therefore remove impediments to and perfect the mechanism of a free and open market and a national market system by ensuring that investors and market participants can more easily navigate, understand and comply with the Exchange's rules. The Exchange also believes that the proposed amendments remove impediments to and perfects the mechanism of a free and open market by ensuring that persons subject to the Exchange's jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange's rules. The proposed amendments would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from the increased transparency and clarity, thereby reducing potential confusion.

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 proposed rule change is not intended to address competitive issues but rather is concerned solely with updating the Exchange's rules to reflect its affiliate's name change.

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)(iii) of the Act[6] and subparagraph (f)(6) of Rule 19b–4 thereunder.[7]

A proposed rule change filed pursuant to Rule 19b–4(f)(6) under the Act[8] normally does not become operative for 30 days after the date of its filing. However, Rule 19b–4(f)(6)(iii)[9] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the Exchange can immediately update its rulebook to reflect the name change. The Exchange states that implementing the proposed non-substantive change as soon as possible will prevent any confusion and make clear through the rulebook that Nasdaq BX, Inc. no longer exists in name. For this reason, and because the proposed rule change raises no new or novel legal or regulatory issues, the Commission believes that waiver of the operative delay would be consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the operative delay and designates the proposal operative upon filing.[10]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if

[3] *See* Securities Exchange Act Release No. 34–104736 (January 29, 2026), 91 FR 4980 (February 3, 2026) (SR–BX–2026–005).

[4] 15 U.S.C. 78f(b).

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

[6] 15 U.S.C. 78s(b)(3)(A)(iii).

[7] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

[8] 17 CFR 240.19b–4(f)(6).

[9] 17 CFR 240.19b–4(f)(6)(iii).

[10] For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or 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 (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include File Number SR–PHLX–2026–58 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–PHLX–2026–58. 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 (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–PHLX–2026–58 and should be submitted on or before October 26, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[11]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20304 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

[11] 17 CFR 200.30–3(a)(12), (59).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106552; File No. SR–DTC–2026–012]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Proposed Rule Change To Modernize the Direct Registration System

September 30, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Exchange Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 29, 2026, The Depository Trust Company (''DTC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change[3] consists of amendments to the Deposits Guide[4] and the Fee Guide in connection with DTC's modernization of its Direct Registration System (''DRS''). The proposed rule change would update the Deposits Guide to (i) add a DRS section describing the availability of DRS through DTC's Securities Processing Application (''SPA'') via the DTCC Portal, as well as through an application programming interface (''API'') or message queue (''MQ'') based messaging; (ii) describe the processing of DRS Profile Deposit Requests, DRS Deliver Orders, and DRS Withdrawal by Transfer instructions; (iii) document the existing requirement that DRS Profile Deposits require Profile Surety[5] to be processed by DTC; (iv) describe pass-through fees, as defined below, and the use of DTC's Centralized Billing to collect and remit such fees, including an associated DTC charge for applicable DRS Profile Deposit Requests; (v) describe the assignment of Transaction Status values in SPA and maintenance of an audit trail of status changes, including where to get additional information on DRS functionality; and (vi) provide a navigation table for SPA functionality.

The proposed rule change would update the Fee Guide to (i) expand DTC's existing Centralized Billing service for DRS transactions[6] to require DRS Agents' use of Centralized Billing when an agent elects to impose a fee in connection with a DRS transaction (*i.e.,* a ''pass-through fee''), and (ii) establish a DTC charge for when DTC collects and remits a pass-through fee in connection with certain DRS Profile Deposit Request transactions.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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 clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The proposed rule change would amend the Deposits Guide and the Fee Guide in connection with DTC's modernization of DRS. The proposed rule change would update the Deposits Guide to (i) add a DRS section

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

[2] 17 CFR 240.19b–4.

[3] Each term not otherwise defined herein has its respective meaning as set forth in the Deposits Service Guide (''Deposits Guide''), the Guide to the DTC Fee Schedule (''Fee Guide''), or the Rules, By-Laws and Organization Certificate of The Depository Trust Company (''DTC Rules''), each *available at http://www.dtcc.com/legal/rules-and-procedures.*

[4] The Deposits Guide is a Procedure of DTC. Pursuant to the DTC Rules, the term ''Procedures'' means the Procedures, service guides, and regulations of DTC adopted pursuant to DTC Rule 27, as amended from time to time. DTC Rule 1, Section 1, *supra* note 3. DTC's Procedures are binding on DTC and each Participant in the same manner that they are bound by the DTC Rules.

[5] The Profile Surety Program is a DTC-administered program under which a Participant submitting a DRS Profile Deposit Request must obtain a surety bond supporting the Participant's indemnity relating to the instruction. The indemnity covers, among other things, the Participant's representations that it has authority and consent for the instruction and that the information provided is accurate and complete. A Participant may obtain the surety bond from the surety provider selected by DTC to administer the program or from another qualifying surety provider selected by the Participant, provided that the bond satisfies DTC's requirements. See Securities Exchange Act Release No. 42704 (Apr. 19, 2000), 65 FR 24242 (Apr. 25, 2000) (SR–DTC–00–04) (establishing Profile and the related screen-based indemnities); *also see* Securities Exchange Act Release No. 43586 (Nov. 17, 2000), 65 FR 70745 (Nov. 27, 2000) (SR–DTC–00–09) (establishing the Profile Indemnity Surety Program).

[6] See Securities Exchange Act Release No. 53679 (Apr. 19, 2006), 71 FR 24770 (Apr. 26, 2006) (SR–DTC–2006–05).

describing the availability of DRS through SPA via the DTCC Portal, as well as through API or MQ based messaging; (ii) describe the processing of DRS Profile Deposit Requests, DRS Deliver Orders, and DRS Withdrawal by Transfer instructions; (iii) document the existing requirement that DRS Profile Deposits require Profile Surety to be processed by DTC; (iv) describe pass-through fees, as defined below, and the use of DTC's Centralized Billing to collect and remit such fees, including an associated DTC charge for applicable DRS Profile Deposit Requests; (v) describe the assignment of Transaction Status values in SPA and maintenance of an audit trail of status changes, including where to get additional information on DRS functionality; and (vi) provide a navigation table for SPA functionality.

The proposed rule change would update the Fee Guide to (i) expand DTC's existing Centralized Billing service for DRS transactions [7] to require DRS Agents' use of Centralized Billing when an agent elects to impose a fee in connection with a DRS transaction (*i.e.,* a ''pass-through fee''), and (ii) establish a DTC charge for when DTC collects and remits a pass-through fee in connection with certain DRS Profile Deposit Request transactions.

Background

DRS is a DTC service that enables investors [8] to hold their DRS eligible securities (''DRS Securities'') [9] either indirectly, through DTC's book-entry holding model (a/k/a, holding in ''street name,'') or directly on the books of the Issuer's transfer agent if the transfer agent is a DTC DRS Agent, with the ability to transfer DRS Securities between the two holding structures without the issuance of a paper certificate.[10]

To move DRS Securities from an investor's account at a DRS Agent, where the shares are registered in the name of the investor, to a Participant's account at DTC registered in the name of DTC's nominee, Cede & Co. (''Cede''), the Participant must submit a DRS Profile Deposit Request to DTC, which must be approved by the DRS Agent. Following approval by the DRS Agent, the shares are reregistered to Cede and moved from the DRS Agent to DTC, where it credits the shares to the Participant's account at DTC. If rejected, the transaction status is updated with the reason for the rejection, and the Participant is notified.

Alternatively, an investor may instruct its DRS Agent directly to transfer DRS Securities to the investor's account with a Participant. In that case, the DRS Agent creates a DRS Deliver Order without a DRS Profile Deposit Request. The DRS Deliver Order is completed through DTC's standard Deliver Order process and does not require the receiving Participant to take any action to approve or accept the Deliver Order; however, the receiving Participant may reject the Deliver Order after receipt.

A Participant may submit a DRS Withdrawal by Transfer instruction requesting that shares be removed from the Participant's free position at DTC and credited to the investor's account, in the investor's name, at the DRS Agent. Only a Participant may initiate a DRS Withdrawal by Transfer instruction. An investor seeking to move shares from Cede's name to the investor's account at the DRS Agent must request the withdrawal through its Participant. Upon the DRS Agent's approval of a DRS Withdrawal by Transfer request, the shares are moved out of Cede's name, and into the investor's name, and credited to the investor's DRS account maintained on the DRS Agent's books. If the request is rejected, the transaction status is updated with the reason for the rejection and the participant is notified.

Under the current transfer process, Participants and DRS Agents utilize a combination of legacy applications, including Participant Terminal System (''PTS'') and Participant Browser Service (''PBS'') functions,[11] CCF batch-file processing, multiple steps, and manual operational processes to submit, review, approve, and complete DRS transfers. These processes can increase operational complexity and extend transaction processing timeframes.

With respect to the collection of DRS Agent pass-through fees, DTC currently provides Centralized Billing for fees associated with incomplete DRS Profile Deposit Requests rejected by DRS Agents and fees associated with completed Deposits and Withdrawal at Custodian (DWAC) transactions. Whereas other DRS Agent pass-through fees are invoiced by DRS Agents to Participants and collected and remitted outside DTC.

DRS Modernization

The proposed DRS modernization is designed to support a more automated and streamlined DRS transaction lifecycle, reducing transaction processing times from days to minutes. As part of the modernization, DTC would retire the PTS and PBS functions currently used to access certain DRS functionality and CCF batch-file processing as operational methods for certain DRS transactions. Instead, DRS would be available for human-to-machine processing through SPA via the DTCC Portal, and for machine-to-machine processing through API and MQ-based messaging. These new access methods would enable Participants and DRS Agents to more efficiently and effectively submit, review, approve, reject, and monitor DRS transfer instructions.

The enhanced process would automate the creation of the related Deliver Order following a DRS Agent's approval of a DRS Profile Deposit Request (eliminating the separate step currently required for the DRS Agent to also initiate the Deliver Order following approval of the Participant's request), assign Transaction Status values in SPA that reflect the disposition of each instruction throughout its lifecycle, and maintain an audit trail of status changes.[12]

In response to the industry's request, the enhanced process would also

[7] See Securities Exchange Act Release No. 53679 (Apr. 19, 2006), 71 FR 24770 (Apr. 26, 2006) (SR–DTC–2006–05).

[8] When holding securities indirectly through DTC, an individual investor is considered a ''beneficial owner,'' who is the customer of a DTC Participant and possesses the beneficial interest in a security, while legal title to the security is held through DTC's nominee, Cede & Co. The beneficial interest in the security is passed down from DTC, through the DTC Participant (*e.g.,* the customer's broker-dealer), to the customer who is the actual investor. When holding securities directly with an Issuer's transfer agent, the investor is considered the ''registered owner,'' as the investor is specifically named as the owner of the securities on the transfer agent's books and records.

[9] ''DRS Securities'' are securities accepted by DTC as Eligible Securities pursuant to DTC Rule 5 and made eligible for, and participating in, DRS through the FAST Program. For DRS Securities, investors may hold their positions directly on the books of the issuer's transfer agent or indirectly through DTC and its Participants and may transfer their positions between those two holding structures. See DTC Rule 5, Section 1, supra note 3; DTC Operational Arrangements (''DTC OA''), Section II.B.2.a (FAST), available at *https://www.dtcc.com/legal/rules-and-procedures.*

[10] See DTC OA, Section II.B.2.a (FAST) (describing DRS as permitting an investor to hold a security directly on the books of the issuer's transfer agent, rather than indirectly through a securities intermediary or in certificated form, and to transfer the position between direct and indirect holding through DTC and its Participants), available at *https://www.dtcc.com/legal/rules-and-procedures.*

[11] PTS refers to DTC's legacy TN3270 terminal access method, and PBS refers to DTC's Participant Browser Service, each of which provides access to certain DTC functions and services.

[12] Transaction Status values and audit-trail information would apply to instructions submitted or acted upon through the DTCC Portal, API, or MQ-based messaging, except that certain Transaction Status values associated with maker/checker functionality would apply only to transactions processed through the DTCC Portal.

facilitate the collection of additional DRS Agent pass-through fees through the expansion of DTC's Centralized Billing service and the assessment of any related DTC charges. As part of the proposed modernization, where a DRS Agent elects to impose an applicable pass-through fee in connection with a DRS transaction, the fee must be collected and remitted through DTC's Centralized Billing service.

By enabling DRS processing through SPA via the DTCC Portal and through API and MQ-based messaging, the enhanced process would eliminate reliance on legacy PTS and PBS functions and CCF batch-file processing for certain DRS transactions, reduce reliance on other legacy applications and scheduled file transmissions, reduce manual processing activities by Participants and DRS Agents, and eliminate the separate step currently required for the DRS Agent to initiate the applicable Deliver Order following approval of a DRS Profile Deposit Request. The expansion of Centralized Billing would reduce reliance on invoicing and payment remittance processes conducted between DRS Agents and Participants outside DTC.

Although the proposed modernization of DRS would provide for more efficient DRS processing, the service would still rely on actions and timelines outside of DTC's control. For example, once a transfer instruction is submitted into the DRS workflow, processing of that instruction would remain subject to applicable validations and any required action by the DRS Agent.[13] Accordingly, DRS modernization is designed to reduce processing latency at DTC, but it does not eliminate the actions required by DRS Agents to complete the applicable transfer.

Proposed Rule Changes

To effectuate the proposed rule change, DTC would update the Deposits Guide and the Fee Guide as described below.[14]

Deposits Guide Changes

DTC would amend the Deposits Guide to add a new ''Direct Registration System (DRS)'' section describing DRS and the manner in which Participants and DRS Agents would access and process DRS transfers through SPA via the DTCC Portal, as well as via API and MQ-based messaging. The proposed section would also describe how users would be provisioned for SPA access through their designated Super Access Coordinator and how firms may automate the input and output of transaction instructions through API and MQ connectivity.

The proposed section would also describe the processing of DRS Profile Deposit Requests, DRS Deliver Orders and DRS Withdrawal by Transfer instructions. Specifically, the proposed section would explain that a DRS Profile Deposit Request may be initiated by a Participant. A DRS Profile Deposit Request may be used to request that shares held in an investor's name, in the investor's account at a DRS Agent, be registered in Cede's name and moved to the Participant's account at DTC. Upon approval of the request by the DRS Agent, SPA would automatically create the related Deliver Order to credit the DRS Securities to the Participant's account at DTC. If the DRS Agent rejects the request, the Transaction Status would be updated to reflect the rejection, including the reason for the rejection, and the Participant would be notified.

The proposed section would also document the existing requirement that DRS Profile Deposits require Profile Surety[15] to be processed by DTC. The proposed rule change would not modify the scope of transactions subject to the existing Profile Surety requirement.

Alternatively, an investor may instruct its DRS Agent directly to transfer DRS Securities to the investor's account with a Participant. In that case, the DRS Agent would continue to create a Deliver Order but without a DRS Profile Deposit Request.

The proposed section would also explain that a Participant may submit a DRS Withdrawal by Transfer instruction to request that the DRS Agent approve that shares be removed from the Participant's free position at DTC, reregistered in the name of the investor, and credited to the investor's account at the DRS Agent. If the DRS Agent rejects the instruction, the Transaction Status would be updated to reflect the rejection, including the reason for the rejection, and the Participant would be notified.

The proposed section would describe DRS Agent pass-through fees and their collection and remittance through DTC's Centralized Billing service.[16] At the request of Participants and DRS Agents, Centralized Billing would be expanded to support the collection of applicable fees associated with approved DRS Profile Deposit Requests, completed DRS Deliver Orders, and DRS Withdrawal by Transfer instructions approved or rejected by DRS Agents. A DRS Agent may elect whether to impose an applicable pass-through fee in connection with a DRS transaction; however, if a DRS Agent elects to impose such a fee, collection and remittance of that fee through DTC's Centralized Billing service would be mandatory for the DRS Agent and Participant. Centralized Billing would be mandatory for covered pass-through fees to eliminate the bifurcated process under which certain fees are collected through DTC and other fees are invoiced and paid outside DTC.

The pass-through fees are fees imposed and determined by a DRS Agent in connection with a DRS Profile Deposit Request or DRS Withdrawal by Transfer instruction and paid by the applicable Participant. The pass-through fees are not fees charged by DTC.[17] When collected through Centralized Billing, pass-through fees would be reflected in the Participant's monthly invoice and would also be available to the Participant through daily billing reports. Participants would continue to pay the standard DTC fees applicable to the underlying deposit or withdrawal transaction, as set forth in the Fee Guide. DTC would not assess Participants any additional fee for the use of DRS in connection with the proposed Centralized Billing functionality.

DTC currently assesses a five-percent collection charge in connection with its existing DRS Centralized Billing service. The five-percent collection charge is not a new fee. Under the proposal, DTC would apply the same five-percent collection charge when DTC collects and remits an applicable pass-through fee in connection with certain DRS Profile Deposit transactions. The charge would equal five percent of the applicable pass-through fee collected by DTC and would be deducted from the amount remitted to the applicable DRS Agent. The proposed expansion of Centralized Billing would not increase

[13] For a DRS Profile Deposit Request and a DRS Withdrawal by Transfer instruction, the DRS Agent would still need to review and approve or reject the request, and, accordingly, transfer the shares in/out of Cede's name or in/out of the investor's name on the DRS Agent's books.

[14] **Note:** The operational retirement of CCF batch-file processing for certain DRS transactions would not require changes to the Deposits Guide because the Deposits Guide does not currently describe DRS or CCF batch-file processing for DRS transactions.

[15] See supra note 5.

[16] DRS Centralized Billing was launched in April 2006, at the request of Participants and DRS Agents, to automate the billing and collection of fees associated with incomplete DRS Profile Deposit Requests rejected by DRS Agents. *See* Securities Exchange Act Release No. 53679 (Apr. 19, 2006), 71 FR 24770 (Apr. 26, 2006) (SR–DTC–2006–05).

[17] *See* Securities Exchange Act Release No. 51870 (June 17, 2005), 70 FR 36678 (June 24, 2005) (SR–DTC–2005–03) (approving DTC's collection from Participants of fees and charges for services provided by other entities).

the percentage of the existing collection charge.

In addition, the proposed section would describe the Transaction Status values and audit-trail information available through SPA. SPA would assign a Transaction Status indicating the instruction's disposition within its lifecycle and maintain an audit trail of status changes. Transaction Status values and audit-trail information would apply to instructions submitted or acted upon through the DTCC Portal, API, or MQ-based messaging, except that certain Transaction Status values associated with maker/checker functionality would apply only to transactions processed through the DTCC Portal.

The proposed section would also identify the applicable SPA Portal navigation paths and provide information regarding the APIs and MQs and related technical documentation. The APIs and MQs would provide a real-time machine-to-machine processing solution. The proposed section would direct users to DTCC Learning for the SPA function user guide and MQ specifications and to the DTCC API Marketplace for API information.

As part of the proposed modernization, DTC would retire certain PTS and PBS functions that currently support DRS processing, as well as CCF batch-file processing as an operational method for certain DRS transactions. Participants and DRS Agents that currently utilize the applicable PTS or PBS functions for DRS processing would instead use SPA via the DTCC Portal for human-to-machine processing, while those that currently utilize CCF batch-file processing to process DRS transactions would instead process DRS transactions through SPA via the DTCC Portal, API, or MQ-based messaging. The proposed DRS section would identify the processing methods that would be available for DRS transactions following implementation of the proposal. The retirement of the applicable PTS and PBS functions and CCF batch-file processing would eliminate legacy DRS processing methods in favor of the more automated processing methods described above.

Fee Guide Changes

DTC would amend the Fee Guide to add six fee entries in connection with the expansion of DTC's Centralized Billing service for DRS transactions. The proposed entries would permit DTC to automate the collection of certain pass-through fees imposed by DRS Agents, not DTC, and paid by Participants and to assess related DTC collection charges in connection with certain DRS Profile Deposit transactions. Currently, the pass-through fees that would be covered by the proposed Fee Guide entries are generally invoiced by DRS Agents to Participants and paid outside DTC. The proposed pass-through fee entries would facilitate DTC's collection and remittance of fees established by the applicable DRS Agent but would not establish the amount of those underlying fees. Separately, the proposed DTC collection charges would compensate DTC for providing the centralized collection and remittance functionality.

Specifically, DTC would add ''DRS Profile Deposit Participant Initiated Fee Collection,'' and ''DRS Profile Deposit Manual Movement Fee Collection,'' to support the collection of pass-through fees associated with DRS Profile Deposits. DTC would also add ''DRS Profile Deposit Participant Initiated Movement Collection Charges LPA,'' and ''DRS Profile Deposit Participant Manual Movement Collection Charges LPA,'' to reflect DTC's collection charges associated with the processing of those pass-through fees. DTC would also add ''DRS Withdrawal by Transfer Fee Collection—Approval,'' and ''DRS Withdrawal by Transfer Fee Collection—Rejection,'' to support the collection of pass-through fees associated with the approval or rejection of electronic DRS Withdrawal by Transfer instructions. For purposes of ''DRS Profile Deposit Participant Initiated Movement Collection Charges LPA'' and ''DRS Profile Deposit Participant Manual Movement Collection Charges LPA,'' ''LPA'' refers to the limited participant account of the applicable DRS Agent.

The amount of each pass-through fee would vary because the applicable DRS Agent, rather than DTC, would determine the underlying fee. DTC would collect the applicable amount from the Participant and remit it to the DRS Agent, less a DTC collection charge equal to five percent of the amount collected for applicable DRS deposits.

Implementation Timeframe

Pending Commission approval, the proposed rule change is expected to be implemented on November 13, 2026. If DTC is unable to implement on that date, it will implement the proposed changes no later than January 2027, with the specific date announced in advance by Important Notice. If approved, a legend would be added to the Fee Guide and the Deposits Guide stating that the proposed changes have been approved by the Commission but have not yet been implemented, identifying the implementation date and file number of this proposal, and stating that the legend would automatically be removed upon implementation.

2. Statutory Basis

DTC believes that the proposed rule change is consistent with the requirements of the Exchange Act, and the rules and regulations thereunder applicable to a registered clearing agency. Specifically, DTC believes that the proposed rule change is consistent with Sections 17A(b)(3)(F) and 17A(b)(3)(D) of the Exchange Act,[18] as well as Rule 17ad–22(e)(21) [19] thereunder, for the reasons described below.

Section 17A(b)(3)(F) of the Exchange Act requires, in part, that the rules of a clearing agency, such as DTC, be designed to promote the prompt and accurate clearance and settlement of securities transactions.[20] As described above, the proposed changes would amend the Deposits Guide to (i) add a section describing the availability of DRS through SPA via the DTCC Portal, an API, or MQ-based messaging; (ii) describe the processing of DRS Profile Deposit Requests, DRS Deliver Orders and DRS Withdrawal by Transfer instructions; (iii) document the existing requirement that DRS Profile Deposits Requests require Profile Surety to be processed by DTC; (iv) describe pass-through fees and the use of DTC's Centralized Billing to collect and remit such fees, including an associated DTC charge for some DRS Profile Deposit Requests; (v) describe the assignment of Transaction Status values in SPA and maintenance of an audit trail of status changes, including where to get additional information on DRS functionality; and (vi) provide a navigation table for SPA functionality.

Although not associated with any needed rule text change, the proposal would also provide for the retirement of certain PTS and PBS functions that currently support DRS processing and CCF batch-file processing as an operational method for certain DRS transactions.

By making DRS functionality available through SPA and through APIs and MQ-based messaging, and by providing Participants and DRS Agents with automated methods for submitting, reviewing, approving, rejecting, and monitoring DRS transactions, the proposed rule change would reduce the operational risk, complexity, and delay

[18] 15 U.S.C. 78q–1(b)(3)(F) and (D).

[19] 17 CFR 240.17ad–22(e)(21).

[20] 15 U.S.C. 78q–1(b)(3)(F).

associated with legacy applications, scheduled batch-file transmissions, and manual processing activities. Similarly, retiring certain PTS and PBS functions that currently support DRS processing and CCF batch-file processing as an operational method for certain DRS transactions as part of this modernization would further reduce reliance on legacy user interfaces and scheduled batch processing and would consolidate DRS processing onto the more automated access methods described above. Meanwhile, the proposed Transaction Status and audit-trail functionality would provide greater transparency into the processing stage and disposition of DRS transactions, while the expansion of DTC's Centralized Billing service would reduce reliance on invoicing and payment-remittance processes conducted outside DTC.

DTC believes these proposed changes would, individually and collectively, promote the prompt and accurate clearance and settlement of securities transactions because they would support more automated, timely, and transparent processing of DRS transactions and reduce reliance on legacy and batch-based processing methods, thereby reducing associated operational complexity and processing delays. Therefore, DTC believes the proposed changes described above are consistent with Section 17A(b)(3)(F) of the Exchange Act.[21]

Section 17A(b)(3)(D) of the Exchange Act requires that DTC's Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Participants.[22] DTC believes that the proposed Fee Guide entries are consistent with this provision of the Exchange Act, for the reasons described below. As described above, DTC would update the Fee Guide to add ''DRS Profile Deposit Participant Initiated Fee Collection'' and ''DRS Profile Deposit Manual Movement Fee Collection'' to support collection of pass-through fees imposed by DRS Agents in connection with DRS Profile Deposits. DTC would also add ''DRS Withdrawal by Transfer Fee Collection—Approval'' and ''DRS Withdrawal by Transfer Fee Collection—Rejection'' to support collection of pass-through fees imposed by DRS Agents in connection with the approval and rejection of electronic DRS Withdrawal by Transfer instructions. The amount of each pass-through fee would be determined by the applicable DRS Agent, rather than DTC. DTC would not establish or increase the amount of the underlying pass-through fee but would collect the applicable amount from the Participant and remit it to the DRS Agent through Centralized Billing.

DTC believes the proposed pass-through fee entries would provide for the equitable allocation of fees because the applicable fee would be collected only from a Participant whose DTC transaction gives rise to the fee imposed by the DRS Agent. Accordingly, DTC believes the proposed pass-through fee entries are consistent with Section 17A(b)(3)(D).

Separately, DTC would add ''DRS Profile Deposit Participant Initiated Movement Collection Charges LPA'' and ''DRS Profile Deposit Participant Manual Movement Collection Charges LPA,'' to reflect DTC's collection charges associated with Participant-initiated and manual DRS Profile Deposit transactions, respectively. DTC believes that the proposed five-percent collection charge would be reasonable because it would apply only when DTC collects and remits an applicable pass-through fee on behalf of a DRS Agent, and the proposed charge is consistent with the collection charge established in connection with DTC's existing DRS Centralized Billing service.[23] Consistent with that existing fee structure, the proposed collection charge would be equal to five percent of the applicable DRS Agent fee. Additionally, the proposed collection charge would apply only when DTC performs the applicable collection and remittance function and would be calculated consistently at five percent of the applicable DRS Agent fee. Therefore, DTC believes that the proposed collection charge would provide for the equitable allocation of reasonable dues, fees, and other charges among its Participants, consistent with Section 17A(b)(3)(D) of the Exchange Act.[24]

Rule 17ad–22(e)(21) under the Exchange Act requires, in part, that DTC establish, implement, maintain and enforce written policies and procedures reasonably designed to be efficient and effective in meeting the requirements of its Participants and the markets it serves.[25] As described above, the proposed modernization of DRS is designed to provide for more efficient and effective processing of DRS transactions by retiring certain PTS and PBS functions that currently support DRS processing and CCF batch-file processing as operational methods for certain DRS transactions and providing more automated processing methods through SPA, API and MQ-based messaging. The proposed changes would reduce reliance on legacy applications, scheduled batch-file transmissions, and manual processing activities and would automate certain steps in the processing of DRS transactions. The proposed Transaction Status and audit-trail functionality would also provide Participants and DRS Agents with greater transparency into the processing and disposition of DRS transactions. In addition, the expansion of Centralized Billing would provide a more efficient process for the collection and remittance of applicable DRS Agent pass-through fees by reducing reliance of invoicing and payment-remittance processes conducted outside DTC. Accordingly, DTC believes that the proposed rule change would help promote the efficiency and effectiveness in the processing of DRS transactions in a manner consistent with Rule 17ad–22(e)(21).[26]

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

Section 17A(b)(3)(I) of the Exchange Act[27] requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. DTC believes that certain aspects of the proposed rule change could impose a burden on competition because Participants and DRS Agents that currently use certain PTS and PBS functions that currently support DRS processing or CCF batch-file processing for certain DRS transactions would be required to transition to SPA through the DTCC Portal or to API or MQ-based messaging. Some firms may incur costs associated with implementing, testing, and maintaining connectivity to an alternative processing method and may need to modify their existing systems or operational processes. The extent of such costs may vary among firms depending on, among other things, their existing technology and connectivity to DTC.

DTC does not believe, however, that any such burden would unfairly affect competition or constitute a burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The operational retirement of certain PTS and PBS functions that currently

[21] *Id.*

[22] 15 U.S.C. 78q–1(b)(3)(D).

[23] See Securities Exchange Act Release No. 53679 (Apr. 19, 2006), 71 FR 24770, 24771 (Apr. 26, 2006) (SR–DTC–2006–05).

[24] *Id.*

[25] 17 CFR 240.17ad–22(e)(21).

[26] Id.

[27] 15 U.S.C. 78q–1(b)(3)(I).

support DRS processing and CCF batch-file processing would apply to all Participants and DRS Agents that currently use those processing methods, and the same alternative access methods would be available to similarly situated users. The proposed change would not restrict any Participant or DRS Agent from accessing DRS based on its identity, size, or business model nor would it provide a competitive advantage to any particular Participant or DRS Agent.

Moreover, DTC believes that any burden associated with transitioning from certain PTS and PBS functions that currently support DRS processing and CCF batch-file processing would be necessary and appropriate in furtherance of the purposes of the Exchange Act. As described above, retiring these legacy processing methods for certain DRS transactions would reduce reliance on scheduled batch-file transmissions and legacy processing methods. Requiring current users these legacy processing methods to transition to SPA through the DTCC Portal, API or MQ-based messaging would support more automated and timely DRS processing, provide greater transparency into Transaction Status and processing outcomes, and reduce the operational risk and complexity associated with maintaining legacy processing methods in addition to the modernized DRS infrastructure. Accordingly, DTC believes that any burden associated with these transitions would be necessary and appropriate in furtherance of the purposes of the Exchange Act because the transition is necessary to achieve the operational efficiencies and risk reductions described above.

DTC does not believe that the proposed changes relating to DRS processing, Transaction Status and audit-trail functionality would impose a burden on competition. DTC would continue to facilitate DRS Profile Deposit Requests, DRS Deliver Orders, and DRS Withdrawal by Transfer instructions, with the proposed changes principally modifying the manner in which DRS transactions are submitted, processed and monitored. The proposed Transaction Status and audit-trail functionality would be available to Participants and DRS Agents using the applicable DRS processing methods and would not favor or disadvantage a particular Participant or DRS Agent. Certain Transaction Status values associated with the maker/checker functionality would apply only to transactions processed through the DTCC Portal because that operational control is specific to manual transaction input through the DTCC Portal and is not applicable to API or MQ-based messaging.

Similarly, DTC believes that the proposed expansion of Centralized Billing and required use of the service to collect and remit applicable pass-through fees imposed by DRS Agents could impose a burden on competition because Participants and DRS Agents may incur costs associated with modifying existing billing or payment remittance processes to use Centralized Billing for the applicable DRS transactions. However, the proposal would not establish or increase the underlying pass-through fees imposed by DRS Agents. Rather, DTC would provide a centralized mechanism for collecting and remitting applicable pass-through fees and would assess the related DTC collection charges described above. A DRS Agent would continue to determine whether to impose an applicable pass-through fee and, if so, the amount. Where a DRS Agent elects to impose such a fee, the requirement to use Centralized Billing for its collection and remittance would apply uniformly to similarly situated Participants and DRS Agents. The applicable fee entries and collection charges would apply consistently to Participants that use the applicable DRS transaction type. Accordingly, DTC believes the Centralized Billing change would not favor or disadvantage any particular Participant or DRS Agent.

Moreover, DTC believes that any burden associated with the required use of Centralized Billing would be necessary and appropriate in furtherance of the purposes of the Exchange Act. As described above, the proposed expansion of Centralized Billing would provide a centralized mechanism for the collection and remittance of applicable DRS Agent pass-through fees and would replace billing and payment remittance processes that may otherwise occur outside DTC. Accordingly, DTC believes that any burden associated with modifying existing billing or payment remittance processes to use Centralized Billing would be necessary and appropriate to achieve the operational efficiencies associated with the proposed expansion and required use of Centralized Billing for the applicable DRS transactions.

Therefore, DTC believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.

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

The DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, DTC would amend its filing to publicly file such comments as an Exhibit 2 to its filing, as required by Form 19b–4 and the General Instructions thereto.

Persons submitting written comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b–4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on *How to Submit a Comment, available at www.sec.gov/regulatory-actions/how-to-submit-comments.* General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at *tradingandmarkets@sec.gov* or 202–551–5777.

DTC reserves the right to not respond to any comments 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 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.

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 Exchange Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/*

rules-regulations/self-regulatory-organization-rulemaking); or

• Send an email to *rule-comments@sec.gov.* Please include File Number SR–DTC–2026–012 on the subject line.

Paper Comments

• Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to File Number SR–DTC–2026–012. 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 (*https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking*). Copies of the filing will be available for inspection and copying at the principal office of DTC and on DTCC's website (*www.dtcc.com/legal/sec-rule-filings*). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR–DTC–2026–012 and should be submitted on or before October 26, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[28]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20301 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106548; File No. SR–NASDAQ–2026–084]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Exchange Rule Equity 2, Section 9 Regarding Clearing and Settlement in Connection With 23–5 Trading

September 30, 2026.

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 September 28, 2026, The Nasdaq Stock Market LLC (''Nasdaq'' 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 proposes to amend Exchange Rule Equity 2, Section 9 to provide that, if a Member that trades in the Night Session [3] clears transactions in the Night Session through another Member that is a member of a registered clearing agency, the designated Clearing Member [4] must affirm to the Exchange in writing, through a letter of authorization, letter of guarantee, letter of consent, or any other agreement acceptable to the Exchange, its agreement to assume responsibility for clearing and settling any and all trades executed during the Night Session by the Member designating it as its clearing firm.[5]

The text of the proposed rule change is set forth below; proposed new language is italicized; deleted text is in brackets.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings,* and at the principal office of the Exchange.

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 Exchange Rule Equity 2, Section 9 to require that if a Member that trades in the Night Session clears transactions in the Night Session through another Member that is a member of a registered clearing agency, the Clearing Member must affirm to the Exchange in writing its agreement to assume responsibility for clearing and settling any and all trades executed during the Night

[28] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] *See* Exchange Rule Equity 1, Section 1(a)(19) (defining the term ''Night Session'' as the time between 9:00 p.m. on one calendar day through 4:00 a.m. the next calendar day Sunday through Thursday provided that each such next calendar day is a Business Day and further providing (1) that the Exchange shall not commence operation of the Night Session unless the Equity Data Plans have established a mechanism to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session that is equivalent to the mechanism established for Exchange trading hours during Regular Market Hours, and have provided the Exchange with notification that they are prepared to collect, consolidate, process and disseminate quotation and transaction information to accommodate the Night Session; (2) that, prior to commencing operation during the Night Session, the Exchange will file a proposed rule change pursuant to Section 19(b) of the Exchange Act and the rules thereunder to amend its rules confirming that the Exchange is able to comply with its obligations under the Exchange Act and the rules thereunder during the Night Session and that such Equity Data Plans are prepared to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session (''Night Session Proposed Rule Change''); and (3) that if the Night Session Proposed Rule Change is not filed within 18 months of the SEC's approval of this proposed rule change, the Exchange will promptly file a proposed rule change to remove the rules that apply to the Night Session). *See also* Securities Exchange Act Release No. 34–105199 (April 10, 2026), 91 FR 20222 (April 15, 2026) (''23–5 Approval Order'').

[4] As proposed, the term ''Clearing Member'' would be defined as a member that is a member of a registered clearing agency. *See* proposed Exchange Rule Equity 2, Section 9.

[5] *See* proposed Exchange Rule Equity 2, Section 9. On September 18, 2026, the Exchange filed a proposal to amend Exchange Rule Equity 2, Section 9 to provide that, if a Member that trades in the Night Session clears transactions in the Night Session through another Member that is a member of a registered clearing agency, the designated Clearing Member must affirm to the Exchange in writing, through a letter of authorization, letter of guarantee, letter of consent, or any other agreement acceptable to the Exchange, its agreement to assume responsibility for clearing and settling any and all trades executed during the Night Session by the Member designating it as its clearing firm (''SR–NASDAQ–2026–079''). On September 28, 2026, the Exchange withdrew SR–NASDAQ–2026–079 and replaced it with the present filing to make a clarifying change to the proposed rule text in Exhibit 5 by correcting the first reference to ''Night'' to read ''Night Session.'' Specifically, the corrected sentence reads: ''If a Member who seeks to trade in the Night *Session* clears transactions through another Member that is a member of a registered clearing agency (the 'Clearing Member'), the Clearing Member shall affirm to the Exchange in writing, through letter of authorization, letter of guarantee, letter of consent, or any other agreement acceptable to the Exchange, the Clearing Member's agreement to assume responsibility for clearing and settling any and all trades executed during the Night Session by the Member designating the Clearing Member as its clearing firm.'' Other than for this clarifying correction, the proposed rule text and substance of the filing remain unchanged.

Session by the Member designating it as its clearing firm. As proposed, the written affirmation may be provided through a letter of authorization, letter of guarantee, letter of consent, or any other agreement acceptable to the Exchange. Any such written affirmation would confirm the Clearing Member's agreement to assume clearing and settlement responsibility for Night Session trades executed by the designating Member.[6]

In connection with preparations for the commencement of 23–5 trading, and trading in the Night Session in particular,[7] the Exchange has engaged with member organizations, including clearing member firms, regarding the operational processes necessary to support overnight trading during the Night Session. Through those discussions, clearing member firms have indicated a desire to maintain greater control over which correspondent firms may use their clearing services during the Night Session. In particular, clearing member firms have explained that participation in overnight trading may involve operational, risk-management, and supervisory considerations that differ from those applicable during existing trading sessions and have requested a mechanism through which they may affirmatively identify the correspondents for whose Night Session trades they have agreed to assume clearing and settlement responsibility.

Unlike certain other trading venues, Nasdaq historically has relied upon existing National Securities Clearing Corporation (''NSCC'') relationship information and generally has not required separate clearing guarantees as a condition of trading. Because the Night Session represents a novel trading environment and clearing member firms have requested a mechanism to confirm the correspondents for whose Night Session trades they will assume clearing and settlement responsibility, the Exchange believes it is appropriate to require an affirmative written confirmation from the applicable Clearing Member before a Member may trade in the Night Session using that clearing relationship.

The proposed requirement is intended solely to provide clearing member firms with a means to manage and communicate confirmations regarding the correspondents for whose Night Session trades they have agreed to assume clearing and settlement responsibility. The proposal would not alter existing clearing relationships for trading conducted during other Exchange trading sessions and would not otherwise modify the rights or obligations of Members under Exchange rules. As discussed above, any such written affirmation would confirm only that the Clearing Member has agreed to assume responsibility for clearing and settling Night Session trades executed by the designating Member. Actual trading during the Night Session would remain subject to the conditions set forth in Exchange Rule Equity 1, Section 1(a)(19).[8]

While actual trading pursuant to the proposed rule change will be subject to Exchange Rule Equity 1, Section 1(a)(19), the Exchange proposes to implement the proposed rule change as soon as practicable during the month of September 2026 to provide sufficient time for member onboarding and operational preparation in advance of the planned commencement of 23–5 trading in or about December 2026.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[9] in general, and furthers the objectives of Section 6(b)(5) of the Act,[10] 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.

In particular, the Exchange believes that the proposal furthers these objectives by fostering cooperation and coordination among the Exchange, Members, and clearing member firms in connection with the launch and operation of the Night Session. The proposal would require a Member that seeks to trade in the Night Session using a clearing relationship with another Member that is a member of a registered clearing agency to provide documentation affirming that the designated Clearing Member has agreed to assume responsibility for clearing and settling any and all trades executed during the Night Session by the designating Member. By requiring such documentation before a Member may use that clearing relationship for Night Session trading, the proposal is designed to reduce uncertainty regarding clearing responsibility, support appropriate risk management by clearing member firms, and help ensure that Night Session activity occurs through clearing arrangements for which the applicable Clearing Member has affirmatively agreed to assume clearing and settlement responsibility. The proposed requirement would not itself permit a Member to commence trading during the Night Session; actual trading during the Night Session would remain subject to the conditions set forth in Exchange Rule Equity 1, Section 1(a)(19).

The Exchange further believes that the proposal promotes just and equitable principles of trade and protects investors and the public interest by supporting fair and orderly markets during the Night Session. As discussed above, clearing member firms have indicated that overnight trading may involve operational, risk-management, and supervisory considerations that differ from those applicable during existing trading sessions and have requested a mechanism through which they may identify the correspondents for whose Night Session trades they have agreed to assume clearing and settlement responsibility. The proposed requirement responds to those concerns by establishing a clear, limited process for confirming the applicable Clearing Member's agreement to assume clearing and settlement responsibility for Night Session trades executed by the designating Member.

The Exchange also believes that requiring an affirmative written confirmation of the Clearing Member's agreement to assume clearing and settlement responsibility for Night Session trades will enhance transparency with respect to clearing relationships, thereby supporting the Act's objectives of preventing fraudulent and manipulative acts and practices and promoting just and equitable principles of trade. The proposal is not designed to alter existing clearing relationships generally, modify the substantive operation of the Exchange's trading system, or change the execution rules applicable to orders. Rather, it is a targeted operational safeguard designed to provide certainty regarding clearing responsibility for a trading session that presents operational considerations distinct from regular trading hours.

The Exchange also believes that the proposal is consistent with the Commission's approval of the Exchange's 23–5 trading framework.[11] In approving that framework, the

[6] As discussed above, the Exchange previously filed SR–NASDAQ–2026–079 on September 18, 2026. The Exchange is withdrawing that proposed rule change and replacing it with the present proposal to make a clarifying change to Exhibit 5 by correcting one reference to ''Night'' to read ''Night Session.'' Other than for this clarifying correction, the proposed rule text and substance of the filing remain unchanged. *See supra* note 5 and accompanying text.

[7] *See supra* note 3 and accompanying text.

[8] *See supra* note 3 and accompanying text.

[9] 15 U.S.C. 78f(b).

[10] 15 U.S.C. 78f(b)(5).

[11] *See* 23–5 Approval Order, *supra* note 3.

Commission recognized that overnight trading presents operational and market-structure considerations that differ from those applicable during traditional trading hours and approved measures designed to address risks associated with Night Session trading.[12] The proposed requirement similarly is designed to facilitate the orderly commencement and operation of the Night Session by helping to ensure that trading activity conducted through another Member's clearing relationship occurs only where the applicable Clearing Member has affirmatively agreed to assume clearing and settlement responsibility for Night Session trades executed by the designating Member. Any such written affirmation would confirm only that the Clearing Member has agreed to assume responsibility for clearing and settling Night Session trades. Actual commencement of trading during the Night Session would remain subject to the conditions set forth in Exchange Rule Equity 1, Section 1(a)(19).

Finally, the Exchange believes the proposal removes impediments to and perfects the mechanism of a free and open market and a national market system because it would promote an orderly implementation process for the Night Session. By providing clearing member firms with a mechanism to identify and confirm the correspondents for whose Night Session trades they will assume clearing and settlement responsibility in advance of launch, the proposal would reduce potential operational uncertainty and facilitate coordinated readiness among the Exchange, Members, and clearing member firms.

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 proposal applies uniformly to all Members seeking to trade in the Night Session through a clearing relationship with another Member. The proposal does not impose a categorical restriction on access to the Night Session. Rather, it requires only that a Member seeking to trade in the Night Session through another Member's clearing relationship provide documentation confirming that the designated Clearing Member has agreed to assume clearing and settlement responsibility for Night Session trades executed by the designating Member.

To the extent the proposal imposes any burden on competition, the Exchange believes such burden is necessary and appropriate because it is designed to facilitate prudent risk management by clearing member firms and the orderly operation of the Night Session.

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)(iii) of the Act[13] and subparagraph (f)(6) of Rule 19b–4 thereunder.[14]

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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or 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 (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–NASDAQ–2026–084 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–2026–084. 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 (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–NASDAQ–2026–084 and should be submitted on or before October 5, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[15]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20297 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

[12] *See* 23–5 Approval Order, *supra* note 3, 91 FR at 20228, 20232 (noting that ''the Exchange would require that its members make certain disclosures to investors concerning risks associated with trading during Pre-Market Hours, Post-Market and the Night Session''; that ''[t]hese proposed disclosures will enhance transparency by warning customers that trading during these extended hours involves material trading risks, as outlined in the proposed rules''; and finding that ''the Night Session will operate in a manner that is consistent with the Pre-Market Hours and Post-Market Hours sessions but will require additional customer disclosures about the potential risks of trading during the Night Session'').

[13] 15 U.S.C. 78s(b)(3)(A)(iii).

[14] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

[15] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 33–11445; File No. 4–931]

Potential Designation of Passage of an Accredited Investor Exam To Be Developed by FINRA as Qualifying Natural Persons for Accredited Investor Status

AGENCY: Securities and Exchange Commission.

ACTION: Notice; request for comment.

SUMMARY: Notice is given that the Securities and Exchange Commission (the ''Commission'') is considering whether to issue an order designating

passage of an accredited investor exam (the ''Exam'') to be developed by the Financial Industry Regulatory Authority, Inc. (''FINRA'') as qualifying natural persons for accredited investor status.

DATES: This release was published in the **Federal Register** on October 5, 2026. Comments should be received on or before December 4, 2026.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number 4–931 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 4–931. To submit a comment to more than one file, please refer to each file number. 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 of submission. The Commission will post all submitted comments on its website (*https://www.sec.gov/rules-regulations/public-comments/4-931*). Do not include personally identifiable information in submissions; you should submit only information that you wish to make available publicly. The Commission may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

FOR FURTHER INFORMATION CONTACT: John Byrne, Office Chief, Kenisha D. Nicholson, Senior Special Counsel, or Max Corey, Special Counsel, Office of Small Business Policy, Division of Corporation Finance, at 202–551–3460, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION:

I. Background

A. Accredited Investor Definition

Regulation D [1] provides a widely-used set of exemptions from registration under 15 U.S.C. 77a *et seq.* (the ''Securities Act'') for the offer and sale of securities.[2] Among other things, Regulation D includes the regulatory definition of ''accredited investor'' in 17 CFR 230.501(a) (''Rule 501(a)'') followed by the three main operative provisions—17 CFR 230.504 (''Rule 504''),[3] 17 CFR 230.506(b) (''Rule 506(b)''),[4] and 17 CFR 230.506(c) (''Rule 506(c)'').[5] The Commission has stated that the ''accredited investor'' definition under Regulation D is intended to capture persons whose financial sophistication renders the protection of the Securities Act's registration process unnecessary.[6]

The definition of ''accredited investor'' is a cornerstone of Regulation D and also plays an important role in other Federal securities law contexts.[7] Qualifying for accredited investor status is significant because accredited investors may, under Commission rules, participate in investment opportunities that are generally not available to non-accredited investors, such as investments in private companies and offerings by private funds.

Accredited investors are natural persons and entities that come within, or that the issuer reasonably believes come within, any of the enumerated categories contained in Rule 501(a). Natural persons may qualify as accredited investors if they are:

- Any director, executive officer, or general partner of the issuer of the securities being offered or sold or of a general partner of that issuer, pursuant to 17 CFR 230.501(a)(4);
- Individuals who have a net worth exceeding $1,000,000 (excluding the value of the individual's primary residence and any indebtedness secured by such residence up to the estimated value of the residence), either alone or with their spouse or spousal equivalent, pursuant to 17 CFR 230.501(a)(5);
- Individuals who had an income in excess of $200,000 in each of the two most recent years, or joint income with the individual's spouse or spousal equivalent in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in the current year, pursuant to 17 CFR 230.501(a)(6);
- Individuals who are holders in good standing of one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status, pursuant to 17 CFR 230.501(a)(10) (''Rule 501(a)(10)'');
- Individuals who are ''knowledgeable employees,'' [8] under the Investment Company Act of 1940 (the ''Investment Company Act''),[9] of the private-fund issuer of the securities being offered or sold, pursuant to 17 CFR 230.501(a)(11); or
- Individuals who are ''family clients'' of a ''family office'' [10] under the Investment Advisers Act of 1940 (the ''Advisers Act'') [11] and whose prospective investment in the issuer is directed by such family office in accordance with 17 CFR

[1] 17 CFR 230.500 through 230.508.

[2] Approximately $400 billion was raised in Regulation D offerings (excluding pooled funds) between July 1, 2024 and June 30, 2025. *See Staff Report from Office of the Advocate for Small Business Capital Formation* (''OASB'') Fiscal Year 2025 OASB Annual Report (Jan. 8, 2026) at 14, available at *https://www.sec.gov/files/2025-oasb-staff-report.pdf.*

[3] Rule 504 provides an exemption from registration under the Securities Act for the offer and sale of up to $10 million of securities in a 12-month period from an unlimited number of investors (without regard to whether those investors are accredited).

[4] Rule 506(b) is a safe harbor under section 4(a)(2) of the Securities Act that permits issuers to raise any amount from an unlimited number of accredited investors but limits the number of non-accredited investors to 35 in any 90-calendar-day period. The rule does not permit general solicitation and, where non-accredited investors purchase in the Rule 506(b) offering, the information requirements in 17 CFR 230.502(b) must be met. *See* 17 CFR 230.506(b)(1); 17 CFR 230.506(b)(2)(i); 17 CFR 230.502(b).

[5] Rule 506(c) provides an exemption from registration under the Securities Act, and permits issuers to raise any amount from an unlimited number of accredited investors. The exemption permits general solicitation, but issuers may not make any sales to non-accredited investors under Rule 506(c), and the issuer must take reasonable steps to verify that all purchasers are accredited. *See also* Jumpstart Our Business Startups Act of 2012, Public Law 112–106, sec. 201(a), 126 Stat. 306 (2012) (directing the Commission to revise its rules ''to provide that the prohibition against general solicitation or general advertising contained in section 230.502(c) of such title [17] shall not apply to offers and sales of securities made pursuant to section 230.506, provided that all purchasers of the securities are accredited investors. . . . Section 230.506 of title 17, Code of Federal Regulations, as revised pursuant to this section, shall continue to be treated as a regulation issued under section 4(2) of the Securities Act of 1933 (15 U.S.C. 77d(2))'').

[6] *See Accredited Investor Definition,* Release No. 33–10824 (Aug. 26, 2020) [85 FR 64234, n.7 and accompanying text (Oct. 9, 2020)] (''Accredited Investor Adopting Release''); *Regulation D Revisions; Exemption for Certain Employee Benefit Plans,* Release No. 33–6683 (Jan. 16, 1987) [52 FR 3015 (Jan. 30, 1987)]. *See also SEC* v. *Ralston Purina Co.,* 346 U.S. 119, 125 (1953) (taking the position that the availability of the section 4(a)(2) exemption ''should turn on whether the particular class of persons affected needs the protection of the [Securities] Act. An offering to those who are shown to be able to fend for themselves is a transaction 'not involving any public offering' '').

[7] For example, each of 17 CFR 230.251 through 230.263 (''Regulation A'') and 17 CFR 227.100 through 227.504 (''Regulation Crowdfunding'') contains limitations on the amount an investor may invest if such investor is not an accredited investor. *See* 17 CFR 230.251(d)(2)(i)(C) and 17 CFR 227.100(a)(2).

[8] 17 CFR 270.3c–5(a)(4).

[9] 15 U.S.C. 80a–1 *et seq.*

[10] 17 CFR 275.202(a)(11)(G)–1 (defining ''family office'').

[11] 15 U.S.C. 80b–1 *et seq.*

230.501(a)(12)(iii), pursuant to 17 CFR 230.501(a)(13) (''Rule 501(a)(13)'').

Various institutions may qualify as accredited investors based on their status alone or on a combination of their status and the amount of their total assets or investments. Institutions that qualify include:

- Banks, savings and loan associations; brokers or dealers registered pursuant to section 15 of the Securities Exchange Act of 1934; [12] certain investment advisers; insurance companies; investment companies registered under the Investment Company Act or business development companies as defined in section 2(a)(48) of the Investment Company Act; [13] and certain specialized investment companies; [14] plans established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5 million; employee benefit plans (within the meaning of the Employee Retirement Income Security Act of 1974) [15] if a bank, savings and loan association, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of $5 million, or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors, pursuant to 17 CFR 230.501(a)(1) (''Rule 501(a)(1)'');
- Any private business development company as defined in section 202(a)(22) of the Advisers Act,[16] pursuant to 17 CFR 230.501(a)(2) (''Rule 501(a)(2)'');
- Charitable organizations, corporations, business trusts, partnerships, or limited liability companies not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000, pursuant to 17 CFR 230.501(a)(3) (''Rule 501(a)(3)''); [17]
- Trusts with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in 17 CFR 230.506(b)(2)(ii), pursuant to 17 CFR 230.501(a)(7) (''Rule 501(a)(7)'');
- Entities in which all of the equity owners are accredited investors, pursuant to 17 CFR 230.501(a)(8) (''Rule 501(a)(8)'');
- Any entity, of a type not listed in Rules 501(a)(1), (2), (3), (7), or (8), not formed for the specific purpose of acquiring the securities offered, owning investments in excess of $5,000,000, pursuant to 17 CFR 230.501(a)(9);
- ''Family offices'' meeting certain requirements, pursuant to 17 CFR 230.501(a)(12) (''Rule 501(a)(12)''); [18] and
- Entities that are ''family clients'' of a ''family office'' that meets the requirements of Rule 501(a)(12), pursuant to Rule 501(a)(13).

B. Background on Rule 501(a)(10) and Overview of Potential Designation

Rule 501(a)(10) confers accredited investor status on any natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status.[19] In adopting Rule 501(a)(10), the Commission stated that certain ''professional credentials and experience should enable [investors that hold such credentials] to assess investment opportunities, appropriately allocate capital based on their individual circumstances, including whether to reallocate investment capital between private investments and other equivalent-sized investments, and otherwise make appropriately informed decisions regarding their financial interests, including their ability to bear the financial risk.'' [20]

Rule 501(a)(10) contains the following non-exclusive list of attributes that the Commission will consider in determining whether to designate a professional certification or designation or credential from an accredited educational institution as qualifying for accredited investor status:

- The certification, designation, or credential arises out of an examination or series of examinations administered by a self-regulatory organization or other industry body or is issued by an accredited educational institution, under 17 CFR 230.501(a)(10)(i) (''Rule 501(a)(10)(i)'');
- The examination or series of examinations is designed to reliably and validly demonstrate an individual's comprehension and sophistication in the areas of securities and investing, under 17 CFR 230.501(a)(10)(ii) (''Rule 501(a)(10)(ii)'');
- Persons obtaining such certification, designation, or credential can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment, under 17 CFR 230.501(a)(10)(iii) (''Rule 501(a)(10)(iii)''); and
- An indication that an individual holds the certification or designation is either made publicly available by the relevant self-regulatory organization or other industry body or is otherwise independently verifiable, under 17 CFR 230.501(a)(10)(iv) (''Rule 501(a)(10)(iv)''). [21]

In proposing Rule 501(a)(10), the Commission noted prior recommendations to develop an accredited investor exam that could serve as a means to qualify individuals as accredited investors, though it did not propose to recognize such a test at that time.[22] Many of the commenters responding to the Accredited Investor Proposing Release's request for comment on an accredited investor exam supported such an exam.[23] One of

[12] 15 U.S.C. 78*o*.

[13] 15 U.S.C. 80a–2(a)(48).

[14] This includes small business investment companies licensed under section 301(c) or (d) of the Small Business Investment Act of 1958 [15 U.S.C. 661 *et seq.*], and any rural business investment company as defined in section 384A of the Consolidated Farm and Rural Development Act [7 U.S.C. 1921].

[15] 29 U.S.C. 1001 *et seq.*

[16] 15 U.S.C. 80b–2(a)(22).

[17] A charitable organization is as described in section 501(c)(3) of the Internal Revenue Code [26 U.S.C. 501(c)(3)].

[18] The family office must have assets under management in excess of $5,000,000; not been formed for the specific purpose of acquiring the securities offered; and its prospective investments directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment. *See* 17 CFR 230.501(a)(12)(i) through 230.501(a)(12)(iii).

[19] Rule 501(a)(10) does not expressly define what constitutes good standing. In connection with the adoption of Rule 501(a)(10), the Commission stated that in addition to passing the relevant exam, ''maintaining an active certification, designation, or license is sufficient to demonstrate the individual's financial sophistication to invest in exempt offerings . . . . [and] that an inactive certification, designation, or license, particularly when the certification or designation has been inactive for an extended period of time, could lessen the validity of the certification or designation as a measure of financial sophistication.'' Accredited Investor Adopting Release at 64242. *See infra* section II.B.1.

[20] *Id.* at 64241.

[21] Additionally, Note 1 to paragraph 501(a)(10) specifies that the Commission will designate professional certifications or designations or credentials as qualifying such holders as accredited investors by order, after notice and an opportunity for public comment.

[22] *See Amending the* ''*Accredited Investor*'' *Definition,* Release No. 33–10734 (Dec. 18, 2019) [85 FR 2574, 2579–2581 (Jan. 15, 2020)] (the ''Accredited Investor Proposing Release'').

[23] *See, e.g.,* letter from Tron Black (Nov. 20, 2019, last updated Dec. 24, 2019) (''T. Black'') (recommending an accredited investor exam that includes specific topics such as valuation, due diligence, liquidity, shareholder rights, and accounting matters, and that test takers should ''understand and acknowledge that they bear the risk of loss for their own investment choices—absent outright fraud''); letter from Blake Delaplane (Jan. 13, 2020) (recommending an SEC-issued accredited investor exam paired with investment

Continued

these commenters recommended ''FINRA establish an examination that would enable an individual to become an accredited investor,'' stating that ''FINRA is well positioned to create and administer an examination it believes appropriate to ensure an individual has the ability to operate as a sophisticated investor'' and that ''[s]uch an avenue may make a material difference in democratizing ownership.'' [24] Other commenters opposed the Series 7, 65, and 82 exams being used as a means for an individual to be an accredited investor and indicated a preference for a specific accredited investor exam.[25]

Other commenters were not supportive of designating an accredited investor examination. One commenter stated that ''no special Accredited Investor examination is needed . . . as long as one could take the [Securities Industry Essentials] or Series 65 [exams].'' [26] Another commenter suggested that ''[f]or the immediate future . . . the SEC only accept FINRA administered examinations as FINRA is subject to SEC oversight and has existing mechanisms for making examination-related information publicly available.'' [27] In addition, two commenters suggested that the Commission's proposals to add professional certifications or designations to the accredited investor definition should also require professional experience.[28]

Consistent with the proposal, at the time of adoption of Rule 501(a)(10), the Commission issued an order designating the General Securities Representative license (Series 7), Private Securities Offerings Representative license (Series 82), and Investment Adviser Representative license (Series 65) as qualifying a holder of such licenses in good standing for accredited investor status.[29] In the Accredited Investor Adopting Release, the Commission expressly noted that ''[a]lthough other professional certifications, designations, and credentials, such as other FINRA exams, a specific accredited investor exam, other educational credentials, or professional experience received broad commenter support, we are taking a measured approach to the expansion of the definition . . . . [and] we believe it is appropriate to consider these other credentials after first gaining experience with the revised rules.'' [30]

The Commission has now had over five years of experience with the initially designated professional licenses. There is no evidence that we are aware of to suggest that the expansion in 2020 of the accredited investor definition to include these types of financially sophisticated investors has created investor protection concerns. Since the adoption of Rule 501(a)(10) and the initial designations, the Commission has received recommendations to further expand the number of investors that qualify as accredited investors under Rule 501(a)(10).[31] The arguments in some of these recommendations echo the arguments contained in letters from commenters in connection with the adoption of Rule 501(a)(10), which stated that the definition limits access to private investments primarily to those who are wealthy,[32] have close ties to the issuer,[33] or have certain jobs in the

limits); letter from Crowdwise, LLC (Mar. 1, 2020) (''Crowdwise'') (recommending the SIE Exam as an initial qualification exam until a specific accredited investor exam is developed and administered, but noting that the SIE Exam leaves investors ''with a lack of practical understanding for private market investing''); letter from Tony Sparks (Jan. 2, 2020) (supporting an accredited investor exam because ''it's wise for people to be somewhat informed on how investments work before they invest''); letter from Bruce A. Wallick (Dec. 19, 2019) (''B. Wallick'') (stating that ''[w]hat's really needed to evaluate various investments and avoid endangering one's wealth is adequate analytical skill . . . . [p]erhaps requiring some case study investment analysis as part of the test would be sufficient to determine level of understanding''); letter from the Maryland State Bar Association (Mar. 16, 2020) (noting that ''[w]ith respect to persons who believe that they have the requisite sophistication, knowledge, and experience such that they should qualify as accredited investors, we believe that an accredited investor examination to determine investor sophistication . . . would be a much better way to address this issue''); letter from Carta, Inc. (Mar. 16, 2020) (''Carta''); letter from David R. Burton (May 1, 2020) (''D. Burton''). The comment letters to the Accredited Investor Proposing Release are available at *https://www.sec.gov/comments/s7-25-19/s72519.htm*.

[24] Letter from Carta. *See also* letter from D. Burton (''Ordinary people outside of the financial industry should have a means to prove that they have the knowledge and sophistication to qualify. Such a test would be central to democratizing access to Regulation D investments and enabling people who have developed the requisite knowledge to have access to these investments.'').

[25] *See* letter from Einar Vollset (Dec. 18, 2019) (stating that ''[r]equiring highly expensive and specialized professional certifications such as Series 7, 65 or 82 is completely pointless exercise'' and proposing ''a basic exam proving an understanding of the risks involved'' and opposing the Series 7, 65, or 82 exams); letter from Al Hemmingsen (Dec. 29, 2019) (stating that ''[t]he usage of FINRA examinations associated with the Series 7, 65 and 82 is problematic'' and suggesting that an accredited investor exam should be more rigorous than the Series 7, 65 and 82 exams).

[26] Letter from James J. Angel (Mar. 3, 2020).

[27] Letter from G. Philip Rutledge (Jan. 31, 2020). This commenter also questioned whether ''if one passes a SEC accredited investor examination, is that individual deemed an accredited investor forever or for a specified period of time after which the individual may have to re-take the examination?'' *Id.*

[28] *See* letter the North American Securities Administrators Association (Mar. 16, 2020) (''NASAA'') (''[A]ny use of a professional designation or exam as one aspect of a more fulsome assessment of financial sophistication for purposes of determining accredited investor status should also include significant relevant experience.''); letter from Nasdaq, Inc. (May 18, 2020) (''An examination of knowledge, without an additional requirement of industry experience, is not a satisfactory means to determine whether an investor can bear the risk of and evaluate a potential investment in an exempt offering without the benefit of a registration statement or similar disclosure.''). *See also* letter from Mona DeFrawi (July 31, 2026), available at *https://www.sec.gov/comments/4-892/4892-3054366.pdf* (stating that the Commission should ''[e]volve the accredited investor definition via a credential-based exam pathway that qualifies retail investors by demonstrated competence rather than net worth alone'').

[29] The exams for the General Securities Representative license (Series 7) and the Private Securities Offerings Representative license (Series 82) are developed and administered by FINRA, and the exam for the Investment Adviser Representative license (Series 65) was developed by NASAA and is administered by FINRA. *See Order Designating Certain Professional Licenses as Qualifying Natural Persons for Accredited Investor Status,* Release No. 33–10823 (Aug. 26, 2020) [85 FR 64234 (Oct. 9, 2020)].

[30] Accredited Investor Adopting Release at 64243.

[31] *See, e.g., Report on the 45th Annual Small Business Forum* (July 27, 2026) (''2026 Small Business Forum Report'') at 17, available at *https://www.sec.gov/files/2026-oasb-annual-forum-report.pdf* (recommending that the Commission ''expand the accredited investor definition to include additional measures of sophistication, including through an investor test and experience''); *Report on the 44th Annual Small Business Forum* (Sept. 22, 2025) (''2025 Small Business Forum Report'') at 18, available at *https://www.sec.gov/files/2025-oasb-annual-forum-report.pdf* (recommending that the Commission ''[e]xpand the accredited investor definition to include additional measures of sophistication''); SEC Small Business Capital Formation Advisory Committee (''SBCFAC'') Recommendation regarding the Accredited Investor Definition (May 1, 2024), available at *https://www.sec.gov/files/recs-accredited-investor-definition.pdf* (recommending in part that persons not meeting the definition be able to undertake an educational program, which would allow them to invest a percent of their assets); OASB, *Annual Report for Fiscal Year 2023* at 75, available at *https://www.sec.gov/files/2023-oasb-annual-report.pdf* (recommending expansion of the accredited investor definition to add qualitative professional criteria and alternative ways to demonstrate financial sophistication). *See also* SEC Investor Advisory Committee (''IAC'') Recommendation regarding Retail Investor Access to Private Market Assets (Sept. 18, 2025) (''2025 IAC Accredited Investor Recommendation''), available at *https://www.sec.gov/files/iac-recommendation-private-market-assets-final-09182025.pdf* (not taking a position on whether the accredited investor definition should be expanded, but recommending that, if the definition were to be expanded, the Commission consider expanding the accredited investor definition to cover additional professional certifications or designations or credentials).

[32] See, *e.g.,* letter from D. Burton (stating that ''people outside of the financial industry should have a means to prove that they have the knowledge and sophistication to qualify as [accredited investors] . . . . [o]therwise, the Commission will effectively creat[e] barriers where only affluent people or those it regulates in the financial industry have access to these investments.''); letter from T. Black.

[33] See, *e.g.,* letter from B. Wallick (stating that the ''[accredited investor definition] should include an opportunity for self-taught investors to demonstrate their financial sophistication and achieve accredited status.''); letter from D. Burton.

financial industry.[34] In particular, the Commission has received recommendations to expand the definition of accredited investors to include those who pass an accredited investor exam.[35] The Commission has also received petitions for rulemaking requesting changes to the accredited investor definition.[36]

In addition, legislation in Congress has been introduced to amend the accredited investor definition to include natural persons who are certified through an accredited investor exam.[37]

Commission staff and FINRA staff have discussed the possibility of FINRA developing an exam to qualify natural persons for accredited investor status. FINRA staff have formulated initial plans for the Exam, which has been informed by feedback from Commission staff, and is ready to proceed with the next stages of development.

For the reasons set forth in section II, based on our understanding of how FINRA intends to design and implement the Exam, we believe that receiving a passing score on the Exam would satisfy the standard in Rule 501(a)(10).[38] Accordingly, as required by Rule 501(a)(10), we are providing notice and an opportunity for public comment on potential designation of passage of the Exam as qualifying natural persons for accredited investor status.[39]

II. Discussion

A. Exam Requirements

1. Background

FINRA intends to create an Exam to assess a candidate's comprehension and sophistication in the areas of securities and investing, including if the candidate has sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment. FINRA is developing the Exam specifically as an accredited investor exam that is intended to satisfy the requirements of Rule 501(a)(10).

The format, administration, and policies and procedures of the Exam would be largely modeled on the Securities Industry Essentials Exam (''SIE Exam''), an existing FINRA exam for prospective securities industry professionals that assesses a candidate's knowledge of basic securities industry information.[40] Modeling the format,

[34] *See, e.g.,* letter from Crowdwise (stating that it is crucial for the Commission to ''consider how self-taught, sophisticated investors who do not have any other financial credentials (nor the ability to get them) or finance industry experience can still have access to the same investment opportunities that are available to accredited investors today.''); letter from D. Burton (stating that expansion of the accredited investor definition ''will help investors that would typically otherwise be barred from investing in Regulation D offerings (most often younger investors or those that live outside of high-income metropolitan areas).'').

[35] *See, e.g.,* SBCFAC Recommendation regarding Entrepreneurial Ecosystems (Nov. 16, 2022), available at *https://www.sec.gov/spotlight/sbcfac/entrepreneurial-ecosystems-recommendation-101322.pdf* (recommending ''provid[ing] alternative methods for investors to qualify as sophisticated, which could include . . . tests to demonstrate sophistication''); SBCFAC Recommendation regarding Accredited Investor (Mar. 12, 2022), available at *https://www.sec.gov/spotlight/sbcfac/sbcfac-accredited-investor-recommendation-021022.pdf;* 2026 Small Business Forum Report at 17 (recommending the Commission ''[e]xpand the accredited investor definition to include additional measures of sophistication, including through an investor test and experience''); 2025 Small Business Forum Report at 18; *Report on the 43rd Annual Small Business Forum* (Sept. 19, 2024) at 11, available at *https://www.sec.gov/files/2024-oasb-annual-forum-report.pdf; Report on the 40th Annual Small Business Forum* (Sept. 27, 2021) at 16, available at *https://www.sec.gov/files/2021_OASB_Annual_Forum_Report_FINAL_508.pdf. See also* 2025 IAC Accredited Investor Recommendation (supporting, in principle, ''the notion of creating an accredited investor test,'' and stating that ''the Commission could delegate administration of the test to FINRA'' and separately suggesting certain existing certifications it believed ''could be appropriate'' for the Commission to designate under Rule 501(a)(10)).

[36] *See* Benjamin Bartel, *Petition for Rulemaking to Amend the Accredited Investor Definition in Rule 501(a) of SEC Regulation D* (Sept. 25, 2025), available at *https://www.sec.gov/files/rules/petitions/2025/petn4-871.pdf;* Fabricio R. Murillo Garcia, *Petition for Modification of Definition of Accredited Investors* (Feb. 13, 2024), available at *https://www.sec.gov/files/rules/petitions/2024/petn4-823.pdf;* Nicholas Morgan, Investor Choice Advocates Network, *Rulemaking petition to reduce the diversity, equity, and inclusion (''DEI'') barriers for ''accredited investors'' by replacing the net worth and income requirements of Rule 501(a) under the Securities Act of 1933 with non-financial metrics* (Nov. 9, 2022), available at *https://www.sec.gov/files/rules/petitions/2022/petn4-796.pdf;* Benny R. Brown, *Request to change the rules which qualifies an individual or individuals as an accredited investor* (Apr. 26, 2021), available at *https://www.sec.gov/files/rules/petitions/2021/petn4-773.pdf.* The Commission has considered these petitions in connection with this notice and the other notices published elsewhere in this issue of the **Federal Register**. *See infra* note 38.

[37] *See, e.g.,* Incentivizing New Ventures and Economic Strength Through Capital Formation Act of 2025 (INVEST Act of 2025), H.R. 3383, 119th Cong. (2025) (as passed by the House of Representatives, Dec. 11, 2025) (''INVEST Act'') (which would require that any such test include the following investment criteria: ''(i) the different types of securities; (ii) the disclosure requirements under the securities laws . . . ; (iii) corporate governance; (iv) financial statements and components of such statements; (v) aspects of unregistered securities, securities issued by private companies and investments into private funds . . .; (vi) potential conflicts of interest . . . ; and (vii) such other criteria as the Commission determines necessary or appropriate in the public interest or for the protection of investors''); Empowering Main Street in America Act of 2024, S.5139, 118th Cong. (2024) (as introduced to the S. Comm. on Banking, Hous. and Urb. Affairs, Sept. 23, 2024) (which would amend the accredited investor definition under section 2(a)(15) of the Securities Act [15 U.S.C. 77b(a)(15)] to include natural persons who are certified through an accredited investor exam established or approved by the Commission, a State securities commission, or a self-regulatory organization). *But see* Letter to the House of Representatives from NASAA (Dec. 10, 2025), available at *https://www.nasaa.org/wp-content/uploads/2025/12/NASAA-Urges-Congress-to-Oppose-the-INVEST-Act-As-Written-12.10.25-F.pdf* (responding to the INVEST Act, stating that ''[a]s for an accredited investor exam, NASAA would prefer an exam that tests relevant knowledge coupled with practical experience. NASAA would not endorse a test that does not meaningfully probe the investor's financial sophistication and ability to understand the information asymmetry and other risks posed by private market investing.'') (last retrieved Sept. 24, 2026).

[38] We are also concurrently providing notice pursuant to Note 1 to paragraph 501(a)(10) with respect to the potential designation of each of the following as qualifying natural persons for accredited investor status: holding a license as a U.S. certified public accountant in good standing; holding a charter as a Chartered Financial Analyst in good standing; holding a certification as a Certified Financial Planner in the United States in good standing; and the Investment Banking Representative license (Series 79) and the Research Analyst license (Series 86 and Series 87). *See Potential Designation of U.S. Certified Public Accountant License as Qualifying Natural Persons for Accredited Investor Status; Potential Designation of Chartered Financial Analyst Designation as Qualifying Natural Persons for Accredited Investor Status; Potential Designation of Certified Financial Planner Certification as Qualifying Natural Persons for Accredited Investor Status; Potential Designations of the Investment Banking Representative License (Series 79) and the Research Analyst License (Series 86 and Series 87) as Qualifying Natural Persons for Accredited Investor Status* published elsewhere in this issue of the **Federal Register**.

[39] The description of the Exam that follows is based on Commission staff's discussions with FINRA staff. Any discussion in this notice that FINRA ''intends,'' ''indicates,'' ''anticipates,'' or ''believes'' is based on what FINRA staff has communicated to the Commission staff. Similarly, any discussion in the notice that the Exam or Exam Holder ''will'' or ''would'' have certain characteristics should be read to refer to what FINRA currently anticipates or intends as of the date of this notice. As is the case for the other prongs of the accredited investor definition, Exam Holders would only themselves qualify as accredited investors and could not rely on their status as accredited investors to purchase securities on behalf of another person.

[40] *See* FINRA, *Securities Industry Essentials (SIE) Exam* (''SIE Exam Overview''), available at *https://www.finra.org/registration-exams-ce/qualification-exams/securities-industry-essentials-exam* (stating that ''[p]assing the SIE is the first step toward a career in the securities industry. The next step is becoming associated with a FINRA member firm and taking one of the [Series 6, Series 7, Series 22, Series 57, Series 79, Series 82, Series 86 and 87, or Series 99] exams'') (last retrieved Sept. 24, 2026); FINRA, *Securities Industry Essentials (SIE) Examination Content Outline* (''SIE Exam Content Outline''), available at *https://www.finra.org/sites/default/files/2025-10/SIE_Content_Outline.pdf* (providing further details on the structure and administration of the SIE Exam, as well as a detailed content outline) (last retrieved Sept. 24, 2026); FINRA, *SIE Exam and Exam Restructuring Frequently Asked Questions (FAQ),* available at *https://www.finra.org/registration-exams-ce/qualification-exams/sie-and-exam-restructuring-faq* (providing information on SIE Exam enrollment, eligibility, scoring and other matters) (last retrieved Sept. 24, 2026). *See also* FINRA, *Frequently Asked*

Continued

administration, and policies and procedures of the Exam on the existing SIE Exam will allow the general public to more easily understand the logistics of the Exam and will streamline the process for developing the Exam, due to the currently available information about, and market familiarity with, the policies and procedures for the SIE Exam.

As explained in section II.B, we believe designating individuals who pass the Exam and who are within the Exam's ten-year validity period (''Exam Holders'') as accredited investors would be consistent with the standard in Rule 501(a)(10) because such status would meet the non-exclusive attributes the Commission identified in Rule 501(a)(10) as relevant to its consideration of adding additional professional certifications or designations or credentials.[41]

2. Eligibility To Take the Exam

The Exam would be open to anyone age 18 years or older. Association with a FINRA member firm would not be required to take the Exam. Passing the Exam by itself would not qualify an individual for registration with a FINRA member firm or to engage in securities business under FINRA rules.

3. Exam Content and Format

The Exam would be designed to assess candidates' knowledge, comprehension, and skills covering the following securities and investing topics: [42]

TABLE 1—EXAM CONTEMPLATED SECTIONS AND CONTENT WEIGHTINGS

Contemplated sections	Contemplated weightings of exam items (%)
Definitions and Structures of Securities	13–20
Investment Risks	20–28
Disclosures and Regulatory Requirements	13–20
Financial Statements	11–19
Conflicts of Interest	10–18
Corporate Governance	10–18

The Definitions and Structures of Securities section would be designed to test knowledge, comprehension, and skills with respect to the types of securities and investment structures in exempt offerings of securities under the Securities Act (*e.g.,* offerings in reliance on Regulation D, Regulation A, or Regulation Crowdfunding), and how such offerings compare to offerings of securities registered under the Securities Act. For example, this section would test candidates' knowledge of the characteristics of, and the differences between, different types of securities, such as equity securities (*e.g.,* common and preferred stock), debt securities (*e.g.,* bonds), and Simple Agreements for Future Equity (SAFEs).[43] This section would also be designed to test candidates' knowledge of different investment structures, such as open-end and closed-end investment companies, private funds, and trusts (such as real estate investment trusts or REITs).

The Investment Risks section would be designed to test knowledge, comprehension, and skills with respect to the risks associated with exempt offerings. For example, this section would test candidates' understanding of liquidity risks (*e.g.,* resale restrictions, redemption restrictions, and risks associated with potentially longer investment horizons), issuer performance history (if any), concentration risks, diversification as a risk mitigation strategy, investment specific risks (*e.g.,* dilution), the use of leverage and its potential to amplify losses, and the impact of fees and expenses on net investment returns.

The Disclosures and Regulatory Requirements section would be designed to test knowledge, comprehension, and skills with respect to disclosure concepts, the types of disclosures provided under different regulatory regimes, and the regulatory requirements in exempt offerings (particularly as compared to registered offerings). For example, this section would test candidates' knowledge of disclosure concepts (such as materiality and risk factors), required disclosures (or lack of disclosure requirements) under different exemptions from registration (*e.g.,* offerings in reliance on Regulation D, Regulation A, or Regulation Crowdfunding), initial disclosures versus ongoing disclosures, regulatory requirements for issuers, and regulatory requirements for intermediaries.

The Financial Statements section would be designed to test knowledge, comprehension, and skills to understand different types of financial statements, financial statement numeracy, and investment-related ratios and metrics. For example, this section would test candidates' knowledge of the different types of financial statements (*e.g.,* balance sheets and income statements), GAAP versus non-GAAP financial measures, and valuation ratios and metrics (*e.g.,* debt-to-equity ratio, current ratio, internal rate of return, and bond calculations such as yield to maturity).

The Conflicts of Interest section would be designed to test knowledge, comprehension, and skills with respect to a variety of conflicts investors may encounter in exempt offerings. For example, this section would test candidates' understanding of issuer and affiliate conflicts of interest, intermediary conflicts of interest, insider conflicts of interest, and investor conflicts of interest (such as tiered information access and other preferential treatment for certain investors).

The Corporate Governance section would be designed to test knowledge, comprehension and skills with respect to board, management, and investor rights and obligations. For example, this section would test candidates' knowledge of board and management fiduciary duties, corporate structures (such as different legal entity types), corporate documents (such as charters and by-laws), investor rights (such as voting rights, information rights, tag-along rights, drag-along rights, and rights of first refusal), and investor recourse or lack thereof under applicable law.

The format of the Exam would be consistent with the SIE Exam. The Exam would be administered in English. It is anticipated that the Exam would consist of approximately 75 multiple-choice written questions.[44] Candidates would be allowed approximately 2 hours to complete the Exam, consistent with the SIE Exam.[45] Similar to other FINRA exams, FINRA would designate a passing score ''based on a process known as standard setting, which assesses a number of factors, including

Questions about the Test Enrollment Services System (TESS) (''FINRA Test Enrollment Services System FAQs''), available at *https://www.finra.org/registration-exams-ce/qualification-exams/securities-industry-essentials-exam/tess-faq* (providing details on creating an account and enrolling for the SIE Exam) (last retrieved Sept. 24, 2026).

[41] *See* section II.A.4.v for a discussion of the ten-year validity period.

[42] The competencies included in the contemplated Exam sections are similar to those in the INVEST Act. *See supra* note 37.

[43] A Simple Agreement for Future Equity (SAFE) is an agreement between a company and an investor in which the company promises to give the investor a future ownership interest in the company if certain triggering events occur, such as a future equity financing or an acquisition of the company.

[44] While the exact number of questions has not yet been finalized, FINRA anticipates the Exam would have between 65–85 questions. Consistent with the SIE Exam, FINRA may include five to ten additional, unidentified pretest questions that do not contribute toward the candidate's score. *See* SIE Exam Content Outline at 2.

[45] *See id.*

industry trends . . . and evaluations of content difficulty'' by a committee of subject matter experts.[46] The passing score for the Exam would be set to reflect the minimum level of knowledge necessary for candidates to reliably and validly demonstrate their comprehension and sophistication in the areas of securities and investing such that the candidate will reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment.[47]

FINRA would engage in an ongoing review of the contents of the Exam, and update the Exam as necessary, to reflect developments in private and public offerings, as well as changes in applicable laws and rules.

4. Administration and Delivery of the Exam

i. Administration and Enrollment

While FINRA would create and administer the Exam, FINRA intends to have a third-party vendor deliver the Exam, consistent with the SIE Exam.[48] Detailed information about enrollment procedures, frequently asked questions, and a content outline would be available on a dedicated location on FINRA's website.

Consistent with the SIE Exam, candidates would enroll for the Exam by creating an account with FINRA and paying the Exam fee on a website maintained by FINRA.[49]

ii. Fees

It is anticipated that the Exam fee would be similar to the SIE Exam fee, which is currently $100.[50] As a not-for-profit self-regulatory organization, FINRA receives no taxpayer funding and accordingly would rely on fees to offset the costs of creating, administering, maintaining, and paying for the delivery of the Exam.[51] Generally, exams that are administered by FINRA more frequently or are longer in duration typically require more effort and cost to develop, maintain, and update.[52] The Commission also extensively supervises FINRA, among other things, with rules or fees proposed by FINRA subject to review by the Commission.[53] Fees for the Exam would take into account direct costs for the Exam (such as Exam development and operating expenses) and indirect costs for the Exam.[54]

iii. Scheduling an Exam

After a candidate is enrolled to take the Exam, FINRA intends to provide a 120-day window in which the Exam must be taken.[55] The Exam would be available in-person only.[56] Most test centers are open at least five days a week (except for major holidays) and candidates would be able to schedule a time within that 120-day window based on appointment availability. FINRA expects that 95% of potential United States test-takers would be within 60 miles of an in-person test center.[57]

iv. Rules of Conduct

Candidates would be subject to FINRA rules of conduct regarding cheating, confidentiality, and other matters in a manner generally consistent with the SIE Exam and other FINRA qualification exams.[58]

v. Results, Validity, and Retake Procedures

FINRA intends to notify candidates of whether they passed the Exam and provide candidates with test results shortly after completion of the Exam, in a manner consistent with the SIE Exam.[59]

It is anticipated that the Exam would be valid for ten years from the date that a candidate passes the Exam. Individuals would have to retake the Exam and pass it again in order to remain an accredited investor in reliance on their status as an Exam Holder and it is not anticipated that FINRA would consider any waivers.

The ten-year renewal frequency would help ensure that individual investors' knowledge remains up-to-date while mitigating the costs to those investors of taking the Exam. A shorter period would increase costs for individuals that seek to establish accredited investor status by using this Exam, while a longer period could allow the individual's financial knowledge to become stale or obsolete without testing.

If a candidate does not pass the Exam, the retake process would be similar to the process for the SIE Exam. Any person who fails to pass the Exam would be permitted to take the Exam again after a period of 30 calendar days has elapsed from the date of such person's last attempt to pass that Exam, except that any person who fails to pass the Exam three or more times in succession within a two-year period would be prohibited from again taking the Exam until a period of 180 calendar days has elapsed from the date of such

[46] *Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Change Relating to Provision of Test Result Information to Candidates Who Pass a FINRA Qualification Examination,* Release No. 34–84376 (Oct. 5, 2018) [83 FR 51720, 51720 (Oct. 12, 2018)].

[47] FINRA also intends to make adjustments to Exam candidate test scores to account for slight variations in the difficulty that may exist among different sets of Exam questions. This method allows for a fair comparison of scores and helps ensure that every candidate is held to the same passing standard regardless of which set of Exam items they received.

[48] A third-party vendor would handle the logistical aspects of administration of the Exam, such as operation of the testing facilities. *See* FINRA, *Schedule an Exam* (''SIE Exam Scheduling Procedures''), available at *https://www.finra.org/registration-exams-ce/qualification-exams/schedule-exam#request_online_sie* (last retrieved Sept. 24, 2026).

[49] *See* FINRA Test Enrollment Services System FAQs.

[50] *See* SIE Exam Overview.

[51] *See Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adjust FINRA Fees to Provide Sustainable Funding for FINRA's Regulatory Mission,* Release No. 34–101696 (Nov. 21, 2024) [89 FR 93709, 93709 (Nov. 27, 2024)] (''2024 FINRA Fee Adjustment Release'').

[52] *See* 2024 FINRA Fee Adjustment Release at 93719.

[53] *See, e.g.,* 2024 FINRA Fee Adjustment Release at 93725 (revising, among other fees, the fees for FINRA's existing qualification examinations). FINRA is also required to comply with section 15A(b)(5) of the Exchange Act [15 U.S.C. 78*o*–3(b)(5)] which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls. The Commission's Division of Examinations also conducts examinations of FINRA through its FINRA and Securities Industry Oversight (FSIO) Examination Program.

[54] *See generally* 2024 FINRA Fee Adjustment Release at 93709–93710; *Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adjust FINRA Fees to Provide Sustainable Funding for FINRA's Regulatory Mission,* Release No. 34–90176 (Oct. 14, 2020) [85 FR 66592, n.14 (Oct. 20, 2020)].

[55] FINRA anticipates this 120-day window would start the day following successful enrollment, and if the candidate does not take the Exam within that window, then the candidate would forfeit payment of Exam fees and would need to reschedule and pay the Exam fee. This 120-day window and forfeiture process would be consistent with the SIE Exam. *See* SIE Exam Scheduling Procedures.

[56] As with FINRA's existing exams, the Exam would be designed to comply with the Americans with Disabilities Act [Public Law 101–336, 104 Stat. 328 (1990)], providing testing modifications and aids to individuals with disabilities and/or learning impairments that substantially limit a major life activity, such as learning, speaking, hearing and vision. FINRA intends to provide such testing accommodations in a manner consistent with its existing exams. *See* FINRA, *Exam Candidates Requiring Testing Accommodations,* available at *https://www.finra.org/registration-exams-ce/qualification-exams/candidates-disabilities* (last retrieved Sept. 24, 2026).

[57] FINRA also intends for the Exam to be available in select international locations.

[58] *See, e.g.,* FINRA Rule 1210 Supplementary Material .05 (describing consequences of violating FINRA qualification exam rules of conduct).

[59] *See* FINRA, *Prepare for Your Test Center Appointment,* available at *https://www.finra.org/registration-exams-ce/qualification-exam/testcenter#results* (last retrieved Sept. 24, 2026).

person's last attempt to pass the Exam.[60] The Exam fee would need to be paid each time a candidate takes the Exam.

vi. Public Verification

For people who pass the Exam, FINRA would develop a process where issuers or others would be able to independently verify the status of Exam Holders (together with the passage date of the Exam and date the ten-year validity period ends) in a manner that is compliant with Rule 501(a)(10)(iv).

B. Rationale for Designation

1. Rule 501(a)(10) Generally and Rule 501(a)(10)(i)

Based on our understanding of how FINRA intends to design and implement the Exam, we believe it would be appropriate to designate Exam Holders as qualifying for accredited investor status pursuant to Rule 501(a)(10). The Exam would provide an additional knowledge-based means for individuals to qualify as accredited investors while appropriately balancing investor protection concerns.[61] The Exam, as currently intended to be designed and implemented by FINRA, would fulfill the non-exclusive list of attributes enumerated in Rule 501(a)(10) and allow investors to demonstrate comprehension and sophistication in the areas of securities and investing without needing to establish their wealth, their income, or that they satisfy the other prongs of the existing accredited investor definition.

Rule 501(a)(10) requires that any professional certifications and designations and other credentials designated as qualifying such holder for accredited investor status be held in good standing.[62] We believe that passage of the Exam and the ten-year validity period are an appropriate measure of good standing. The requirement to periodically retake the Exam would ensure that investors continue to have the requisite financial sophistication to qualify as accredited investors. In particular, this requirement would help ensure that individuals who previously passed the Exam continue to stay apprised of important developments in the areas of securities, investing, and financial and business matters as they develop and change over time.

As we stated in the Accredited Investor Adopting Release, individuals holding qualifying credentials under Rule 501(a)(10) need not practice in the fields related to the certifications or designations, and therefore passage of the Exam with a ten-year validity period would be sufficient to demonstrate a candidate's financial sophistication, even when the Exam Holder is not practicing in an area related to the certification or designation.[63]

Rule 501(a)(10)(i) additionally requires that a designated certification, designation, or credential arise out of an examination or series of examinations administered by a self-regulatory organization or other industry body or be issued by an accredited educational institution. As described in section II.A.4, FINRA, a self-regulatory organization registered with the Commission,[64] would create and administer the Exam, with delivery by a third-party vendor.

2. Rules 501(a)(10)(ii) and 501(a)(10)(iii)

Rule 501(a)(10)(ii) states that the Commission will consider whether ''[t]he examination or series of examinations is designed to reliably and validly demonstrate an individual's comprehension and sophistication in the areas of securities and investing.'' Rule 501(a)(10)(iii) states the Commission will consider whether ''[p]ersons obtaining [a] certification, designation, or credential [designated under Rule 501(a)(10)] can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment.''

We believe that the passage of an exam designed to satisfy the objectives of Rule 501(a)(10)(ii), such as the Exam described in section II.A, would also satisfy the objectives of Rule 501(a)(10)(iii). A person that demonstrates comprehension and sophistication in the areas of securities and investing through the passage of such Exam can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment.

As described in more detail in section II.A.3, the Exam would be specifically designed to evaluate a person's comprehension and sophistication in the areas of securities and investing. We believe the Exam would achieve this objective, as the topics FINRA intends to test on the Exam are specifically tailored to testing the candidates' financial sophistication. The Exam's Definitions and Structures of Securities section would assess knowledge, comprehension, and skills with respect to the types of securities and investment structures in exempt offerings of securities under the Securities Act and how such offerings compare to offerings of securities registered under the Securities Act. The Exam's Investment Risks section would assess candidates' understanding of the merits and risks of investing in exempt offerings (including as compared to registered offerings). Additionally, other sections of the Exam would also evaluate a person's comprehension and sophistication with respect to legal and financial issues around securities and investing, such as the Corporate Governance section (which would test candidates' understanding of their rights and obligations) and the Financial Statements section (which would test candidates' understanding of financial statements, financial statement numeracy, and investment-related ratios and metrics).

We believe that by passing the Exam, such persons will have demonstrated that they have the comprehension and sophistication to evaluate the merits and risks of investment opportunities, and ultimately, appropriately allocate capital based on their individual circumstances, and otherwise make appropriately informed decisions regarding their financial interests.[65]

3. Rule 501(a)(10)(iv)

Rule 501(a)(10)(iv) states the Commission will consider whether ''[a]n indication that an individual holds the certification or designation is either made publicly available by the relevant self-regulatory organization or other industry body or is otherwise independently verifiable.'' As described

[60] *See* FINRA Rule 1210 Supplementary Material .06. FINRA recently filed with the SEC a proposed rule change to amend FINRA Rule 1210 to reduce the waiting periods for retaking FINRA Qualification examinations to 15 and 60 calendar days (from 30 and 180 calendar days, respectively). *See* SR–FINRA–2026–014, Proposed Rule Change to Amend FINRA Rule 1210 (Registration Requirements), available at *https://www.finra.org/rules-guidance/rule-filings/sr-finra-2026-014* (last retrieved Sept. 24, 2026). FINRA anticipates such reductions would also apply to the retake periods for the Exam, if adopted.

[61] As the Commission stated in connection with adoption of Rule 501(a)(10) ''[w]e believe that the amendments we are adopting in [the Accredited Investor Adopting Release] provide appropriate investor protections while facilitating capital formation.'' Accredited Investor Adopting Release at 64256. *See also supra* note 20.

[62] *See supra* note 19.

[63] *See* Accredited Investor Adopting Release at 64242.

[64] *See Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change to Amend the By-Laws of NASD to Implement Governance and Related Changes to Accommodate the Consolidation of the Member Firm Regulatory Functions of NASD and NYSE Regulation, Inc.,* Release No. 34–56145 (July 26, 2007) [72 FR 42169 (Aug. 1, 2007)].

[65] *See* Accredited Investor Adopting Release at 64241.

in section II.A.4.v, FINRA intends to develop a process by which issuers or others can independently verify the status of Exam Holders in a manner that is compliant with Rule 501(a)(10)(iv).

C. Economic Considerations

As discussed above, we are considering whether to add Exam Holders to the list of designated professional certifications, designations, or credentials that would qualify natural persons for accredited investor status under Rule 501(a)(10). Thus, individuals who pass the Exam and are within the ten-year validity period would qualify as accredited investors and would be able to participate in investment opportunities that may not otherwise have been available to them, unless they were already accredited investors based on another criterion. This change could also impact issuers seeking to raise capital.[66] The designation of Exam Holders as accredited investors would have economic effects on investors and issuers that would be consistent with those the Commission discussed in creating the Rule 501(a)(10) designation process in the Accredited Investor Adopting Release.[67]

It is difficult to quantify how many additional natural persons would qualify as accredited investors because we cannot reliably predict how many prospective investors will attempt, and pass, the Exam, as well as information about how many of those that pass the Exam already qualify as accredited investors based on one or more of the other eligibility criteria in Rule 501(a), such as those for net worth, income, and other qualifying professional certifications, designations, or credentials.[68] Further, while individuals taking the Exam may presumably be motivated by the potential qualification as an accredited investor, it is unclear to what extent any newly eligible accredited investors will choose to participate in exempt offerings after passing the Exam.

Issuers are expected to benefit from the expansion of the accredited investor definition under Rule 501(a)(10) through potentially greater capital formation, lower cost of capital, and greater efficiency in raising capital due to an expanded pool of accredited investors (especially for issuers that are small or do not have access to a network of institutional accredited investors or persons with the required net-worth or income to qualify as accredited investors).[69] This change may also benefit issuers in exempt offerings by making it easier and less costly to find and verify accredited investors (*i.e.,* by reducing search costs).[70] As discussed in section II.A.4.vi, the status of an Exam Holder could be easily independently verified, which would directly reduce issuers' costs of confirming accredited investor eligibility, relative to verifying income or net worth.[71] This is expected to benefit issuers and intermediaries in exempt offerings where only accredited investors may be purchasers (such as Rule 506(c)) or where some provisions, such as limits on the number of purchasers or investment limits, are dependent on accredited investor status (*e.g.,* Rule 506(b), Regulation A, and Regulation Crowdfunding). However, to the extent that issuers would have otherwise pursued additional financing from accredited investors meeting the existing definition or engaged in an offering that is not dependent on accredited investor participation (such as a registered securities offering), the amount of additional capital formation may be limited. Still, issuers may benefit from greater flexibility in how they may raise capital, which could result in some cost savings and a lower cost of capital. For instance, issuers undertaking a Rule 506(b) offering may incur lower costs if all of their purchasers are accredited investors as compared to if not all of their purchasers are accredited investors, as the rule would not require them to furnish the financial and other information prescribed by Rule 502(b) for offerings involving non-accredited investors.[72] For issuers in Rule 506(c) offerings, verification of accredited investor status based on a credential that is easier to confirm may be less costly than verification of other prongs of the accredited investor definition (such as financial eligibility), reducing their transaction costs.[73] For issuers that undertake a Tier 2 Regulation A or Regulation Crowdfunding offering, both of which are subject to investment limits for non-accredited investors, having more accredited investors in the offering enables higher investment amounts per investor, which may decrease all-in offering costs.[74] Issuers choosing among different exempt offering alternatives may choose a Regulation D offering if they have enough prospective investors that meet the accredited investor definition, instead of pursuing a Regulation A or Regulation Crowdfunding offering, potentially lowering their compliance, intermediary, and marketing costs-per-dollar raised. Some issuers choosing between an exempt and a registered offering may choose an exempt offering if they have enough prospective investors that meet the accredited investor definition, instead of pursuing a registered offering.

For investors, the availability of the Exam as a means of becoming an accredited investor could enable more natural persons who would not otherwise meet one of the eligibility criteria in Rule 501(a), such as the income and net worth criteria, to access a broader range of investment options, potentially enhancing their ability to diversify and optimize portfolio allocations.[75]

However, these investment options generally come without the additional disclosure provided by registration under the Securities Act and could entail greater costs related to illiquidity,[76] agency costs (*i.e.,* costs

[66] To the extent that the accredited investor definition is used outside of the Federal securities laws (such as for non-Federal securities laws that incorporate the accredited investor definition), the designation of Exam Holders as accredited investors might have indirect economic effects.

[67] *See* Accredited Investor Adopting Release at section VI.

[68] For instance, some existing investors that qualify as accredited investors based on income or net worth may pursue the Exam to facilitate the issuer's reasonable belief or reasonable steps to verify requirements of Rule 506(b) and Rule 506(c). Such individuals also may hold other licenses or credentials that are already designated, or that we are potentially designating, under Rule 501(a)(10). *See supra* note 38. Thus, by taking and passing the Exam, this category of investors may not contribute to a meaningful net expansion of the pool of accredited investors.

[69] *See* Accredited Investor Adopting Release at 64264–65.

[70] *See* Accredited Investor Adopting Release at 64264.

[71] Thus, even if some Exam Holders already meet other accredited investor eligibility criteria, the overall costs of verification of accredited investor status may decrease with the addition of the Exam option.

[72] *See* 17 CFR 230.502(b).

[73] *See* 17 CFR 230.506(c)(1) through 230.506(c)(2).

[74] *See* 17 CFR 230.251(d)(2)(i)(C); 17 CFR 227.100(a)(2).

[75] As noted above, the extent of overlap between the Exam Holders and the investors that meet the existing accredited investor criteria is unclear. Some investors that already meet income or net worth criteria may find it is easier or less costly to demonstrate their accredited investor status under Rule 501(a)(10).

[76] While securities sold in an exempt offering are generally illiquid, the introduction of a larger pool of investors that become eligible as accredited investors through the Exam could potentially (at the margin) create impetus for additional secondary market liquidity in these securities. In addition, the expansion of the accredited investor pool also would potentially increase the feasibility of resales under section 4(a)(7) of the Securities Act [15 U.S.C. 77d(a)(7)]. However, if some newly eligible investors have fewer financial resources (see *infra* note 77), they may be less willing to hold restricted securities over long holding periods, and especially, seek to unload positions during downturns.

arising from conflicts of interest between investors and managers), adverse selection, and business risk, as compared to investments in the public capital markets. Individual investors' comprehension and sophistication in the areas of securities and investing, and knowledge and experience in financial and business matters, as reflected in having a professional certification or designation or credential under Rule 501(a)(10), increases the likelihood that such individual investors would be capable of evaluating the merits and risks of a prospective investment in an exempt offering and managing such risks. For example, such individuals may be more likely to consider the size of any single investment relative to their overall portfolio and diversify their portfolio.[77] It is unclear whether additional investment opportunities would improve portfolio efficiency for newly eligible accredited investors.

Investors that elect to pursue the Exam will also incur some costs, including the Exam fee (anticipated to be similar to the SIE Exam fee, which is currently $100),[78] the costs of travel to the Exam location, and the costs of time to study and take the Exam; these costs are expected to be incurred in connection with each initial Exam attempt, any retakes if the initial Exam attempt is unsuccessful, as well as renewal of the credential by retaking the Exam every ten years. Investors are expected to incur those costs only if they perceive the benefits of accredited investor status to exceed the costs.

The described effects, including both the benefits and the costs to issuers and investors, may be modest in magnitude, as discussed in detail in the Accredited Investor Adopting Release. First, it is possible that a number of the individuals who would qualify as accredited investors under the potential designation may already qualify as accredited investors based on one or more of the criteria in Rule 501(a).[79] Second, because any newly eligible individuals may have income and net worth below the currently required thresholds for individual accredited investors, the increase in the capital supply from an individual newly eligible accredited investor would likely be low, and the collective impact would depend on the size of any increase in the number of individual accredited investors.[80] Third, although the individuals taking the Exam may presumably be motivated by the potential qualification as an accredited investor, the effects may be more modest to the extent that some of the newly eligible natural persons may end up not participating in exempt offerings.[81] Fourth, it is possible that issuers may choose to offer securities to institutional accredited investors, or apply investment minimums (perhaps in an effort to simplify their capitalization table), such that any individual accredited investors participating in exempt offerings are more likely to be those who meet the net worth or income criteria in Rule 501(a). Fifth, any specific effects of this potential change to the accredited investor pool would be partly diluted to the extent that other Commission actions designating other credentials result in expanding the pool of natural persons qualifying as accredited investors based on multiple criteria.

III. Notice

For the reasons set forth herein, we believe that passage of the Exam, as it is currently intended to be designed and implemented by FINRA, would meet the requirements set forth in Rule 501(a)(10). Accordingly, we believe it is appropriate to designate Exam Holders as qualifying for accredited investor status pursuant to Rule 501(a)(10). We are issuing this notice and providing an opportunity for public comment on such a potential designation. We are particularly interested in comments on whether we should designate Exam Holders as qualifying natural persons for accredited investor status pursuant to Rule 501(a)(10), as discussed in this notice, and whether such designation could raise investor protection concerns unique to persons who would be qualified under such designation.

We are also interested in comments on the Exam itself (including the scope and appropriateness of the content, format, administration, result verification, fees, and validity period). We will share any such comments with FINRA staff and take such comments into consideration when determining whether to designate Exam Holders as accredited investors.

By the Commission.

Dated: September 30, 2026.

Vanessa A. Countryman,

Secretary.

[FR Doc. 2026–20310 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

[77] As stated in the Accredited Investor Adopting Release, while certain of these individuals may have fewer financial resources and, as a result, be less able to bear the financial risk of private investments, we believe their knowledge and sophistication should enable these investors to assess investment opportunities, appropriately allocate capital based on their individual circumstances, including whether to reallocate investment capital between private investments and other equivalent-sized investments, and otherwise make appropriately informed decisions regarding their financial interests, including their ability to bear the financial risk. *See* Accredited Investor Adopting Release at 64241.

[78] *See supra* note 55 (discussing rescheduling fees).

[79] *See* Accredited Investor Adopting Release at 64262.

[80] *Id.*

[81] *See, e.g.,* Katherine Carman et al., *Exploring Accredited Investors and Private Market Securities Ownership* 18 tbl. 6 (OIAD, Working Paper No. 1, June 2025), available at *https://www.sec.gov/files/exploring-accredited-investors-june-2025.pdf* (reporting, based on a recent investor survey, that, 14.4% of accredited investors and 4.7% of non-accredited investors, respectively, indicate interest in investing in new or private companies, and that 4.3% of accredited investors and 1.1% of non-accredited investors, respectively, report owning a ''private fund or offering''). *See also* Katherine Carman & Alycia Chin, *Accredited Investors in the US Population,* 9 Fin. Plan. Rev. e70023 (2026).

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

TIME AND DATE: 10:00 a.m. on Wednesday, October 7, 2026.

PLACE: The meeting will be held via remote means and/or at the Commission's headquarters, 100 F Street NE, Washington, DC 20549.

STATUS: This meeting will be closed to the public.

MATTERS TO BE CONSIDERED: Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

In the event that the time, date, or location of this meeting changes, an announcement of the change, along with the new time, date, and/or place of the meeting will be posted on the Commission's website at *https://www.sec.gov.*

The General Counsel of the Commission, or her designee, has certified that, in her opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the closed meeting will consist of the following topics:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings;

Resolution of litigation claims; and

Other matters relating to examinations and enforcement proceedings.

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.

Authority: 5 U.S.C. 552b.

Dated: October 1, 2026.

Vanessa A. Countryman,

Secretary.

[FR Doc. 2026–20396 Filed 10–1–26; 4:15 pm]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 33–11448; File No. 4–934]

Potential Designation of Certified Financial Planner Certification as Qualifying Natural Persons for Accredited Investor Status

AGENCY: Securities and Exchange Commission.

ACTION: Notice; request for comment.

SUMMARY: Notice is given that the Securities and Exchange Commission (the ''Commission'') is considering whether to issue an order designating holding a certification as a Certified Financial Planner (a ''CFP'') in the United States in good standing as qualifying natural persons for accredited investor status.

DATES: This release was published in the **Federal Register** on October 5, 2026. Comments should be received on or before December 4, 2026.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/comments/4-934/potential-designation-certified-financial-planner-certification-qualifying-natural-persons*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number 4–934 on the subject line. To submit a comment to more than one file, please include each file number on the subject line.

Paper Comments

- Send paper comments to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number 4–934. To submit a comment to more than one file, please refer to each file number. 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 of submission. The Commission will post all submitted comments on its website (*https://www.sec.gov/rules-regulations/public-comments/4-934*). Do not include personally identifiable information in submissions; you should submit only information that you wish to make available publicly. The Commission may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

FOR FURTHER INFORMATION CONTACT: John Byrne, Office Chief, Kenisha D. Nicholson, Senior Special Counsel, or Max Corey, Special Counsel, Office of Small Business Policy, Division of Corporation Finance, at 202–551–3460, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION:

I. Background

A. Accredited Investor Definition

Regulation D [1] provides a widely-used set of exemptions from registration under 15 U.S.C. 77a *et seq.* (the ''Securities Act'') for the offer and sale of securities.[2] Among other things, Regulation D includes the regulatory definition of ''accredited investor'' in 17 CFR 230.501(a) (''Rule 501(a)'') followed by the three main operative provisions—17 CFR 230.504 (''Rule 504''),[3] 17 CFR 230.506(b) (''Rule 506(b)''),[4] and 17 CFR 230.506(c) (''Rule 506(c)'').[5] The Commission has stated that the ''accredited investor'' definition under Regulation D is intended to capture persons whose financial sophistication renders the protection of the Securities Act's registration process unnecessary.[6]

The definition of ''accredited investor'' is a cornerstone of Regulation D and also plays an important role in other Federal securities law contexts.[7] Qualifying for accredited investor status is significant because accredited investors may, under Commission rules, participate in investment opportunities that are generally not available to non-accredited investors, such as investments in private companies and offerings by private funds.

Accredited investors are natural persons and entities that come within, or that the issuer reasonably believes come within, any of the enumerated categories contained in Rule 501(a). Natural persons may qualify as accredited investors if they are:

- Any director, executive officer, or general partner of the issuer of the securities being offered or sold or of a general partner of that issuer, pursuant to 17 CFR 230.501(a)(4);
- Individuals who have a net worth exceeding $1,000,000 (excluding the value of the individual's primary residence and any indebtedness secured by such residence up to the estimated value of the residence), either alone or with their spouse or spousal equivalent, pursuant to 17 CFR 230.501(a)(5);

[1] 17 CFR 230.500 through 230.508.

[2] Approximately $400 billion was raised in Regulation D offerings (excluding pooled funds) between July 1, 2024 and June 30, 2025. *See Staff Report from Office of the Advocate for Small Business Capital Formation* (''OASB'') Fiscal Year 2025 OASB Annual Report (Jan. 8, 2026) at 14, available at *https://www.sec.gov/files/2025-oasb-staff-report.pdf.*

[3] Rule 504 provides an exemption from registration under the Securities Act for the offer and sale of up to $10 million of securities in a 12-month period from an unlimited number of investors (without regard to whether those investors are accredited).

[4] Rule 506(b) is a safe harbor under section 4(a)(2) of the Securities Act that permits issuers to raise any amount from an unlimited number of accredited investors but limits the number of non-accredited investors to 35 in any 90-calendar-day period. The rule does not permit general solicitation and, where non-accredited investors purchase in the Rule 506(b) offering, the information requirements in 17 CFR 230.502(b) must be met. *See* 17 CFR 230.506(b)(1); 17 CFR 230.506(b)(2)(i); 17 CFR 230.502(b).

[5] Rule 506(c) provides an exemption from registration under the Securities Act, and permits issuers to raise any amount from an unlimited number of accredited investors. The exemption permits general solicitation, but issuers may not make any sales to non-accredited investors under Rule 506(c), and the issuer must take reasonable steps to verify that all purchasers are accredited. *See also* Jumpstart Our Business Startups Act of 2012, Public Law 112–106, sec. 201(a), 126 Stat. 306 (2012) (directing the Commission to revise its rules ''to provide that the prohibition against general solicitation or general advertising contained in section 230.502(c) of such title [17] shall not apply to offers and sales of securities made pursuant to section 230.506, provided that all purchasers of the securities are accredited investors . . . . Section 230.506 of title 17, Code of Federal Regulations, as revised pursuant to this section, shall continue to be treated as a regulation issued under section 4(2) of the Securities Act of 1933 (15 U.S.C. 77d(2))'').

[6] *See Accredited Investor Definition,* Release No. 33–10824 (Aug. 26, 2020) [85 FR 64234, n.7 and accompanying text (Oct. 9, 2020)] (''Accredited Investor Adopting Release''); Regulation D Revisions; Exemption for Certain Employee Benefit Plans, Release No. 33–6683 (Jan. 16, 1987) [52 FR 3015 (Jan. 30, 1987)]. *See also SEC* v. *Ralston Purina Co.,* 346 U.S. 119, 125 (1953) (taking the position that the availability of the section 4(a)(2) exemption ''should turn on whether the particular class of persons affected needs the protection of the [Securities] Act. An offering to those who are shown to be able to fend for themselves is a transaction 'not involving any public offering''').

[7] For example, each of 17 CFR 230.251 through 230.263 (''Regulation A'') and 17 CFR 227.100 through 227.504 (''Regulation Crowdfunding'') contains limitations on the amount an investor may invest if such investor is not an accredited investor. *See* 17 CFR 230.251(d)(2)(i)(C) and 17 CFR 227.100(a)(2).

• Individuals who had an income in excess of $200,000 in each of the two most recent years, or joint income with the individual's spouse or spousal equivalent in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in the current year, pursuant to 17 CFR 230.501(a)(6);

• Individuals who are holders in good standing of one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status, pursuant to 17 CFR 230.501(a)(10) (''Rule 501(a)(10)'');

• Individuals who are ''knowledgeable employees,'' [8] under the Investment Company Act of 1940 (the ''Investment Company Act''),[9] of the private-fund issuer of the securities being offered or sold, pursuant to 17 CFR 230.501(a)(11); or

• Individuals who are ''family clients'' of a ''family office'' [10] under the Investment Advisers Act of 1940 (the ''Advisers Act'') [11] and whose prospective investment in the issuer is directed by such family office in accordance with 17 CFR 230.501(a)(12)(iii), pursuant to 17 CFR 230.501(a)(13) (''Rule 501(a)(13)'').

Various institutions may qualify as accredited investors based on their status alone or on a combination of their status and the amount of their total assets or investments. Institutions that qualify include:

• Banks, savings and loan associations; brokers or dealers registered pursuant to section 15 of the Securities Exchange Act of 1934; [12] certain investment advisers; insurance companies; investment companies registered under the Investment Company Act or business development companies as defined in section 2(a)(48) of the Investment Company Act; [13] and certain specialized investment companies; [14] plans established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5 million; employee benefit plans (within the meaning of the Employee Retirement Income Security Act of 1974 [15]) if a bank, savings and loan association, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of $5 million, or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors, pursuant to 17 CFR 230.501(a)(1) (''Rule 501(a)(1)'');

• Any private business development company as defined in section 202(a)(22) of the Advisers Act,[16] pursuant to 17 CFR 230.501(a)(2) (''Rule 501(a)(2)'');

• Charitable organizations, corporations, business trusts, partnerships, or limited liability companies not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000, pursuant to 17 CFR 230.501(a)(3) (''Rule 501(a)(3)''); [17]

• Trusts with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in 17 CFR 230.506(b)(2)(ii), pursuant to 17 CFR 230.501(a)(7) (''Rule 501(a)(7)'');

• Entities in which all of the equity owners are accredited investors, pursuant to 17 CFR 230.501(a)(8) (''Rule 501(a)(8)'');

• Any entity, of a type not listed in Rules 501(a)(1), (2), (3), (7), or (8), not formed for the specific purpose of acquiring the securities offered, owning investments in excess of $5,000,000, pursuant to 17 CFR 230.501(a)(9);

• ''Family offices'' meeting certain requirements, pursuant to 17 CFR 230.501(a)(12) (''Rule 501(a)(12)''); [18] and

• Entities that are ''family clients'' of a ''family office'' that meets the requirements of Rule 501(a)(12), pursuant to Rule 501(a)(13).

B. Background on Rule 501(a)(10) and Overview of Potential Designation

Rule 501(a)(10) confers accredited investor status on any natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status.[19] In adopting Rule 501(a)(10), the Commission stated that certain ''professional credentials and experience should enable [investors that hold such credentials] to assess investment opportunities, appropriately allocate capital based on their individual circumstances, including whether to reallocate investment capital between private investments and other equivalent-sized investments, and otherwise make appropriately informed decisions regarding their financial interests, including their ability to bear the financial risk.'' [20]

Rule 501(a)(10) contains the following non-exclusive list of attributes that the Commission will consider in determining whether to designate a professional certification or designation or credential from an accredited educational institution as qualifying for accredited investor status:

• The certification, designation, or credential arises out of an examination or series of examinations administered by a self-regulatory organization or other industry body or is issued by an accredited educational institution, under 17 CFR 230.501(a)(10)(i) (''Rule 501(a)(10)(i)'');

• The examination or series of examinations is designed to reliably and validly demonstrate an individual's comprehension and sophistication in the areas of securities and investing, under 17 CFR 230.501(a)(10)(ii) (''Rule 501(a)(10)(ii)'');

• Persons obtaining such certification, designation, or credential can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment, under 17 CFR 230.501(a)(10)(iii) (''Rule 501(a)(10)(iii)''); and

• An indication that an individual holds the certification or designation is

[8] 17 CFR 270.3c–5(a)(4).

[9] 15 U.S.C. 80a–1 *et seq.*

[10] 17 CFR 275.202(a)(11)(G)–1 (defining ''family office'').

[11] 15 U.S.C. 80b–1 *et seq.*

[12] 15 U.S.C. 78*o*.

[13] 15 U.S.C. 80a–2(a)(48).

[14] This includes small business investment companies licensed under section 301(c) or (d) of the Small Business Investment Act of 1958 [15 U.S.C. 661 *et seq.*], and any rural business investment company as defined in section 384A of the Consolidated Farm and Rural Development Act [7 U.S.C. 1921].

[15] 29 U.S.C. 1001 *et seq.*

[16] 15 U.S.C. 80b–2(a)(22).

[17] A charitable organization is as described in section 501(c)(3) of the Internal Revenue Code [26 U.S.C. 501(c)(3)].

[18] The family office must have assets under management in excess of $5,000,000; not been formed for the specific purpose of acquiring the securities offered; and its prospective investments directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment. *See* 17 CFR 230.501(a)(12)(i) through 230.501(a)(12)(iii).

[19] Rule 501(a)(10) does not expressly define what constitutes good standing. In connection with the adoption of Rule 501(a)(10), the Commission stated that in addition to passing the relevant exam, ''maintaining an active certification, designation, or license is sufficient to demonstrate the individual's financial sophistication to invest in exempt offerings . . . . [and] that an inactive certification, designation, or license, particularly when the certification or designation has been inactive for an extended period of time, could lessen the validity of the certification or designation as a measure of financial sophistication.'' Accredited Investor Adopting Release at 64242. *See infra* section II.B.1.

[20] *Id.* at 64241.

either made publicly available by the relevant self-regulatory organization or other industry body or is otherwise independently verifiable, under 17 CFR 230.501(a)(10)(iv) (''Rule 501(a)(10)(iv)'').[21]

In proposing Rule 501(a)(10), the Commission noted prior recommendations to designate CFP certifications as qualifying natural persons for accredited investor status, but did not include them in the proposed list of certifications or designations to be included in an initial Commission order accompanying the final rule, if adopted.[22] In response, the Certified Financial Planner Board of Standards, Inc. (''CFP Board''), which oversees the CFP certification in the United States, recommended the inclusion of the CFP on the initial list of professional certifications, designations, and credentials.[23]

The CFP Board specifically noted ways in which it believed that the CFP certification would satisfy the requirements of Rule 501(a)(10), including that ''CFP® certification requires gaining not only substantial educational and professional experience, meeting continuing education requirements, and adhering to high professional and ethical standards enforced through a disciplinary process with public sanctions; but also requires passing a rigorous professional examination designed to test competency in financial planning''; ''[t]he CFP® examination is designed to reliably and validly demonstrate an individual's comprehension and sophistication in the areas of securities and investing, such as quantitative investment concepts, measures of investment returns, asset allocation and portfolio diversification, bond and stock valuation concepts, portfolio development and analysis, investment strategies, and alternative investments''; and ''CFP® professionals can be verified online through CFP Board's website.'' [24]

Other commenters also generally supported the inclusion of CFPs.[25] One of those commenters stated that the ''CFP certification generally require[s] the mastery of a broader range of material at a deeper level than the series 7 exam and, therefore better equip[s] a person to evaluate investments.'' [26] Another commenter stated ''[the CFP certification] brings with it a level of expertise that we believe demonstrates an individual's comprehension and sophistication in the areas of securities and investing, and thus obviates the need for various restrictions on their investment choices.'' [27]

Consistent with the proposal, at the time of adoption of Rule 501(a)(10), the Commission issued an order designating the General Securities Representative license (Series 7), Private Securities Offerings Representative license (Series 82), and Investment Adviser Representative license (Series 65) as qualifying a holder of such licenses in good standing for accredited investor status.[28] In the Accredited Investor Adopting Release, the Commission expressly noted that ''[a]lthough other professional certifications, designations, and credentials, such as other FINRA exams, a specific accredited investor exam, other educational credentials, or professional experience received broad commenter support, we are taking a measured approach to the expansion of the definition . . . . [and] we believe it is appropriate to consider these other credentials after first gaining experience with the revised rules.'' [29]

The Commission has now had over five years of experience with the initially designated professional licenses. There is no evidence that we are aware of to suggest that the expansion in 2020 of the accredited investor definition to include these types of financially sophisticated investors has created investor protection concerns. Since the adoption of Rule 501(a)(10) and the initial designations, the Commission has received recommendations to further expand the number of investors that qualify as accredited investors under Rule 501(a)(10).[30] The arguments in some of these recommendations echo the arguments contained in letters from commenters in connection with the adoption of Rule 501(a)(10), which stated that the definition limits access to private investments primarily to those who are wealthy,[31] have close ties to the

[21] Additionally, Note 1 to paragraph 501(a)(10) specifies that the Commission will designate professional certifications or designations or credentials as qualifying such holders as accredited investors by order, after notice and an opportunity for public comment.

[22] *See Amending the ''Accredited Investor'' Definition,* Release No. 33–10734 (Dec. 18, 2019) [85 FR 2574, 2579–2581 (Jan. 15, 2020)] (the ''Accredited Investor Proposing Release'').

[23] *See* letter from Kevin R. Keller, CAE, Chief Executive Officer, CFP Board; Lauren Schadle, CAE, Executive Director/CEO, FPA; and Geoffrey Brown, CAE, Chief Executive Officer, NAPFA (Mar. 16, 2020) (''Financial Planning Coalition''). The comment letters to the Accredited Investor Proposing Release are available at *https://www.sec.gov/comments/s7-25-19/s72519.htm.* CFP certifications are in part facilitated by the Financial Planning Standards Board Ltd. (''FPSB''), which developed a ''framework of professional competency, ethics and practice standards and rigorous certification requirements that are adapted locally by each FPSB affiliate organization to ensure that a CFP professional is appropriately qualified and assessed to provide financial planning advice in a given territory'' that is administered through affiliate organizations. *See* FPSB Member Organizations, available at *https://fpsb.org/about-financial-planning/find-a-planner/* (last retrieved Sept. 24, 2026). The CFP Board is the affiliated organization with oversight of the United States. Because the CFP Board's exams and oversight of CFPs only applies to CFPs in the United States, we are limiting our discussion to CFPs in the United States and currently only considering potentially designating CFPs in the United States.

[24] *See* letter from Financial Planning Coalition (discussing the CFP certification requirements, including required education, work experience, and exam, and their relevance to the non-exclusive list of attributes listed in Rule 501(a)(10)).

[25] *See, e.g.,* letter from James J. Angel (Mar. 3, 2020); letter from Association of Trust Organizations, Inc. (Apr. 15, 2020); letter from David R. Burton (May 1, 2020) (''D. Burton''); letter from Carta, Inc. (Mar. 16, 2020) (''Carta''); letter from HLWG (Mar. 16, 2020); letter from Chris Lakumb (Dec. 18, 2019); letter from Mercer Advisors (Mar. 11, 2020); letter from G. Philip Rutledge (Jan. 31, 2020).

[26] *See* letter from D. Burton.

[27] *See* letter from Carta.

[28] The exams for the General Securities Representative license (Series 7) and the Private Securities Offerings Representative license (Series 82) are developed and administered by the Financial Industry Regulatory Authority (''FINRA''), and the exam for the Investment Adviser Representative license (Series 65) was developed by the North American Securities Administrators Association and is administered by FINRA. *See Order Designating Certain Professional Licenses as Qualifying Natural Persons for Accredited Investor Status,* Release No. 33–10823 (Aug. 26, 2020) [85 FR 64234 (Oct. 9, 2020)].

[29] Accredited Investor Adopting Release at 64243.

[30] *See, e.g., Report on the 45th Annual Small Business Forum* (July 27, 2026) at 17, available at *https://www.sec.gov/files/2026-oasb-annual-forum-report.pdf* (recommending that the Commission ''expand the accredited investor definition to include additional measures of sophistication, including through an investor test and experience''); *Report on the 44th Annual Small Business Forum* (Sept. 22, 2025) at 18, available at (recommending that the Commission ''[e]xpand the accredited investor definition to include additional measures of sophistication''); SEC Small Business Capital Formation Advisory Committee Recommendation regarding the Accredited Investor Definition (May 1, 2024), available at *https://www.sec.gov/files/recs-accredited-investor-definition.pdf* (recommending in part that persons not meeting the definition be able to undertake an educational program, which would allow them to invest a percent of their assets); OASB, *Annual Report for Fiscal Year 2023* at 75, available at *https://www.sec.gov/files/2023-oasb-annual-report.pdf* (recommending expansion of the accredited investor definition to add qualitative professional criteria and alternative ways to demonstrate financial sophistication). *See also* SEC Investor Advisory Committee Recommendation regarding Retail Investor Access to Private Market Assets (Sept. 18, 2025), available at *https://www.sec.gov/files/iac-recommendation-private-market-assets-final-09182025.pdf* (not taking a position on whether the accredited investor definition should be expanded, but recommending that, if the definition were to be expanded, the Commission consider expanding the accredited investor definition to cover additional professional certifications or designations or credentials, including the CFP).

[31] *See, e.g.,* letter from D. Burton (stating that ''people outside of the financial industry should have a means to prove that they have the knowledge and sophistication to qualify as [accredited

Continued

issuer,[32] or have certain jobs in the financial industry.[33] The Commission has also received petitions for rulemaking requesting changes to the accredited investor definition.[34]

For the reasons set forth in section II, we believe that holding a CFP certification in the United States in good standing would satisfy the standard in Rule 501(a)(10).[35] Accordingly, as required by Rule 501(a)(10), we are providing notice and an opportunity for public comment on potential designation of holding a CFP certification in the United States in good standing as qualifying natural persons for accredited investor status.[36]

II. Discussion

A. CFP Certification Requirements

1. Background

We believe designating holding a CFP certification in the United States in good standing as qualifying natural persons for accredited investor status would be consistent with the standard in Rule 501(a)(10) because the CFP certification meets the non-exclusive attributes the Commission identified in Rule 501(a)(10) as relevant to its consideration of adding additional professional certifications or designations or credentials.

In the United States, the CFP certification is issued by the CFP Board, a credentialing body in the financial services industry.[37] In order to be a CFP, an individual generally must meet educational and work experience requirements as well as pass the CFP exam (the ''Exam'').[38] The Exam tests CFP candidates' knowledge and skills in the areas identified by the CFP Board as relevant to the CFP certification, which the CFP Board refers to as the ''Principal Knowledge Topics.'' [39] The CFP Board is responsible for developing and scoring the Exam.

As of September 1, 2026, the CFP Board estimates there are over 110,000 holders of the CFP certification in the United States.[40] Additionally, the CFP Board has reported more CFP candidates sat for the July 2026 Exam than any prior exam.[41]

2. Educational and Work Experience Requirements

In connection with obtaining a CFP certification, a candidate must complete two educational requirements. First, prior to taking the Exam, a CFP candidate must complete the coursework on financial planning through a CFP Board registered program, which covers the knowledge tested by the Exam.[42] Holders of certain professional certifications or advanced degrees may apply to skip some or all of this required coursework.[43] Second, a CFP candidate must have obtained, or within five years of passing the Exam obtain, their bachelor's degree.[44]

To obtain a CFP certification, there is also a work experience requirement, which is limited to activities involving the delivery of financial planning services to individual clients.[45] A CFP

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investors] . . . . [o]therwise, the Commission will effectively creat[e] barriers where only affluent people or those it regulates in the financial industry have access to these investments.''); letter from Tron Black (Nov. 20, 2019, last updated Dec. 24, 2019).

[32] *See, e.g.,* letter from Bruce A. Wallick (Dec. 19, 2019) (stating that the ''[accredited investor definition] should include an opportunity for self-taught investors to demonstrate their financial sophistication and achieve accredited status.''); letter from D. Burton.

[33] *See, e.g.,* letter from Crowdwise, LLC (Mar. 1, 2020) (stating that it is crucial for the Commission to ''consider how self-taught, sophisticated investors who do *not* have any other financial credentials (nor the ability to get them) or finance industry experience can still have access to the same investment opportunities that are available to accredited investors today.''); letter from D. Burton (stating that expansion of the accredited investor definition ''will help investors that would typically otherwise be barred from investing in Regulation D offerings (most often younger investors or those that live outside of high-income metropolitan areas).'').

[34] *See* Benjamin Bartel, *Petition for Rulemaking to Amend the Accredited Investor Definition in Rule 501(a) of SEC Regulation D* (Sept. 25, 2025), available at *https://www.sec.gov/files/rules/petitions/2025/petn4-871.pdf;* Fabricio R. Murillo Garcia, *Petition for Modification of Definition of Accredited Investors* (Feb. 13, 2024), available at *https://www.sec.gov/files/rules/petitions/2024/petn4-823.pdf;* Nicholas Morgan, Investor Choice Advocates Network, Rulemaking petition to reduce the diversity, equity, and inclusion (''DEI'') barriers for ''accredited investors'' by replacing the net worth and income requirements of Rule 501(a) under the Securities Act of 1933 with non-financial metrics (Nov. 9, 2022), available at *https://www.sec.gov/files/rules/petitions/2022/petn4-796.pdf;* Benny R. Brown, *Request to change the rules which qualifies an individual or individuals as an accredited investor* (Apr. 26, 2021), available at *https://www.sec.gov/files/rules/petitions/2021/petn4-773.pdf.* The Commission has considered these petitions in connection with this notice and the other notices published elsewhere in this issue of the **Federal Register**. *See infra* note 35.

[35] We are also concurrently providing notice pursuant to Note 1 to paragraph 501(a)(10) with respect to the potential designation of each of the following as qualifying natural persons for accredited investor status: the passage of an accredited investor exam to be developed by FINRA; holding a license as a U.S. certified public accountant in good standing; holding a charter as a Chartered Financial Analyst in good standing; and the Investment Banking Representative license (Series 79) and the Research Analyst license (Series 86 and Series 87). *See Potential Designation of Passage of an Accredited Investor Exam to be Developed by FINRA as Qualifying Natural Persons for Accredited Investor Status; Potential Designation of U.S. Certified Public Accountant License as Qualifying Natural Persons for Accredited Investor Status; Potential Designation of Chartered Financial Analyst Designation as Qualifying Natural Persons for Accredited Investor Status; Potential Designations of the Investment Banking Representative License (Series 79) and the Research Analyst License (Series 86 and Series 87) as Qualifying Natural Persons for Accredited Investor Status* published elsewhere in this issue of the **Federal Register**.

[36] As is the case for the other prongs of the accredited investor definition, individuals holding a CFP certification in the United States in good standing would only themselves qualify as accredited investors and could not rely on their status as accredited investors to purchase securities on behalf of another person.

[37] The CFP Board is made up of two affiliated non-profit organizations, with the relevant one for purpose of this notice being the CFP Board of Standards that credentials financial planners through the CFP certification. *See* CFP Board, *Mission & Priorities,* available at *https://www.cfp.net/about-cfp-board/mission-and-priorities* (last retrieved Sept. 24, 2026).

[38] *See* CFP Board, *The Certification Process* (''Certification Process''), available at *https://www.cfp.net/certification-process* (last retrieved Sept. 24, 2026). The CFP Board has approved more than 300 programs and will also accept requests to review a candidate's previously completed coursework. *See also* CFP Board, *Certification Coursework Requirement,* available at *https://www.cfp.net/certification-process/education-requirement/certification-coursework-requirement* (last retrieved Sept. 24, 2026); CFP Board, *Transcript Review,* available at *https://www.cfp.net/certification-process/education-requirement/certification-coursework-requirement/transcript-review* (last retrieved Sept. 24, 2026).

[39] *See* letter from Financial Planning Coalition. *See also* CFP Board, *Candidate Guide* (Oct. 2026) (''Candidate Guide'') at 5–6, 19–20, available at *https://www.cfp.net/-/media/files/cfp-board/cfp-certification/exam/exam-candidate-handbook.pdf* (last retrieved Sept. 24, 2026).

[40] *See* CFP Board, *CFP Professional Demographics* (Sept. 1, 2026), available at *https://www.cfp.net/industry-insights/reports-and-statistics/professional-demographics* (last retrieved Sept. 24, 2026).

[41] *See* CFP Board, *The Financial Planning Profession's Momentum Continues with Another Record CFP Exam* (Aug. 18, 2026), available at *https://www.cfp.net/news/2026/08/the-financial-planning-professions-momentum-continues-with-another-record-cfp-exam* (last retrieved Sept. 24, 2026). If the number of candidates continues to increase, this could lead to an increase in the number of persons that hold a CFP certification in the United States in good standing.

[42] *See supra* note 38. *See also infra* section II.A.3.i for a discussion of the topics tested on the Exam.

[43] The CFP Board refers to this as the ''Accelerated Path.'' The professionals that may be eligible include, but are not limited to: certified public accountants; chartered financial analysts; licensed attorneys; and Ph.D.s in Financial Planning, Business Administration, or Economics. *See* CFP Board, *Accelerated Path: Get Certified Faster,* available at *https://www.cfp.net/certification-process/education-requirement/certification-coursework-requirement/accelerated-path* (last retrieved Sept. 24, 2026).

[44] *See* Certification Process.

[45] The specific types of work experience that meet the work experience requirement include: directly working in personal financial planning, directly engaging with personal financial planners, or conducting tasks in support of the personal financial planning process. Hours of work activities that do not relate to the personal financial planning process for clients (such as time spent in corporate finance, training, practice management, marketing, software development or administrative duties) cannot be counted toward the work experience requirement. *See* CFP Board, *The Paths to Experience,* available at *https://www.cfp.net/*

candidate is required to complete either 6,000 hours of work experience, or 4,000 hours of work experience if done in connection with an apprenticeship that is directly supervised by a CFP.[46] The work experience must have occurred within 10 years prior to or within five years after passing the Exam.[47]

3. Exam

i. Contents

The Exam is designed to assess CFP candidates' ability to apply financial knowledge and ''ensure that [they] are highly qualified to develop a holistic plan for [their] clients' finances.'' [48] The Exam tests financial planning related knowledge and skills through 170 questions over a six-hour period. Specifically, the Exam contains the following sections:

- Professional Conduct and Regulation (approximately eight percent of the Exam): covering, among other things, general financial services regulations and rules, and CFP Board specific ethics and rules;
- General Principles of Financial Planning (approximately 15 percent of the Exam): covering, among other things, financial statements, cash flow management, economic concepts, and the time value of money;
- Risk Management and Insurance Planning (approximately 11 percent of the Exam): covering, among other things, principles of risk and insurance, and analysis and evaluation of risk exposures; and various types of insurance (*e.g.,* health insurance, disability income insurance, and long-term care insurance);
- Investment Planning (approximately 17 percent of the Exam): covering, among other things, types of investment risk; market cycles; quantitative investment concepts and measures of investment returns; asset allocation and portfolio diversification; and characteristics, uses, and taxation of investment vehicles;
- Tax Planning (approximately 14 percent of the Exam): covering, among other things, fundamental and current tax laws, income tax fundamentals and calculations, and characteristics and income taxation of business entities;
- Retirement Saving and Income Planning (approximately 18 percent of the Exam): covering, among other things, retirement needs analysis, Social Security and Medicare planning, eldercare and special needs planning, and types of retirement plans;
- Estate Planning (approximately 10 percent of the Exam): covering, among other things, property titling and beneficiary designations and strategies to transfer property; and
- Psychology of Financial Planning (approximately seven percent of the Exam): covering behavioral finance, among other things.[49]

As part of the CFP Board's development of the Exam, it conducts a ''Practice Analysis Study,'' which the CFP Board describes as the ''largest research project in the U.S. related to the body of knowledge for financial planning;'' the CFP Board uses this study to verify and update its Principal Knowledge Topics.[50]

ii. Administration of the Exam

The CFP candidate applies to take the Exam through the CFP Board; however, the delivery of the Exam is handled by a third party.[51] The current standard registration fee is $925.[52] The Exam is administered three times a year, during an eight-day period in March, July, and October/November, and may be taken at a designated testing center.[53]

4. Additional Requirements

In order to maintain an active CFP certification, a person must complete 30 credit hours of Continuing Education (''CE'') every two years.[54] CE credit may be earned by attending educational programs and conferences that cover Principal Knowledge Topics and are not otherwise excluded from CE credit.[55] Additionally, the CFP Board may approve CE credit for authoring publications or teaching.[56] In connection with obtaining a CFP certification, a CFP candidate must ''demonstrate ethical fitness'' and commit to ongoing compliance with the CFP Board's Code of Ethics.[57]

5. Public Verification

The CFP Board maintains a website that allows the public, at no cost, to search for individuals who currently hold a CFP certification.[58]

B. Rationale for Designation

1. Rule 501(a)(10) Generally and Rule 501(a)(10)(i)

We believe it would be appropriate to designate holding a CFP certification in the United States in good standing as a professional certification that qualifies an individual for accredited investor status pursuant to Rule 501(a)(10). The addition of holding a CFP certification

certification-process/experience-requirement/the-paths-to-experience (last retrieved Sept. 24, 2026).

[46] The supervising CFP must attest to the CFP candidate's work experience, and the experience must be verified by the CFP Board. *See id.*

[47] *See id.*

[48] CFP Board, *The CFP Exam Requirement,* available at *https://www.cfp.net/certification-process/exam-requirement* (last retrieved Sept. 24, 2026).

[49] *See* Candidate Guide at 19–20.

[50] The ''Practice Analysis Study'' is conducted approximately every five years, with the results of the most recent one released in 2021. *See* CFP Board, *Practice Analysis Study* (''Practice Analysis Study''), available at *https://www.cfp.net/certification-process/practice-analysis-study* (last retrieved Sept. 24, 2026). *See also supra* notes 48–49 and the accompanying text (discussing in detail the Principal Knowledge Topics). The Practice Analysis Study ''incorporates a multi-method approach that includes a number of subject-matter experts, an analysis of emerging trends in the profession, . . . a large-scale survey of practicing CFP® professionals and educators from CFP Board Registered Programs, [and] research with firms that hire CFP® professionals as well as clients of CFP® professionals.'' Practice Analysis Study.

[51] *See* Candidate Guide at 8.

[52] *See* Candidate Guide at 3. In addition, depending on how close to the Exam window the request is made, rescheduling for a different test date within the Exam window may cost up to $100; however, to the extent the CFP Candidate desires to postpone the Exam until new Exam window, the fee is approximately $500. *See* Candidate Guide at 9–10.

[53] *See* Candidate Guide at 3. Through July 2026, remote testing was available for the Exam. However, beginning with the Oct./Nov. 2026 Exam window, remote testing will only be available to candidates whose ''home address [is] more than 60 miles from the nearest [designated testing center]'' or who have ''[a]n at-risk medical condition or physical limitation that requires remote testing.'' *See* CFP Board, *CPA Exam: Remote Proctoring,* available at *https://www.cfp.net/certification-process/exam-requirement/registration/remote-proctoring-faq* (last retrieved Sept. 24, 2026).

[54] This requirement will increase to 40 hours in the last quarter of calendar year 2027, but will only apply to the first two year renewal cycle beginning after that date. *See* CFP Board, *CFP Board Announces Updates to the Competency Standards* (Jan. 27, 2026, updated Sept. 1, 2026) (''Competency Standards Update''), available at *https://www.cfp.net/news/2026/01/cfp-board-announces-updates-to-the-competency-standards* (last retrieved Sept. 24, 2026).

[55] Excluded topics consist of practice management, public accounting, computer hardware and software, marketing or prospecting, sales, specific company or product presentations. *See* CFP Board, *Program Requirements* (''Program Requirements''), available at *https://www.cfp.net/for-education-partners/continuing-education-providers/ce-sponsors/submit-a-program/program-requirements* (last retrieved Sept. 24, 2026). Effective in the last quarter of calendar year 2027, practice management will not be an excluded topic and up to five hours of CE credit will be permitted. *See also* Competency Standards Update.

[56] *See* Program Requirements.

[57] CFP Board, *Fitness Standards for Candidates for CFP Certification and Former CFP Professionals Seeking Reinstatement* (June 1, 2026), available at *https://www.cfp.net/-/media/files/cfp-board/standards-and-ethics/2026-proposed-revisions/cfp-board-fitness-standards-june-2026.pdf* (last retrieved Sept. 24, 2026). Certain prior conduct constitutes an absolute bar to obtaining a CFP certification. There are other types of conduct that may render a CFP candidate currently ineligible for a CFP certification or that would require a CFP candidate to file a petition regarding their fitness for a CFP certification.

[58] *See* CFP Board, *Verify an Individual's CFP Certification and Background,* available at *https://www.cfp.net/verify-a-cfp-professional. See also infra* note 61.

in the United States in good standing as a designated professional certification would provide an additional knowledge-based means for individuals to qualify as accredited investors while appropriately balancing investor protection concerns.[59]

Rule 501(a)(10) requires that any professional certifications and designations and other credentials designated as qualifying such holder for accredited investor status be held in good standing.[60] We believe that the standards set by the CFP Board for a CFP certification holder to retain their certification, which include the completion of CE as described in section II.A.4, are an appropriate measure of good standing. Accordingly, any persons prohibited from holding themselves out to the public as being certified by the CFP Board either through failure to renew their CFP certification or due to CFP Board disciplinary action would not be considered in good standing.[61]

Rule 501(a)(10)(i) additionally requires that a designated certification, designation, or credential arise out of an examination or series of examinations administered by a self-regulatory organization or other industry body or be issued by an accredited educational institution. As described in section II.A.1, the Exam, which is a prerequisite to holding a CFP certification in the United States in good standing,[62] is designed by the CFP Board.[63] Although ''other industry body'' is not defined in Rule 501(a)(10), we believe that the CFP Board is an industry body as contemplated under Rule 501(a)(10) due to its role in setting best practices in the financial planning industry.

2. Rules 501(a)(10)(ii) and 501(a)(10)(iii)

Rule 501(a)(10)(ii) states that the Commission will consider whether ''[t]he examination or series of examinations is designed to reliably and validly demonstrate an individual's comprehension and sophistication in the areas of securities and investing.'' Rule 501(a)(10)(iii) states the Commission will consider whether ''[p]ersons obtaining [a] certification, designation, or credential [designated under Rule 501(a)(10)] can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment.''

We believe that passage of the Exam satisfies the objectives of Rule 501(a)(10)(ii). We further believe that passage of the Exam combined with the satisfaction of the requirements to obtain a CFP certification would satisfy the objectives of Rule 501(a)(10)(iii). As described in more detail in section II.A.3.i, the Exam is designed to evaluate a person's knowledge and skill in the area of financial planning, which includes advising clients on investments. The Principal Knowledge Topics covered by the Exam encompass various topics that are particularly relevant to an individual's comprehension and sophistication in the areas of securities and investing. For example, the General Principles of Financial Planning section tests knowledge and skills related to financial statements, cash flow management, economic concepts, and the time value of money. The Investment Planning section tests knowledge related to types of investment risk; market cycles; quantitative investment concepts and measures of investment returns; asset allocation and portfolio diversification; and characteristics, uses, and taxation of investment vehicles.[64]

In addition to passage of the Exam, as described in more detail in section II.A.2, to be eligible to obtain a CFP certification, the CFP candidate must have the required educational and work experience. We therefore believe that in obtaining a CFP certification, through the combination of the Exam and obtaining the required educational experience and work experience, such persons will have demonstrated that they have the comprehension and sophistication to evaluate the merits and risks of investment opportunities, and ultimately, appropriately allocate capital based on their individual circumstances, and otherwise make appropriately informed decisions regarding their financial interests.[65] Moreover, we believe that the CE requirement further supports that holders of a CFP certification in the United States in good standing have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment.[66]

3. Rule 501(a)(10)(iv)

Rule 501(a)(10)(iv) states the Commission will consider whether ''[a]n indication that an individual holds the certification or designation is either made publicly available by the relevant self-regulatory organization or other industry body or is otherwise independently verifiable.'' As described in section II.A.5, the public may use the CFP Board website to verify whether any person holds a CFP certification in the United States in good standing.

C. Economic Considerations

As discussed above, we are considering whether to add a CFP certification in the United States in good standing to the list of designated professional certifications, designations, or credentials that would qualify natural persons for accredited investor status under Rule 501(a)(10). Thus, individuals who hold such a certification would qualify as accredited investors and would be able to participate in investment opportunities that may not otherwise have been available to them, unless they were already accredited investors based on another criterion. This change could also impact issuers seeking to raise capital.[67] The designation of CFP certification holders in the United States in good standing as accredited investors would have economic effects on investors and issuers that would be consistent with those the Commission discussed in creating the Rule 501(a)(10) designation process in the Accredited Investor Adopting Release.[68]

It is difficult to quantify how many additional natural persons would qualify as accredited investors because we cannot gauge how many of the CFP holders[69] already qualify as accredited investors based on one or more of the

[59] As the Commission stated in connection with adoption of Rule 501(a)(10) ''[w]e believe that the amendments we are adopting in [the Accredited Investor Adopting Release] provide appropriate investor protections while facilitating capital formation.'' *See* Accredited Investor Adopting Release at 64256. *See also supra* note 20.

[60] *See supra* note 19.

[61] The CFP certification does not have an inactive category. *See* CFP Board, *FAQs, Question 16,* available at *https://www.cfp.net/for-cfp-pros/continuing-education/faqs* (last retrieved Sept. 24, 2026). *See also* CFP Board, *Procedural Rules* (June 1, 2026) at 24, available at *https://www.cfp.net/-/media/files/cfp-board/standards-and-ethics/2026-proposed-revisions/cfp-board-procedural-rules-june-2026.pdf* (last retrieved Sept. 24, 2026).

[62] *See supra* note 43 (discussing the Accelerated Path available to certain CFP candidates).

[63] *See supra* note 37.

[64] Further, in addition to the Exam, to obtain a CFP certification, CFP candidates must meet both educational requirements described above. *See supra* section II.A.2.

[65] *See* Accredited Investor Adopting Release at 64241.

[66] *See supra* section II.A.4.

[67] To the extent that the accredited investor definition is used outside of the Federal securities laws (such as for non-Federal securities laws that incorporate the accredited investor definition), the designation of additional credentials might have indirect economic effects.

[68] *See* Accredited Investor Adopting Release at section VI.

[69] As of Sept. 1, 2026, the CFP Board estimates there are over 110,000 U.S. holders of the CFP certification. Additionally, the CFP Board has reported a record number of CFP candidates sat for the July 2026 Exam. *See supra* notes 40–41 and accompanying text.

other eligibility criteria in Rule 501(a), such as those for net worth, income, and other qualifying professional certifications, designations, or credentials.[70] Further, it is unclear to what extent any newly eligible accredited investors will choose to participate in exempt offerings.

Issuers are expected to benefit from the expansion of the accredited investor definition under Rule 501(a)(10) through potentially greater capital formation, lower cost of capital, and greater efficiency in raising capital due to an expanded pool of accredited investors (especially for issuers that are small or do not have access to a network of institutional accredited investors or persons with the required net worth or income to qualify as accredited investors).[71] This change may also benefit issuers in exempt offerings by making it easier and less costly to find and verify accredited investors (*i.e.,* by reducing search costs).[72] As discussed in section II.A.5, holding a CFP certification in the United States in good standing could be easily independently verified, which would directly reduce issuers' costs of confirming accredited investor eligibility, relative to verifying income or net worth.[73] This is expected to benefit issuers and intermediaries in exempt offerings where only accredited investors may be purchasers (such as Rule 506(c)) or where some provisions, such as limits on the number of purchasers or investment limits, are dependent on accredited investor status (*e.g.,* Rule 506(b), Regulation A, and Regulation Crowdfunding). However, to the extent that issuers would have otherwise pursued additional financing from accredited investors meeting the existing definition or engaged in an offering that is not dependent on accredited investor participation (such as a registered securities offering), the amount of additional capital formation may be limited. Still, issuers may benefit from greater flexibility in how they may raise capital, which could result in some cost savings and a lower cost of capital. For instance, issuers undertaking a Rule 506(b) offering may incur lower costs if all of their purchasers are accredited investors as compared to if not all of their purchasers are accredited investors, as the rule would not require them to furnish the financial and other information prescribed by Rule 502(b) for offerings involving non-accredited investors.[74] For issuers in Rule 506(c) offerings, verification of accredited investor status based on a credential that is easier to confirm may be less costly than verification of other prongs of the accredited investor definition (such as financial eligibility), reducing their transaction costs.[75] For issuers that undertake a Tier 2 Regulation A or Regulation Crowdfunding offering, both of which are subject to investment limits for non-accredited investors, having more accredited investors in the offering enables higher investment amounts per investor, which may decrease all-in offering costs.[76] Issuers choosing among different exempt offering alternatives may choose a Regulation D offering if they have enough prospective investors that meet the accredited investor definition, instead of pursuing a Regulation A or Regulation Crowdfunding offering, potentially lowering their compliance, intermediary, and marketing costs-per-dollar raised. Some issuers choosing between an exempt and a registered offering may choose an exempt offering if they have enough prospective investors that meet the accredited investor definition, instead of pursuing a registered offering.

For investors, the designation of this credential as a means of becoming an accredited investor could enable more natural persons who would not otherwise meet one of the eligibility criteria in Rule 501(a), such as the income and net worth criteria, to access a broader range of investment options, potentially enhancing their ability to diversify and optimize portfolio allocations.[77]

However, these investment options generally come without the additional disclosure provided by registration under the Securities Act and could entail greater costs related to illiquidity,[78] agency costs (*i.e.,* costs arising from conflicts of interest between investors and managers), adverse selection, and business risk, as compared to investments in the public capital markets. Individual investors' comprehension and sophistication in the areas of securities and investing, and knowledge and experience in financial and business matters, as reflected in having a professional certification or designation or credential under Rule 501(a)(10), increases the likelihood that such individual investors would be capable of evaluating the merits and risks of a prospective investment in an exempt offering and managing such risks. For example, such individuals may be more likely to consider the size of any single investment relative to their overall portfolio and diversify their portfolio.[79] It is unclear whether additional investment opportunities would improve portfolio efficiency for newly eligible accredited investors.

While individuals incur costs to prepare for and take the Exam, and

[70] For instance, some investors that would qualify based on holding a CFP certification in good standing may already qualify as accredited investors based on income or net worth criteria in Rule 501. Such individuals also may hold other licenses or credentials that are already designated, or that we are potentially designating, under Rule 501(a)(10). *See supra* note 35. In that scenario, the CFP category may not contribute to a meaningful net expansion of the pool of accredited investors. According to the CFP Board's Compensation Study, the median income for CFP financial planners in the survey was $195,000 in 2025, but it highly depends on experience, with median income for CFP financial planners with less than 5 years of experience of $115,000; 5–10 years of experience—$160,000; 11–20 years of experience—$255,000; and over 20 years—$360,000. *See* CFP Bd., 2026 Compensation Study (June 2026), available at *https://www.cfp.net/-/media/files/cfp-board/career-and-growth/2026-cfp-compensation-study-public.pdf* (last retrieved Sept. 24, 2026).

[71] *See* Accredited Investor Adopting Release at 64264–65.

[72] *See* Accredited Investor Adopting Release at 64264.

[73] *See supra* note 58 and accompanying text. Thus, even if some CFP holders already meet other accredited investor eligibility criteria, the overall costs of verification of accredited investor status may decrease with the designation of this credential under Rule 501(a)(10).

[74] *See* 17 CFR 230.502(b).

[75] *See* 17 CFR 230.506(c)(1) through 230.506(c)(2).

[76] *See* 17 CFR 230.251(d)(2)(i)(C); 17 CFR 227.100(a)(2).

[77] As noted above, the extent of overlap between CFPs and the investors that meet the existing accredited investor criteria is unclear. Credential holders who are earlier in their careers, employed at smaller firms, or located in lower cost-of-living geographic areas, and thus may on average have lower incomes, may be most affected by the potential designation. Some investors that already meet income or net worth criteria may find it is easier or less costly to demonstrate their accredited investor status under Rule 501(a)(10).

[78] While securities sold in an exempt offering are generally illiquid, the introduction of a larger pool of investors that become eligible as accredited investors through the CFP certification could potentially (at the margin) create impetus for additional secondary market liquidity in these securities. In addition, the expansion of the accredited investor pool also would potentially increase the feasibility of resales under section 4(a)(7) of the Securities Act [15 U.S.C. 77d(a)(7)]. However, if some newly eligible investors have fewer financial resources (see *infra* note 79), they may be less willing to hold restricted securities over long holding periods, and especially, seek to unload positions during downturns.

[79] As stated in the Accredited Investor Adopting Release, while certain of these individuals may have fewer financial resources and, as a result, be less able to bear the financial risk of private investments, we believe their professional credentials and experience should enable these investors to assess investment opportunities, appropriately allocate capital based on their individual circumstances, including whether to reallocate investment capital between private investments and other equivalent-sized investments, and otherwise make appropriately informed decisions regarding their financial interests, including their ability to bear the financial risk. *See* Accredited Investor Adopting Release at 64241.

obtain and maintain an active CFP certification in the United States in good standing, we do not expect there to be incremental costs of a CFP certification in the United States in good standing being designated as an accredited investor credential under Rule 501(a)(10), since we expect individuals to continue to pursue and maintain the CFP certification chiefly for professional purposes, rather than to qualify as accredited investors.

The described effects, including both the benefits and the costs to issuers and investors, may be modest in magnitude, as discussed in detail in the Accredited Investor Adopting Release. First, it is possible that a number of the individuals who would qualify as accredited investors under the potential designation may already qualify as accredited investors based on one or more of the criteria in Rule 501(a).[80] Second, because any newly eligible individuals may have income and net worth below the currently required thresholds for individual accredited investors, the increase in the capital supply from an individual newly eligible accredited investor would likely be low, and the collective impact would depend on the size of any increase in the number of individual accredited investors.[81] Third, the effects may be more modest to the extent that some of the newly eligible natural persons may end up not participating in exempt offerings.[82] Fourth, it is possible that issuers may choose to offer securities to institutional accredited investors, or apply investment minimums (perhaps in an effort to simplify their capitalization table), such that any individual accredited investors participating in exempt offerings are more likely to be those who meet the net worth or income criteria in Rule 501(a). Fifth, any specific effects of this potential change to the accredited investor pool would be partly diluted to the extent that other Commission actions designating other credentials result in expanding the pool of natural persons qualifying as accredited investors based on multiple criteria.

[80] *See* Accredited Investor Adopting Release at 64262.

[81] *Id.*

[82] *See, e.g.,* Katherine Carman et al., *Exploring Accredited Investors and Private Market Securities Ownership* 18 tbl. 6 (OIAD, Working Paper No. 1, June 2025), available at *https://www.sec.gov/files/exploring-accredited-investors-june-2025.pdf* (reporting, based on a recent investor survey, that, 14.4% of accredited investors and 4.7% of non-accredited investors, respectively, indicate interest in investing in new or private companies, and that 4.3% of accredited investors and 1.1% of non-accredited investors, respectively, report owning a ''private fund or offering''). *See also* Katherine Carman & Alycia Chin, *Accredited Investors in the US Population,* 9 Fin. Plan. Rev. e70023 (2026).

III. Notice

For the reasons set forth herein, we believe that holding a CFP certification in the United States in good standing would meet the requirements set forth in Rule 501(a)(10). Accordingly, we believe it is appropriate to designate holding a CFP certification in the United States in good standing as qualifying natural persons for accredited investor status pursuant to Rule 501(a)(10). We are issuing this notice and providing an opportunity for public comment on such a potential designation. We are particularly interested in comments on whether we should designate holding a CFP certification in the United States in good standing as qualifying natural persons for accredited investor status pursuant to Rule 501(a)(10), as discussed in this notice, and whether such designation could raise investor protection concerns unique to persons who would be qualified under such designation.

By the Commission.

Dated: September 30, 2026.

Vanessa A. Countryman,

Secretary.

[FR Doc. 2026–20309 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106558; File No. SR–LTSE–2026–20]

Self-Regulatory Organizations; Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend LTSE Rule 15.120 To Expand the Permitted Collection Arrangements

September 30, 2026.

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 21, 2026, Long-Term Stock Exchange, Inc. (''LTSE'' 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 self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

[2] 17 CFR 240.19b–4.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing with the Commission a proposed rule change to amend Rule 15.120 (Collection of Exchange Fees and Other Claims and Billing Policy). Current Rule 15.120(a) requires that each Member, and all applicants for registration as such, provide a clearing account number for an account at the National Securities Clearing Corporation (''NSCC'') for purposes of permitting the Exchange to debit any undisputed or final fees, fines, charges, and/or other monetary sanctions or other monies due and owing to the Exchange or other charges pursuant to certain rules.

The Exchange proposes to expand the collection arrangements permitted under the rule. Under the amended rule, the Exchange may waive the NSCC clearing account number requirement and instead approve an alternative payment instruction while still reserving the right to require a Member or applicant to provide an NSCC clearing account number in the event that the Exchange encounters repeated failed collection attempts using such alternative payment instructions.

The text of the proposed rule change is available at the Exchange's website at *https://longtermstockexchange.com/* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement on 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 self-regulatory organization 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

This proposed rule change amends Rule 15.120 (Collection of Exchange Fees and Other Claims and Billing Policy). Current Rule 15.120(a) requires that each Member, and all applicants for registration as such, provide a clearing account number for an account at the National Securities Clearing Corporation

(''NSCC'') for purposes of permitting the Exchange to debit any undisputed or final fees, fines, charges, and/or other monetary sanctions or other monies due and owing to the Exchange or other charges pursuant to certain rules.

The Exchange proposes to expand the collection arrangements permitted under the rule by adding the following language:

> The Exchange will, upon request, waive the requirement for a Member or applicant for registration as such to provide an NSCC clearing account number and instead require such Member or applicant to provide alternative payment instructions as agreed to by the Exchange for purposes of permitting the Exchange to debit any of the fees, fines, charges and/or other monetary sanctions or other monies due and owing to the Exchange listed above; provided, however, that the Exchange reserves the right to require any such Member or applicant to provide an NSCC clearing account number for such purposes as set forth above if the Exchange encounters repeated failed collection attempts using such alternative payment instructions.

Under the amended rule, the Exchange may waive the NSCC clearing account number requirement and instead approve an alternative payment instruction while still reserving the right to require a Member or applicant to provide an NSCC clearing account number in the event that the Exchange encounters repeated failed collection attempts using such alternative payment instructions.

The purpose of the proposed change is to provide the Exchange with the flexibility to agree to an alternative payment arrangement with a Member or Member applicant if such Member or Member applicant so requests, as the Exchange understands that certain Members or Member applicants may have an operational burden associated with remitting payment to the Exchange through a designated clearing account at NSCC. Under the proposed rule change, any such alternative payment instructions must: (1) be agreed to by the Exchange; and (2) permit the Exchange to initiate the debit of any fees and other monies due and owing to the Exchange in a manner similar to the current requirement to provide a clearing account number for an account at NSCC (*i.e.,* a direct debit process). The requirement that such alternative payment instructions must be agreed to by the Exchange is intended to be an objective standard, and the Exchange's ability to agree to such alternative payment instructions would be exercised uniformly with respect to any Member or Member applicant that so requests to the extent such alternative payment instructions reasonably appear to permit the Exchange to utilize a direct debit process. The proposed new rule language is identical to language in the rule of another national securities exchange, and the rules of other national securities exchanges similarly allow them to accommodate alternative payment methods.[3]

2. Statutory Basis

The Exchange believes that the proposed rule changes are consistent with Section 6(b) of the Act[4] in general, and furthers the objectives of Section 6(b)(5) of the Act[5] in particular, in that they are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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 also believes the proposed rule changes are consistent with the Section 6(b)(5) requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(1)[6] requirement that it be so organized and have the capacity to be able to carry out the purposes of the Act and to comply, and to enforce compliance by its Members and Member applicants and persons associated with its Members and Member applicants, with the provisions of the Act, the rules and regulations thereunder, and the Exchange's Rules. The Exchange believes the proposed change to enable the Exchange, upon request, to permit a Member (or Member applicant) to provide alternative payment instructions (*i.e.,* other than by providing a clearing account number for an account at NSCC, as currently required by Rule 15.120) for purposes of the Exchange's direct debit collection process is appropriate and consistent with Section 6(b)(1) of the Act, as such changes would provide the Exchange with the flexibility to agree to an alternative payment arrangement with a Member (or Member applicant) that has an operational burden associated with remitting payment to the Exchange by providing a clearing account number for an account at NSCC. The Exchange believes this will enable it to be so organized and have the capacity to be able to carry out the purposes of the Act and to comply, and to enforce compliance by its Members (and Member applicants) and persons associated with its Members (and Member applicants), with the Exchange's rules relating to payment of fees and other monies due and owing to the Exchange. The Exchange also believes that reserving the right to revert to the general rule (*i.e.,* to require provision of a clearing account number for an account at NSCC for direct debit purposes) with respect to any such Member (or Member applicant) if the Exchange encounters repeated failed collection attempts using such alternative payment instructions is appropriately designed to ensure that it is able to collect the fees and other monies due and owing to the Exchange through its standard collection process if warranted, and is thus consistent with the Act for similar reasons. Additionally, this proposed change is designed to give the Exchange and its Members (and Member applicants) flexibility regarding their payment arrangements while providing a safeguard by which the Exchange may revert to its standard collection process, the Exchange believes it would promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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 proposed changes are also equitable and not unfairly discriminatory because they are based on objective standards and would apply equally to all Members and Member applicants for registration as such, as described above. The proposed changes are also based on billing and collection rules in place at several equity exchanges, which provide for substantively similar alternative payment provisions in their billing rules for equity members that may want to pay exchange fees via an alternative method.

[3] The new language in proposed LTSE Rule 15.120(a) is substantively identical to language in MEMX LLC Rule 15.3(a). Additionally, it is substantially similar to language in the following rules of other national securities exchanges: MIAX Pearl, LLC Rule 3002(a); Miami International Securities Exchange, LLC Rule 208; MIAX Emerald, LLC Rule 208; and MIAX Sapphire, LLC Rule 208.

[4] 15 U.S.C. 78f.

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

[6] 15 U.S.C. 78f(b)(1).

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposal will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change to enable the Exchange to agree to alternative payment instructions for the Exchange's direct debit collection process would apply equally to all Members and Member applicants as the opportunity to request that the Exchange agree to alternative payment instructions will be available to any such Member or Member applicants and the Exchange's ability to agree to such alternative payment instructions would be exercised uniformly on an objective basis. The Exchange does not believe such proposed changes would impair the ability of Members or Member applicants or competing order execution venues to maintain their competitive standing in the financial markets, and therefore, the Exchange does not believe the proposal will impose any burden on intermarket competition. Moreover, because the proposed changes would apply equally to all Members and Member applicants, the Exchange does not believe the proposal would impose any burden on intramarket competition.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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)(iii) of the Act[7] and subparagraph (f)(6) of Rule 19b–4 thereunder.[8]

A proposed rule change filed pursuant to Rule 19b–4(f)(6) under the Act[9] normally does not become operative for 30 days after the date of its filing. However, Rule 19b–4(f)(6)(iii)[10] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange states that it plans to launch its Market Maker program on October 1, 2026, and waiver of the operative delay would permit a market participant that may wish to request an option to provide alternative payment instructions pursuant to the proposed rule change to participate in the launch of that program. In addition, the Exchange's proposed rule is substantially similar to the rules of other national securities exchanges.[11] For these reasons, and because the proposed rule change raises no new or novel legal or regulatory issues, the Commission finds that waiver of the operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission waives the 30-day operative delay and designates the proposed rule change to be operative upon filing.[12]

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 would otherwise further 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–LTSE–2026–20 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–LTSE–2026–20. 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 filing will be available for inspection and copying at the principal office of LTSE and on its internet website at *https://longtermstockexchange.com/*. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR–LTSE–2026–20 and should be submitted on or before October 26, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[13]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20305 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106549; File No. SR–MRX–2026–38]

Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Make Conforming Changes To Reflect the Name Change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC''

September 30, 2026.

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 September 17, 2026, Nasdaq MRX, LLC (''MRX'' 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

[7] 15 U.S.C. 78s(b)(3)(A)(iii).

[8] 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.

[9] 17 CFR 240.19b–4(f)(6).

[10] 17 CFR 240.19b–4(f)(6)(iii).

[11] *See supra* note 3 and accompanying text.

[12] For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[13] 17 CFR 200.30–3(a)(12), (59).

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

[2] 17 CFR 240.19b–4.

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 make conforming changes to Rules General 8 and Options 7 Section 7 to reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC''.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/mrx/rulefilings,* and at the principal office of the Exchange.

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 make conforming changes to Rules General 8 (Connectivity) and Options 7 Section 7 (Market Data) to reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC''.

Background and Proposed Rule Change

The Exchange's affiliate Nasdaq BX, Inc. (''Nasdaq BX'') recently converted from a corporation organized under the laws of the state of Delaware to a limited liability company (''LLC'') organized under the laws of the state of Texas and changed its name to ''Nasdaq Texas, LLC''.[3] The Exchange accordingly proposes conforming changes to its rules to reflect its affiliate's name change. Specifically, the Exchange proposes to replace one reference to ''Nasdaq BX, Inc.'' in Rule General 8 with ''Nasdaq Texas, LLC''. Similarly, the Exchange proposes replacing one reference to ''Nasdaq BX, Inc.'' in Options 7 Section 7 with ''Nasdaq Texas, LLC''.

The proposed changes are conforming and non-substantive in nature.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[4] in general, and furthers the objectives of Section 6(b)(5) of the Act,[5] 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, because ensuring that the Exchange's rules accurately reflect the correct name of the Exchange's affiliate would contribute to the orderly operation of the Exchange by adding clarity and transparency. In addition, the proposed amendments would reduce potential investor and market participant confusion and therefore remove impediments to and perfect the mechanism of a free and open market and a national market system by ensuring that investors and market participants can more easily navigate, understand and comply with the Exchange's rules. The Exchange also believes that the proposed amendments remove impediments to and perfects the mechanism of a free and open market by ensuring that persons subject to the Exchange's jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange's rules. The proposed amendments would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from the increased transparency and clarity, thereby reducing potential confusion.

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 proposed rule change is not intended to address competitive issues but rather is concerned solely with updating the Exchange's rules to reflect its affiliate's name change.

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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act[6] and Rule 19b–4(f)(6) thereunder.[7]

A proposed rule change filed under Rule 19b–4(f)(6)[8] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),[9] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. Waiver of the operative delay would allow the Exchange to immediately update its rulebook to reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC.'' The Commission believes that the proposed rule change presents no novel issues and that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposal operative upon filing.[10]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if

[3] *See* Securities Exchange Act Release No. 34–104736 (January 29, 2026), 91 FR 4980 (February 3, 2026) (SR–BX–2026–005).

[4] 15 U.S.C. 78f(b).

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

[6] 15 U.S.C. 78s(b)(3)(A)(iii).

[7] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) 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.

[8] *See id.*

[9] 17 CFR 240.19b–4(f)(6)(iii).

[10] For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

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 (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–MRX–2026–38 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–MRX–2026–38. 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 (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–MRX–2026–38 and should be submitted on or before October 26, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[11]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20298 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

[11] 17 CFR 200.30–3(a)(12) and (59).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106551; File No. SR–GEMX–2026–34]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Make Conforming Changes To Reflect the Name Change of Nasdaq BX, Inc. to Nasdaq Texas, LLC

September 30, 2026.

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 September 17, 2026, Nasdaq GEMX, LLC (''GEMX'' 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 make conforming changes to Rules General 8 Connectivity and Options 7 Section 6 to reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC''.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/gemx/rulefilings,* and at the principal office of the Exchange.

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.

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

[2] 17 CFR 240.19b–4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to make conforming changes to Rules General 8 (Connectivity) and Options 7 Section 6 (Connectivity Fees) to reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC''.

Background and Proposed Rule Change

The Exchange's affiliate Nasdaq BX, Inc. (''Nasdaq BX'') recently converted from a corporation organized under the laws of the state of Delaware to a limited liability company (''LLC'') organized under the laws of the state of Texas and changed its name to ''Nasdaq Texas, LLC''.[3] The Exchange accordingly proposes conforming changes to its rules to reflect its affiliate's name change. Specifically, the Exchange proposes to replace one reference to ''Nasdaq BX, Inc.'' in General 8 Connectivity with ''Nasdaq Texas, LLC''. Similarly, the Exchange proposes replacing one reference to ''Nasdaq BX, Inc.'' in Options 7 Section 6 with ''Nasdaq Texas, LLC''.

The proposed changes are conforming and non-substantive in nature.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act[4] in general, and furthers the objectives of Section 6(b)(5) of the Act[5] 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, because ensuring that the Exchange's rules accurately reflect the correct name of the Exchange's affiliate would contribute to the orderly operation of the Exchange by adding clarity and transparency. In addition, the proposed amendments would reduce potential investor and market participant confusion and therefore remove impediments to and perfect the mechanism of a free and open market and a national market system by ensuring that investors and market participants can more easily navigate, understand and comply with the Exchange's rules. The Exchange also believes that the proposed amendments

[3] *See* Securities Exchange Act Release No. 34–104736 (January 29, 2026), 91 FR 4980 (February 3, 2026) (SR–BX–2026–005).

[4] 15 U.S.C. 78f(b).

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

remove impediments to and perfects the mechanism of a free and open market by ensuring that persons subject to the Exchange's jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange's rules. The proposed amendments would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from the increased transparency and clarity, thereby reducing potential confusion.

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 proposed rule change is not intended to address competitive issues but rather is concerned solely with updating the Exchange's rules to reflect its affiliate's name change.

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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act[6] and Rule 19b–4(f)(6) thereunder.[7]

A proposed rule change filed under Rule 19b–4(f)(6)[8] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),[9] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. Waiver of the operative delay would allow the Exchange to immediately update its rulebook to reflect the name change of ''Nasdaq BX, Inc.'' to ''Nasdaq Texas, LLC.'' The Commission believes that the proposed rule change presents no novel issues and that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposal operative upon filing.[10]

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 (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–GEMX–2026–34 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–GEMX–2026–34. 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 (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–GEMX–2026–34 and should be submitted on or before October 26, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[11]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20300 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

[6] 15 U.S.C. 78s(b)(3)(A)(iii).

[7] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) 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.

[8] *See id.*

[9] 17 CFR 240.19b–4(f)(6)(iii).

[10] For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[11] 17 CFR 200.30–3(a)(12) and (59).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 33–11449; File No. 4–935]

Potential Designations of the Investment Banking Representative License (Series 79) and the Research Analyst License (Series 86 and Series 87) as Qualifying Natural Persons for Accredited Investor Status

AGENCY: Securities and Exchange Commission.

ACTION: Notice; request for comment.

SUMMARY: Notice is given that the Securities and Exchange Commission (the ''Commission'') is considering whether to issue an order designating the Investment Banking Representative license (Series 79) and the Research Analyst license (Series 86 and Series 87) as each independently qualifying natural persons for accredited investor status.

DATES: This release was published in the **Federal Register** on October 5, 2026. Comments should be received on or before December 4, 2026.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/comments/4-935/potential-designations-investment-banking-representative-license-series-79-research-analyst-license*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number 4–935 on the subject line. To submit a comment to more than one file, please include each file number on the subject line.

Paper Comments

• Send paper comments to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number 4–935. To submit a comment to more than one file, please refer to each file number. 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 of submission. The Commission will post all submitted comments on its website (*https://www.sec.gov/rules-regulations/public-comments/4-935*). Do not include personally identifiable information in submissions; you should submit only information that you wish to make available publicly. The Commission may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

FOR FURTHER INFORMATION CONTACT: John Byrne, Office Chief, Kenisha D. Nicholson, Senior Special Counsel, or Max Corey, Special Counsel, Office of Small Business Policy, Division of Corporation Finance, at 202–551–3460, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION:

I. Background

A. Accredited Investor Definition

Regulation D [1] provides a widely-used set of exemptions from registration under 15 U.S.C. 77a *et seq.* (the ''Securities Act'') for the offer and sale of securities.[2] Among other things, Regulation D includes the regulatory definition of ''accredited investor'' in 17 CFR 230.501(a) (''Rule 501(a)'') followed by the three main operative provisions—17 CFR 230.504 (''Rule 504''),[3] 17 CFR 230.506(b) (''Rule 506(b)''),[4] and 17 CFR 230.506(c) (''Rule 506(c)'').[5] The Commission has stated that the ''accredited investor'' definition under Regulation D is intended to capture persons whose financial sophistication renders the protection of the Securities Act's registration process unnecessary.[6]

The definition of ''accredited investor'' is a cornerstone of Regulation D and also plays an important role in other Federal securities law contexts.[7] Qualifying for accredited investor status is significant because accredited investors may, under Commission rules, participate in investment opportunities that are generally not available to non-accredited investors, such as investments in private companies and offerings by private funds.

Accredited investors are natural persons and entities that come within, or that the issuer reasonably believes come within, any of the enumerated categories contained in Rule 501(a). Natural persons may qualify as accredited investors if they are:

• Any director, executive officer, or general partner of the issuer of the securities being offered or sold or of a general partner of that issuer, pursuant to 17 CFR 230.501(a)(4);

• Individuals who have a net worth exceeding $1,000,000 (excluding the value of the individual's primary residence and any indebtedness secured by such residence up to the estimated value of the residence), either alone or with their spouse or spousal equivalent, pursuant to 17 CFR 230.501(a)(5);

• Individuals who had an income in excess of $200,000 in each of the two most recent years, or joint income with the individual's spouse or spousal equivalent in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in the current year, pursuant to 17 CFR 230.501(a)(6);

• Individuals who are holders in good standing of one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status, pursuant to 17 CFR 230.501(a)(10) (''Rule 501(a)(10)'');

• Individuals who are ''knowledgeable employees,'' [8] under the Investment Company Act of 1940 (the ''Investment Company Act''),[9] of the private-fund issuer of the securities being offered or sold, pursuant to 17 CFR 230.501(a)(11); or

• Individuals who are ''family clients'' of a ''family office'' [10] under the Investment Advisers Act of 1940 (the ''Advisers Act'') [11] and whose prospective investment in the issuer is directed by such family office in accordance with 17 CFR 230.501(a)(12)(iii), pursuant to 17 CFR 230.501(a)(13) (''Rule 501(a)(13)'').

Various institutions may qualify as accredited investors based on their status alone or on a combination of their status and the amount of their total assets or investments. Institutions that qualify include:

• Banks, savings and loan associations; brokers or dealers registered pursuant to section 15 of the Securities Exchange Act of 1934; [12] certain investment advisers; insurance companies; investment companies registered under the Investment Company Act or business development companies as defined in section 2(a)(48) of the Investment Company Act; [13] and certain specialized investment

[1] 17 CFR 230.500 through 230.508.

[2] Approximately $400 billion was raised in Regulation D offerings (excluding pooled funds) between July 1, 2024 and June 30, 2025. *See Staff Report from Office of the Advocate for Small Business Capital Formation* (''OASB'') Fiscal Year 2025 OASB Annual Report (Jan. 8, 2026) at 14, available at *https://www.sec.gov/files/2025-oasb-staff-report.pdf.*

[3] Rule 504 provides an exemption from registration under the Securities Act for the offer and sale of up to $10 million of securities in a 12-month period from an unlimited number of investors (without regard to whether those investors are accredited).

[4] Rule 506(b) is a safe harbor under section 4(a)(2) of the Securities Act that permits issuers to raise any amount from an unlimited number of accredited investors but limits the number of non-accredited investors to 35 in any 90-calendar-day period. The rule does not permit general solicitation and, where non-accredited investors purchase in the Rule 506(b) offering, the information requirements in 17 CFR 230.502(b) must be met. *See* 17 CFR 230.506(b)(1); 17 CFR 230.506(b)(2)(i); 17 CFR 230.502(b).

[5] Rule 506(c) provides an exemption from registration under the Securities Act, and permits issuers to raise any amount from an unlimited number of accredited investors. The exemption permits general solicitation, but issuers may not make any sales to non-accredited investors under Rule 506(c), and the issuer must take reasonable steps to verify that all purchasers are accredited. *See also* Jumpstart Our Business Startups Act of 2012, Public Law 112–106, sec. 201(a), 126 Stat. 306 (2012) (directing the Commission to revise its rules ''to provide that the prohibition against general solicitation or general advertising contained in section 230.502(c) of such title [17] shall not apply to offers and sales of securities made pursuant to section 230.506, provided that all purchasers of the securities are accredited investors . . . . Section 230.506 of title 17, Code of Federal Regulations, as revised pursuant to this section, shall continue to be treated as a regulation issued under section 4(2) of the Securities Act of 1933 (15 U.S.C. 77d(2))'').

[6] *See Accredited Investor Definition,* Release No. 33–10824 (Aug. 26, 2020) [85 FR 64234, n.7 and accompanying text (Oct. 9, 2020)] (''Accredited Investor Adopting Release''); Regulation D Revisions; Exemption for Certain Employee Benefit Plans, Release No. 33–6683 (Jan. 16, 1987) [52 FR 3015 (Jan. 30, 1987)]. *See also SEC* v. *Ralston Purina Co.,* 346 U.S. 119, 125 (1953) (taking the position that the availability of the section 4(a)(2) exemption ''should turn on whether the particular class of persons affected needs the protection of the [Securities] Act. An offering to those who are shown to be able to fend for themselves is a transaction 'not involving any public offering''').

[7] For example, each of 17 CFR 230.251 through 230.263 (''Regulation A'') and 17 CFR 227.100 through 227.504 (''Regulation Crowdfunding'') contains limitations on the amount an investor may invest if such investor is not an accredited investor. *See* 17 CFR 230.251(d)(2)(i)(C) and 17 CFR 227.100(a)(2).

[8] 17 CFR 270.3c–5(a)(4).

[9] 15 U.S.C. 80a–1 *et seq.*

[10] 17 CFR 275.202(a)(11)(G)–1 (defining ''family office'').

[11] 15 U.S.C. 80b–1 *et seq.*

[12] 15 U.S.C. 78*o.*

[13] 15 U.S.C. 80a–2(a)(48).

companies; [14] plans established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5 million; employee benefit plans (within the meaning of the Employee Retirement Income Security Act of 1974 [15]) if a bank, savings and loan association, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of $5 million, or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors, pursuant to 17 CFR 230.501(a)(1) (''Rule 501(a)(1)'');

- Any private business development company as defined in section 202(a)(22) of the Advisers Act,[16] pursuant to 17 CFR 230.501(a)(2) (''Rule 501(a)(2)'');
- Charitable organizations, corporations, business trusts, partnerships, or limited liability companies not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000, pursuant to 17 CFR 230.501(a)(3) (''Rule 501(a)(3)''); [17]
- Trusts with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in 17 CFR 230.506(b)(2)(ii), pursuant to 17 CFR 230.501(a)(7) (''Rule 501(a)(7)'');
- Entities in which all of the equity owners are accredited investors, pursuant to 17 CFR 230.501(a)(8) (''Rule 501(a)(8)'');
- Any entity, of a type not listed in Rules 501(a)(1), (2), (3), (7), or (8), not formed for the specific purpose of acquiring the securities offered, owning investments in excess of $5,000,000, pursuant to 17 CFR 230.501(a)(9);
- ''Family offices'' meeting certain requirements, pursuant to 17 CFR 230.501(a)(12) (''Rule 501(a)(12)''); [18] and
- Entities that are ''family clients'' of a ''family office'' that meets the requirements of Rule 501(a)(12), pursuant to Rule 501(a)(13).

B. Background on Rule 501(a)(10) and Overview of Potential Designations

Rule 501(a)(10) confers accredited investor status on any natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status.[19] In adopting Rule 501(a)(10), the Commission stated that certain ''professional credentials and experience should enable [investors that hold such credentials] to assess investment opportunities, appropriately allocate capital based on their individual circumstances, including whether to reallocate investment capital between private investments and other equivalent-sized investments, and otherwise make appropriately informed decisions regarding their financial interests, including their ability to bear the financial risk.'' [20]

Rule 501(a)(10) contains the following non-exclusive list of attributes that the Commission will consider in determining whether to designate a professional certification or designation or credential from an accredited educational institution as qualifying for accredited investor status:

- The certification, designation, or credential arises out of an examination or series of examinations administered by a self-regulatory organization or other industry body or is issued by an accredited educational institution, under 17 CFR 230.501(a)(10)(i) (''Rule 501(a)(10)(i)'');
- The examination or series of examinations is designed to reliably and validly demonstrate an individual's comprehension and sophistication in the areas of securities and investing, under 17 CFR 230.501(a)(10)(ii) (''Rule 501(a)(10)(ii)'');
- Persons obtaining such certification, designation, or credential can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment, under 17 CFR 230.501(a)(10)(iii) (''Rule 501(a)(10)(iii)''); and
- An indication that an individual holds the certification or designation is either made publicly available by the relevant self-regulatory organization or other industry body or is otherwise independently verifiable, under 17 CFR 230.501(a)(10)(iv) (''Rule 501(a)(10)(iv)''). [21]

In proposing Rule 501(a)(10), the Commission noted prior recommendations to designate holding certain licenses from the Financial Industry Regulatory Authority, Inc. (''FINRA'') as qualifying natural persons for accredited investor status. However, the proposed initial list did not include the Investment Banking Representative license (''Series 79'') or Research Analyst license (''Series 86 and 87''). [22] A number of commenters recommended the addition of the Series 79 and/or Series 86 and 87. [23]

Consistent with the proposal, at the time of adoption of Rule 501(a)(10), the Commission issued an order designating the General Securities Representative license (Series 7), Private Securities Offerings Representative license (Series 82), and Investment Adviser Representative license (Series 65) as qualifying a holder of such licenses in good standing for accredited investor

[14] This includes small business investment companies licensed under section 301(c) or (d) of the Small Business Investment Act of 1958 [15 U.S.C. 661 *et seq.*], and any rural business investment company as defined in section 384A of the Consolidated Farm and Rural Development Act [7 U.S.C. 1921].

[15] 29 U.S.C. 1001 *et seq.*

[16] 15 U.S.C. 80b–2(a)(22).

[17] A charitable organization is as described in section 501(c)(3) of the Internal Revenue Code [26 U.S.C. 501(c)(3)].

[18] The family office must have assets under management in excess of $5,000,000; not been formed for the specific purpose of acquiring the securities offered; and its prospective investments directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment. *See* 17 CFR 230.501(a)(12)(i) through 230.501(a)(12)(iii).

[19] Rule 501(a)(10) does not expressly define what constitutes good standing. In connection with the adoption of Rule 501(a)(10), the Commission stated that in addition to passing the relevant exam, ''maintaining an active certification, designation, or license is sufficient to demonstrate the individual's financial sophistication to invest in exempt offerings . . . . [and] that an inactive certification, designation, or license, particularly when the certification or designation has been inactive for an extended period of time, could lessen the validity of the certification or designation as a measure of financial sophistication.'' Accredited Investor Adopting Release at 64242. *See infra* section II.B.1.

[20] *Id.* at 64241.

[21] Additionally, Note 1 to paragraph 501(a)(10) specifies that the Commission will designate professional certifications or designations or credentials as qualifying such holders as accredited investors by order, after notice and an opportunity for public comment.

[22] *See Amending the ''Accredited Investor'' Definition,* Release No. 33–10734 (Dec. 18, 2019) [85 FR 2574, 2579–2581 (Jan. 15, 2020)] (the ''Accredited Investor Proposing Release'').

[23] *See, e.g.,* letter from Center for Capital Markets Competitiveness (Mar. 16, 2020) (supporting including the Series 79 and Series 86 and 87); letter from CMT (Mar. 16, 2020) (supporting including the Series 86 and 87); letter from Federal Regulation of Securities Committee of the Business Law Section of the American Bar Association (May 22, 2020) (supporting including the Series 86 and 87); letter from G. Philip Rutledge (Jan. 31, 2020) (supporting including, as accredited investors, ''individuals who took and passed an examination required by FINRA in order to perform a specific function with a FINRA member firm and, at the time of the investment, remained an associated person with a FINRA member''); letter from Raymond Wu (Feb. 21, 2020) (supporting including the Series 86 and 87). One commenter specifically opposed including the Series 86 and 87. *See* letter from Alex Naegele (Jan. 9, 2020). The comment letters to the Accredited Investor Proposing Release are available at *https://www.sec.gov/comments/s7-25-19/s72519.htm.*

status.[24] In the Accredited Investor Adopting Release, the Commission expressly noted that ''[a]lthough other professional certifications, designations, and credentials, such as other FINRA exams, a specific accredited investor exam, other educational credentials, or professional experience received broad commenter support, we are taking a measured approach to the expansion of the definition . . . . [and] we believe it is appropriate to consider these other credentials after first gaining experience with the revised rules.'' [25]

The Commission has now had over five years of experience with the initially designated professional licenses. There is no evidence that we are aware of to suggest that the expansion in 2020 of the accredited investor definition to include these types of financially sophisticated investors has created investor protection concerns. Since the adoption of Rule 501(a)(10) and the initial designations, the Commission has received recommendations to further expand the number of investors that qualify as accredited investors under Rule 501(a)(10).[26] The arguments in some of these recommendations echo the arguments contained in letters from commenters in connection with the adoption of Rule 501(a)(10), which stated that the definition limits access to private investments primarily to those who are wealthy,[27] have close ties to the issuer,[28] or have certain jobs in the financial industry.[29] The Commission has also received petitions for rulemaking requesting changes to the accredited investor definition.[30]

For the reasons set forth in section II, we believe that holding either a Series 79 or a Series 86 and 87 in good standing would satisfy the standard in Rule 501(a)(10).[31] Accordingly, as required by Rule 501(a)(10), we are providing notice and an opportunity for public comment on potential designation of the Series 79 or a Series 86 and 87 as qualifying natural persons for accredited investor status.[32]

II. Discussion

A. Series 79 and Series 86 and 87 Requirements

1. Background

We believe designating holding the Series 79 and holding the Series 86 and 87 as qualifying natural persons for accredited investor status would be consistent with the standard in Rule 501(a)(10) because such licenses meet the non-exclusive attributes the Commission identified in Rule 501(a)(10) as relevant to its consideration of adding additional professional certifications or designations or credentials.

As with the currently designated FINRA licenses, the Series 79 and the Series 86 and 87 are registrations held with FINRA.[33] In order to hold a Series 79 registration, an individual must

[24] The exams for the General Securities Representative license (Series 7) and the Private Securities Offerings Representative license (Series 82) are developed and administered by FINRA, and the exam for the Investment Adviser Representative license (Series 65) was developed by the North American Securities Administrators Association and is administered by FINRA. *See Order Designating Certain Professional Licenses as Qualifying Natural Persons for Accredited Investor Status,* Release No. 33–10823 (Aug. 26, 2020) [85 FR 64234 (Oct. 9, 2020)].

[25] Accredited Investor Adopting Release at 64243. Certain holders of the Series 79 may also hold a Series 7 or Series 82, if they actively market offerings and interact with investors or potential investors. *See FINRA, Series 79—Investment Banking Representative Exam* (''Series 79 Licensing''), available at *https://www.finra.org/registration-exams-ce/qualification-exams/series79* (''The Investment Banking Representative registration category is meant to include investment bankers who, as part of their job activities, advise on or facilitate the marketing of an offering . . . . [I]t would not include persons who actively market the offering and interact with investors or potential investors, such as a person who is engaging in road show activities. Such a person would also need to be registered as a General Securities Representative (SIE + Series 7 exam) or Private Securities Offerings Representative (SIE + Series 82 exam).'') (last retrieved Sept. 24, 2026).

[26] *See, e.g., Report on the 45th Annual Small Business Forum* (July 27, 2026) at 17, available at *https://www.sec.gov/files/2026-oasb-annual-forum-report.pdf* (recommending that the Commission ''expand the accredited investor definition to include additional measures of sophistication, including through an investor test and experience''); *Report on the 44th Annual Small Business Forum* (Sept. 22, 2025) at 18, available at *https://www.sec.gov/files/2025-oasb-annual-forum-report.pdf* (recommending that the Commission ''[e]xpand the accredited investor definition to include additional measures of sophistication''); SEC Small Business Capital Formation Advisory Committee Recommendation regarding the Accredited Investor Definition (May 1, 2024), available at *https://www.sec.gov/files/recs-accredited-investor-definition.pdf* (recommending in part that persons not meeting the definition be able to undertake an educational program, which would allow them to invest a percent of their assets); OASB, *Annual Report for Fiscal Year 2023* at 75, available at *https://www.sec.gov/files/2023-oasb-annual-report.pdf* (recommending expansion of the accredited investor definition to add qualitative professional criteria and alternative ways to demonstrate financial sophistication). *See also* SEC Investor Advisory Committee Recommendation regarding Retail Investor Access to Private Market Assets (Sept. 18, 2025), available at *https://www.sec.gov/files/iac-recommendation-private-market-assets-final-09182025.pdf* (not taking a position on whether the accredited investor definition should be expanded, but recommending that, if the definition were to be expanded, the Commission consider expanding the accredited investor definition to cover additional professional certifications or designations or credentials).

[27] *See, e.g.,* letter from David R. Burton (May 1, 2020) (''D. Burton'') (stating that ''people outside of the financial industry should have a means to prove that they have the knowledge and sophistication to qualify as [accredited investors] . . . . [o]therwise, the Commission will effectively creat[e] barriers where only affluent people or those it regulates in the financial industry have access to these investments.''); letter from Tron Black (Nov. 20, 2019, last updated Dec. 24, 2019).

[28] *See, e.g.,* letter from Bruce A. Wallick (Dec. 19, 2019) (stating that the ''[accredited investor definition] should include an opportunity for self-taught investors to demonstrate their financial sophistication and achieve accredited status.''); letter from D. Burton.

[29] *See, e.g.,* letter from Crowdwise, LLC (Mar. 1, 2020) (stating that it is crucial for the Commission to ''consider how self-taught, sophisticated investors who do *not* have any other financial credentials (nor the ability to get them) or finance industry experience can still have access to the same investment opportunities that are available to accredited investors today.''); letter from D. Burton (stating that expansion of the accredited investor definition ''will help investors that would typically otherwise be barred from investing in Regulation D offerings (most often younger investors or those that live outside of high-income metropolitan areas).'').

[30] *See* Benjamin Bartel, *Petition for Rulemaking to Amend the Accredited Investor Definition in Rule 501(a) of SEC Regulation D* (Sept. 25, 2025), available at *https://www.sec.gov/files/rules/petitions/2025/petn4-871.pdf;* Fabricio R. Murillo Garcia, *Petition for Modification of Definition of Accredited Investors* (Feb. 13, 2024), available at *https://www.sec.gov/files/rules/petitions/2024/petn4-823.pdf;* Nicholas Morgan, Investor Choice Advocates Network, *Rulemaking petition to reduce the diversity, equity, and inclusion (''DEI'') barriers for ''accredited investors'' by replacing the net worth and income requirements of Rule 501(a) under the Securities Act of 1933 with non-financial metrics* (Nov. 9, 2022), available at *https://www.sec.gov/files/rules/petitions/2022/petn4-796.pdf;* Benny R. Brown, *Request to change the rules which qualifies an individual or individuals as an accredited investor* (Apr. 26, 2021), available at *https://www.sec.gov/files/rules/petitions/2021/petn4-773.pdf*. The Commission has considered these petitions in connection with this notice and the other notices published elsewhere in this issue of the **Federal Register**. *See infra* note 31.

[31] We are also concurrently providing notice pursuant to Note 1 to paragraph 501(a)(10) with respect to the potential designation of each of the following as qualifying natural persons for accredited investor status: the passage of an accredited investor exam to be developed by FINRA; holding a license as a U.S. certified public accountant in good standing; holding a charter as a Chartered Financial Analyst in good standing; and holding a certification as a Certified Financial Planner in the United States in good standing. *See Potential Designation of Passage of an Accredited Investor Exam to be Developed by FINRA as Qualifying Natural Persons for Accredited Investor Status; Potential Designation of U.S. Certified Public Accountant License as Qualifying Natural Persons for Accredited Investor Status; Potential Designation of Chartered Financial Analyst Designation as Qualifying Natural Persons for Accredited Investor Status; Potential Designation of Certified Financial Planner Certification as Qualifying Natural Persons for Accredited Investor Status* published elsewhere in this issue of the **Federal Register**.

[32] As is the case for the other prongs of the accredited investor definition, individuals holding a Series 79 or a Series 86 and 87 would only themselves qualify as accredited investors and could not rely on their status as accredited investors to purchase securities on behalf of another person.

[33] *See* Series 79 Licensing; FINRA, *Series 86 and 87—Research Analyst Exams* (''Series 86 and 87 Licensing''), available at *https://www.finra.org/registration-exams-ce/qualification-exams/series86-87* (last retrieved Sept. 24, 2026).

fulfill the requisite eligibility requirements and pass the Series 79 exam (the ''Series 79 Exam'').[34] The Series 79 Exam is designed to assess the knowledge and skills that FINRA has determined are necessary ''to perform the critical functions of an investment banking representative, including advising on or facilitating debt or equity securities offerings through a private placement or a public offering and mergers and acquisitions.'' [35]

In order to hold a Series 86 and 87 registration, an individual must fulfill the eligibility requirements and pass both the Series 86 exam (the ''Series 86 Exam'') and the Series 87 exam (the ''Series 87 Exam'').[36] The Series 86 and 87 Exams are designed to assess the knowledge and skills that FINRA has determined are necessary ''to perform the critical functions of a research analyst, including preparation of written or electronic communications that analyze equity securities and/or companies and industry sectors.'' [37] FINRA is responsible for developing and scoring each of the Series 79, Series 86, and Series 87 Exams.[38] Based on information provided by FINRA staff to Commission staff, as of August 2026, we estimate there are approximately 57,000 Series 79 holders and approximately 5,900 Series 86 and 87 holders.

2. Eligibility Requirements

Prior to applying for the Series 79 or the Series 86 and 87, a candidate must be associated with and sponsored by a FINRA member or other applicable self-regulatory organization member firm.[39] In addition to passing the Series 79 Exam or the Series 86 and 87 Exams, which is discussed in sections II.A.3.i and II.A.3.ii, passing the Securities Investment Essentials Exam (''SIE'') is a co-requisite to obtaining a Series 79 or Series 86 and 87.[40]

3. Exams

i. Series 79 Exam Contents

Over a two-hour and thirty-minute period, the Series 79 Exam tests investment banking related knowledge and skills through 80 (75 scored and 5 unscored) multiple-choice questions on the following topics:

- Collection, Analysis and Evaluation of Data (approximately 49 percent of the Series 79 Exam): covering, among other things, the financial analysis of companies and industries, including modeling financial performance and determining valuation; the collection of information relating to the financial performance, securities issuances, and transactions of both public and private companies through publicly available data and commercial databases; and performing the due diligence process on companies conducting private or public offerings of securities;
- Underwriting/New Financing Transactions, Types of Offerings and Registration of Securities (approximately 27 percent of the Series 79 Exam): covering, among other things, the structuring of, and rules governing, offerings of securities exempt from registration and the process for and rules governing registered offerings of securities; and
- Mergers and Acquisitions (M&As), Tender Offers and Financial Restructuring Transactions (approximately 24 percent of the Series 79 Exam): covering, among other things, the structuring and execution of both sell-side and buy-side M&A transactions; regulations governing tender offers; and the process for and rules governing financial restructuring, such as bankruptcy.[41]

ii. Series 86 and 87 Exams

Over a four-hour and thirty-minute period, the Series 86 Exam tests research related knowledge and skills through 95 (85 scored and 10 unscored) multiple-choice questions on the following topics:

- Information and Data Collection (approximately 21 percent of the Series 86 Exam): covering, among other things, gathering (1) macroeconomic data (including knowledge of economic indicators, market forces, fiscal and monetary policy, short- and long-term trends in the economy and domestic and international issues, and key economic drivers that impact the covered industry) and (2) information about the industry sector (including knowledge of current industry status, short- and long-term trends within the industry sector, product demand and profitability assessment, and relationships of companies in the industry sector and peripheral sectors);
- Data Verification and Analysis (approximately 33 percent of the Series 86 Exam): covering, among other things, analyzing the data obtained about companies, the industry sector, competition, and supply and demand in the industry sector, including conducting fundamental analyses; and
- Valuation and Forecasting (approximately 46 percent of the Series 86 Exam): covering, among other things, (1) making financial projections about a company using qualitative and quantitative data (including knowledge of forecasts of key financial statements and evaluation of assumptions and support of the theory based on the data that were analyzed), (2) determining a company's valuation (including knowledge of common metrics used to determine a company's valuation, such as price to earnings, price-to-book, price to free cash flow, debt to EBITDA, discounted cash flow, leverage ratio, and interest coverage ratio), and (3) forecasting the future valuation of a company (including knowledge of characteristics of markets, factors that could impact the perceived risk of an investment, technical analysis, large shareholder exposure, activist investors, and other valuation considerations).[42]

Over a one-hour and forty-five-minute period, the Series 87 Exam tests research related knowledge and skills through 55 (50 scored and 5 unscored) multiple-choice questions on the following topics:

[34] *See id.* From Nov. 2, 2009 to May 3, 2010, FINRA (as its predecessor the National Association of Securities Dealers (''NASD'')) permitted Series 7 or Series 7-equivalent registered representatives ''who function in the firm's investment banking business as described in NASD Rule 1032(i)'' to ''opt in to the Investment Banking Representative position without having to take the Series 79 Exam . . . . '' NASD, *Regulatory Notice 09–41* (July 2009) at 7. After May 3, 2010, candidates who wish to engage in the specified investment banking activities have been required to pass the Series 79 Exam or obtain a waiver, ''regardless of whether or not they have a Series 7 or Series 7-equivalent registration.'' *Id.* at 8. *See also* FINRA Rule 1210.03 (providing that ''FINRA may, in exceptional cases and where good cause is shown, waive the applicable qualification examination(s) and accept other standards as evidence of an applicant's qualifications for registration'').

[35] *See* Series 79 Licensing.

[36] *See* Series 86 and 87 Licensing. A candidate who passed both Level I and Level II of the Chartered Financial Analyst exam or passed both Level I and Level II of the Chartered Market Technician Certification exam is permitted to request an exemption from the Series 86 Exam. *See id.*

[37] *See* Series 86 and 87 Licensing.

[38] *See id.;* Series 79 Licensing.

[39] *See* Series 79 Licensing; Series 86 and 87 Licensing.

[40] *See* Series 79 Licensing; Series 86 and 87 Licensing. The SIE tests knowledge of ''basic securities industry information including concepts fundamental to working in the industry, such as types of products and their risks; the structure of the securities industry markets, regulatory agencies and their functions; and prohibited practices.'' *See* FINRA, *Securities Industry Essentials (SIE) Exam* (''SIE Exam Overview''), available at *https://www.finra.org/registration-exams-ce/qualification-exams/securities-industry-essentials-exam* (last retrieved Sept. 24, 2026). *See also supra* note 36 (discussing exemptions from the Series 86 Exam).

[41] *See* FINRA, *Investment Banking Representative Qualification Exam (Series 79) Content Outline,* available at *https://www.finra.org/sites/default/files/2025-10/Series_79_Content_Outline.pdf* (last retrieved Sept. 24, 2026).

[42] *See* FINRA, *Research Analyst Qualification Examinations (Series 86 and 87) Content Outline,* available at *https://www.finra.org/sites/default/files/2023-03/Series_86_87_Content_Outline_Revised.pdf* (last retrieved Sept. 24, 2026).

• Preparation of Research Reports (approximately 72 percent of the Series 87 Exam): covering, among other things, (1) adhering to regulatory requirements in preparing research reports (including knowledge of disclosure requirements, necessary approvals, regulatory and compliance requirements, and conflicts of interest) and (2) preparing various research reports supported by evidence and analysis; and

• Dissemination and Marketing of Information (approximately 28 percent of the Series 87 Exam): covering, among other things, presenting and discussing research with the various individuals and/or groups and disseminating information via various means.[43]

iii. Exam Administration

To be eligible to take the Series 79 Exam or the Series 86 and 87 Exams, candidates must be associated with a FINRA member firm or other applicable self-regulatory organization member firm, which must submit an application on the candidate's behalf through FINRA's Central Registration Depository.[44] However, the exams are delivered by a third party.[45] The fees to take the exams are currently: $395 for the Series 79 Exam, $295 for the Series 86 Exam, and $195 for the Series 87 Exam.[46] The exams may be taken in-person at designated test centers.[47] After a candidate is enrolled to take an exam, FINRA provides a 120-day window in which the exams must be taken.[48] Most test centers are open at least five days a week (except for major holidays) and candidates are able to schedule a time based on appointment availability.

4. Continuing Education

In order to maintain a Series 79 or a Series 86 and 87, a person must complete continuing education, which consists of two elements: the ''Regulatory Element,'' which FINRA uses to provide training on significant rule changes and regulatory developments relevant to the Series 79 and Series 86 and 87 and must be completed annually;[49] and the ''Firm Element,'' which requires the firm with which the Series 79 or Series 86 and 87 holder is associated to design a program that ''enhances the securities knowledge, skills and professionalism [of the Series 79 or Series 86 and 87 holder].'' [50] The Firm Element requires ''broker-dealers to establish a formal training program to keep registered persons . . . up to date on topics related to professional responsibility and to the role, activities or responsibilities of the registered person.'' [51]

5. Public Verification

FINRA maintains the BrokerCheck website, which is a free tool for the public to research the background and experience of financial advisers and firms, including investment-related licensing information (including industry exams an individual has passed, such as the Series 79 and Series 86 and 87, and what registrations individuals currently hold).[52]

B. Rationale for Designation

1. Rule 501(a)(10) Generally and Rule 501(a)(10)(i)

We believe it would be appropriate to designate each of the Series 79 and Series 86 and 87 held in good standing as a professional certification qualifying individuals holding such licenses for accredited investor status pursuant to Rule 501(a)(10). The addition of each of the Series 79 and Series 86 and 87 as designated professional certifications would provide two additional knowledge-based means for individuals to qualify as accredited investors while appropriately balancing investor protection concerns.[53]

Rule 501(a)(10) requires that any professional certifications and designations and other credentials designated as qualifying such holder for accredited investor status be held in good standing.[54] As with the previously designated FINRA licenses,[55] we believe that the standards set by FINRA for a Series 79 holder and Series 86 and 87 holder to retain their license in an active status are an appropriate measure of good standing.[56] Accordingly, licensees that hold inactive, terminated, or suspended licenses would not be considered in good standing.

Rule 501(a)(10)(i) additionally requires that a designated certification, designation, or credential arise out of an examination or series of examinations administered by a self-regulatory organization or other industry body or be issued by an accredited educational institution. As described in section II.A.1, the Series 79 Exam, which is a prerequisite to holding a Series 79, and the Series 86 and 87 Exams, which are prerequisites to holding a Series 86 and 87, are designed and administered by FINRA, which is a self-regulatory organization.[57]

2. Rules 501(a)(10)(ii) and 501(a)(10)(iii)

Rule 501(a)(10)(ii) states that the Commission will consider whether ''[t]he examination or series of examinations is designed to reliably and validly demonstrate an individual's comprehension and sophistication in the areas of securities and investing.'' Rule 501(a)(10)(iii) states the Commission will consider whether

[43] *See id.*

[44] *See* FINRA, *Register a New Candidate,* available at *https://www.finra.org/registration-exams-ce/individuals/register-new-candidate* (last retrieved Sept. 24, 2026).

[45] *See* FINRA, *Schedule an Exam* (''Exam Scheduling Procedures''), available at *https://www.finra.org/registration-exams-ce/qualification-exams/schedule-exam* (last retrieved Sept. 24, 2026).

[46] *See* Series 79 Licensing; Series 86 and 87 Licensing. The fee to take the SIE Exam, a co-requisite to obtaining a Series 79 or Series 86 and 87, is currently $100. *See* SIE Exam Overview.

[47] *See* Series 79 Licensing; Series 86 and 87 Licensing; Exam Scheduling Procedures. As with FINRA's existing exams, the Series 79 Exam and the Series 86 and 87 Exams are designed to comply with the Americans with Disabilities Act [Pub. L. 101–336, 104 Stat. 328 (1990)], providing testing modifications and aids to individuals with disabilities and/or learning impairments that substantially limit a major life activity, such as learning, speaking, hearing and vision. FINRA also considers online testing accommodations for candidates who live more than 150 miles from a test center. *See* Exam Scheduling Procedures; FINRA, *Exam Candidates Requiring Testing Accommodations,* available at *https://www.finra.org/registration-exams-ce/qualification-exams/candidates-disabilities* (last retrieved Sept. 24, 2026).

[48] This 120-day window starts the day following successful enrollment, and if the candidate does not take an exam within that window, then the candidate would forfeit payment of exam fees and would need to reschedule and pay the exam fee. There are also fees for exam appointments rescheduled or cancelled within ten business days of the relevant exam. *See* Exam Scheduling Procedures; FINRA, *Reschedule or Cancel Your Appointment,* available at *https://www.finra.org/registration-exams-ce/qualification-exams/cancellation-policy* (last retrieved Sept. 24, 2026).

[49] *See* FINRA, *View a Regulatory Element Learning Plan,* available at *https://www.finra.org/registration-exams-ce/continuing-education/regulatory-element-topics* (last retrieved Sept. 24, 2026). *See also* FINRA Rule 1240.

[50] *See* Continuing Education Council, *Frequently Asked Questions,* available at *https://cecouncil.com/frequently-asked-questions/* (last retrieved Sept. 24, 2026).

[51] *See* FINRA, *Continuing Education,* available at *https://www.finra.org/registration-exams-ce/continuing-education* (last retrieved Sept. 24, 2026).

[52] *See* FINRA, BrokerCheck, available at *https://brokercheck.finra.org/.*

[53] As the Commission stated in connection with adoption of Rule 501(a)(10) ''[w]e believe that the amendments we are adopting in [the Accredited Investor Adopting Release] provide appropriate investor protections while facilitating capital formation.'' *See* Accredited Investor Adopting Release at 64256. *See also supra* note 20.

[54] *See supra* note 19.

[55] *See* Accredited Investor Adopting Release at 64242.

[56] *See supra* section II.A.4.

[57] *See Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change to Amend the By-Laws of NASD to Implement Governance and Related Changes to Accommodate the Consolidation of the Member Firm Regulatory Functions of NASD and NYSE Regulation, Inc.,* Release No. 34–56145 (July 26, 2007) [72 FR 42169 (Aug. 1, 2007)].

''[p]ersons obtaining [a] certification, designation, or credential [designated under Rule 501(a)(10)] can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment.''

We believe that the passage of either the Series 79 Exam, or the Series 86 and 87 Exams, would satisfy the objectives of Rule 501(a)(10)(ii). We further believe that the passage of the Series 79 Exam (combined with the satisfaction of the requirements to obtain a Series 79) and the passage of the Series 86 and 87 Exams (combined with the satisfaction of the requirements to obtain a Series 86 and 87) would each satisfy the objectives of Rule 501(a)(10)(iii). As described in more detail in section II.A.3.i, the Series 79 Exam is designed to evaluate a person's knowledge and skill in the area of advising on, or facilitating, debt or equity securities offerings through a private placement or a public offering. In particular, the Collection, Analysis and Evaluation of Data section of the Series 79 Exam tests knowledge and skills related to collecting, analyzing, and evaluating information related to public and private companies' financial performance and prior transactions, modeling financial performance, and determining the valuation of companies. In addition, the Underwriting/New Financing Transactions, Types of Offerings and Registration of Securities section of the Series 79 Exam tests knowledge and skills relating to the process and rules of offering securities that are registered or exempt from registration.

As described in more detail in section II.A.3.ii, the Series 86 and 87 Exams are designed to evaluate a person's knowledge and skill in the area of performing the critical functions of a research analyst, including preparation of written or electronic communications that analyze equity securities and/or companies and industry sectors. Specifically, the Information and Data Collection section of the Series 86 Exam tests knowledge relating to macroeconomic data and information about industry sectors and the Data Verification and Analysis section tests knowledge on analyzing data obtained about companies, industry sectors, competition, and supply and demand. In addition, the Valuation and Forecasting section of the Series 86 Exam tests knowledge related to making financial projections about a company using qualitative and quantitative data, determining a company's valuation, and forecasting the future valuation of a company. The Preparation of Research Reports section of the Series 87 Exam requires understanding of valuation of company stock, earnings analysis, business model analysis, financial position, and quality of management.

We believe that by obtaining a Series 79, which requires passage of the Series 79 Exam, or obtaining the Series 86 and 87, which requires passage of the Series 86 and 87 Exams, such persons will have demonstrated that they have the comprehension and sophistication to evaluate the merits and risks of investment opportunities, and ultimately, appropriately allocate capital based on their individual circumstances, and otherwise make appropriately informed decisions regarding their financial interests.[58]

Moreover, we believe that the continuing education requirements, which are intended to ensure that Series 79 holders and Series 86 and 87 holders are educated on significant rule changes and regulatory developments, further supports that holders of a Series 79 and holders of a Series 86 and 87 have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment.

3. Rule 501(a)(10)(iv)

Rule 501(a)(10)(iv) states the Commission will consider whether ''[a]n indication that an individual holds the certification or designation is either made publicly available by the relevant self-regulatory organization or other industry body or is otherwise independently verifiable.'' As described in section II.A.5, the public may use the BrokerCheck website to verify whether any person holds a Series 79 or Series 86 and 87.

C. Economic Considerations

As discussed above, we are considering whether to add each of the Series 79 and the Series 86 and 87 to the list of designated professional certifications, designations, or credentials that would qualify natural persons for accredited investor status under Rule 501(a)(10). Thus, individuals who hold such a license would qualify as accredited investors and would be able to participate in investment opportunities that may not otherwise have been available to them, unless they were already accredited investors based on another criterion. This change could also impact issuers seeking to raise capital.[59] As with the FINRA licenses already designated under Rule 501(a)(10) (Series 7, Series 65, and Series 82), the designation of holders of either the Series 79 or Series 86 and 87 as accredited investors would have economic effects on investors and issuers that would be consistent with those the Commission discussed in creating the Rule 501(a)(10) designation process in the Accredited Investor Adopting Release.[60]

It is difficult to quantify how many additional natural persons would qualify as accredited investors because we cannot gauge how many of the holders of these FINRA licenses[61] already qualify as accredited investors based on one or more of the other eligibility criteria in Rule 501(a), such as those for net worth, income, and other qualifying professional certifications, designations, or credentials.[62] Further, it is unclear to what extent any newly eligible accredited investors will choose to participate in exempt offerings.

Issuers are expected to benefit from the expansion of the accredited investor definition under Rule 501(a)(10) through potentially greater capital formation, lower cost of capital, and greater efficiency in raising capital due to an expanded pool of accredited investors (especially for issuers that are small or do not have access to a network of institutional accredited investors or persons with the required net worth or income to qualify as accredited investors).[63] This change may also benefit issuers in exempt offerings by making it easier and less costly to find

[58] *See* Accredited Investor Adopting Release at 64241.

[59] To the extent that the accredited investor definition is used outside of the Federal securities laws (such as for non-Federal securities laws that incorporate the accredited investor definition), the designation of additional credentials might have indirect economic effects.

[60] *See* Accredited Investor Adopting Release at section VI.

[61] As discussed in section II.A.1, based on information provided by FINRA staff to Commission staff, as of August 2026, we estimate there are approximately 57,000 Series 79 holders and approximately 5,900 Series 86 and 87 holders.

[62] For instance, some investors that would qualify based on the Series 79 and the Series 86 and 87 may already qualify as accredited investors based on income or net worth criteria in Rule 501. Such individuals also may hold other licenses or credentials that are already designated, or that we are potentially designating, under Rule 501(a)(10). *See supra* note 25 (certain holders of the Series 79 may also hold a Series 7 or Series 82). In either scenario, the license holder category of accredited investors may not contribute to a meaningful net expansion of the pool of accredited investors. For example, one source reports the average base salary (excluding incentive compensation) of a FINRA Series 79 holder as $127,000. *See Salary for Certification: Limited Representative—Investment Banking (FINRA Series 79),* Payscale, *https://www.payscale.com/research/US/Certification=Limited_Representative_-_Investment_Banking_(FINRA_Series_79)/Salary* (last retrieved Sept. 24, 2026).

[63] *See* Accredited Investor Adopting Release at 64264–65.

and verify accredited investors (*i.e.,* by reducing search costs).[64] As discussed in section II.A.5, whether someone holds the Series 79 or Series 86 and 87 could be easily independently verified, which would directly reduce issuers' costs of confirming accredited investor eligibility, relative to verifying income or net worth.[65] This is expected to benefit issuers and intermediaries in exempt offerings where only accredited investors may be purchasers (such as Rule 506(c)) or where some provisions, such as limits on the number of purchasers or investment limits, are dependent on accredited investor status (*e.g.,* Rule 506(b), Regulation A, and Regulation Crowdfunding). However, to the extent that issuers would have otherwise pursued additional financing from accredited investors meeting the existing definition or engaged in an offering that is not dependent on accredited investor participation (such as a registered securities offering), the amount of additional capital formation may be limited. Still, issuers may benefit from greater flexibility in how they may raise capital, which could result in some cost savings and a lower cost of capital. For instance, issuers undertaking a Rule 506(b) offering may incur lower costs if all of their purchasers are accredited investors as compared to if not all of their purchasers are accredited investors, as the rule would not require them to furnish the financial and other information prescribed by Rule 502(b) for offerings involving non-accredited investors.[66] For issuers in Rule 506(c) offerings, verification of accredited investor status based on a credential that is easier to confirm may be less costly than verification of other prongs of the accredited investor definition (such as financial eligibility), reducing their transaction costs.[67] For issuers that undertake a Tier 2 Regulation A or Regulation Crowdfunding offering, both of which are subject to investment limits for non-accredited investors, having more accredited investors in the offering enables higher investment amounts per investor, which may decrease all-in offering costs.[68] Issuers choosing among different exempt offering alternatives may choose a Regulation D offering if they have enough prospective investors that meet the accredited investor definition, instead of pursuing a Regulation A or Regulation Crowdfunding offering, potentially lowering their compliance, intermediary, and marketing costs-per-dollar raised. Some issuers choosing between an exempt and a registered offering may choose an exempt offering if they have enough prospective investors that meet the accredited investor definition, instead of pursuing a registered offering.

For investors, the designation of these licenses as a means of becoming an accredited investor could enable more natural persons who would not otherwise meet one of the eligibility criteria in Rule 501(a), such as the income and net worth criteria, to access a broader range of investment options, potentially enhancing their ability to diversify and optimize portfolio allocations.[69]

However, these investment options generally come without the additional disclosure provided by registration under the Securities Act and could entail greater costs related to illiquidity,[70] agency costs (*i.e.,* costs arising from conflicts of interest between investors and managers), adverse selection, and business risk, as compared to investments in the public capital markets. Individual investors' comprehension and sophistication in the areas of securities and investing, and knowledge and experience in financial and business matters, as reflected in having a professional certification or designation or credential under Rule 501(a)(10), increases the likelihood that such individual investors would be capable of evaluating the merits and risks of a prospective investment in an exempt offering and managing such risks. For example, such individuals may be more likely to consider the size of any single investment relative to their overall portfolio and diversify their portfolio.[71] It is unclear whether additional investment opportunities would improve portfolio efficiency for newly eligible accredited investors.

While individuals incur costs to prepare for and take the Series 79 Exam or Series 86 and 87 Exams, and obtain and maintain an active FINRA license in good standing, we do not expect there to be incremental costs of these licenses being designated as an accredited investor credential under Rule 501(a)(10), since we expect individuals to continue to pursue and maintain these licenses chiefly for professional purposes, rather than to qualify as accredited investors.[72]

The described effects, including both the benefits and the costs to issuers and investors, may be modest in magnitude, as discussed in detail in the Accredited Investor Adopting Release. First, it is possible that a number of the individuals who would qualify as accredited investors under the potential designation may already qualify as accredited investors based on one or more of the criteria in Rule 501(a).[73] Second, because any newly eligible individuals may have income and net worth below the currently required thresholds for individual accredited investors, the increase in the capital supply from an individual newly eligible accredited investor would likely be low, and the collective impact would depend on the size of any increase in the number of individual accredited investors.[74] Third, the effects may be more modest to the extent that some of the newly eligible natural persons may end up not participating in exempt

[64] *See* Accredited Investor Adopting Release at 64264.

[65] *See supra* note 52 and accompanying text. Thus, even if some license holders already meet other accredited investor eligibility criteria, the overall costs of verification of accredited investor status may decrease with the designation of these licenses under Rule 501(a)(10).

[66] *See* 17 CFR 230.502(b).

[67] *See* 17 CFR 230.506(c)(1) through 230.506(c)(2).

[68] *See* 17 CFR 230.251(d)(2)(i)(C); 17 CFR 227.100(a)(2).

[69] As noted above, the extent of overlap between the holders of Series 79 and Series 86 and 87 FINRA licenses and the investors that meet the existing accredited investor criteria is unclear. License holders who are earlier in their careers, employed at smaller firms, or located in lower cost-of-living geographic areas, and thus may on average have lower incomes, may be most affected by the potential designation. Some investors that already meet income or net worth criteria may find it is easier or less costly to demonstrate their accredited investor status under Rule 501(a)(10).

[70] While securities sold in an exempt offering are generally illiquid, the introduction of a larger pool of investors that become eligible as accredited investors through the exams could potentially (at the margin) create impetus for additional secondary market liquidity in these securities. In addition, the expansion of the accredited investor pool also would potentially increase the feasibility of resales under section 4(a)(7) of the Securities Act [15 U.S.C. 77d(a)(7)]. However, if some newly eligible investors have fewer financial resources (see *infra* note 71), they may be less willing to hold restricted securities over long holding periods, and especially, seek to unload positions during downturns.

[71] As stated in the Accredited Investor Adopting Release, while certain of these individuals may have fewer financial resources and, as a result, be less able to bear the financial risk of private investments, we believe their professional credentials and experience should enable these investors to assess investment opportunities, appropriately allocate capital based on their individual circumstances, including whether to reallocate investment capital between private investments and other equivalent-sized investments, and otherwise make appropriately informed decisions regarding their financial interests, including their ability to bear the financial risk. *See* Accredited Investor Adopting Release at 64241.

[72] A candidate must be associated with and sponsored by a FINRA member or other applicable self-regulatory member firm, prior to applying for the Series 79 or the Series 86 and 87. *See supra* section II.A.2.

[73] *See* Accredited Investor Adopting Release at 64262.

[74] *Id.*

offerings.[75] Fourth, it is possible that issuers may choose to offer securities to institutional accredited investors, or apply investment minimums (perhaps in an effort to simplify their capitalization table), such that any individual accredited investors participating in exempt offerings are more likely to be those who meet the net worth or income criteria in Rule 501(a). Fifth, any specific effects of this potential change to the accredited investor pool would be partly diluted to the extent that other Commission actions designating other credentials result in expanding the pool of natural persons qualifying as accredited investors based on multiple criteria.

III. Notice

For the reasons set forth herein, we believe that a holder of a Series 79 or Series 86 and 87 would meet the requirements set forth in Rule 501(a)(10). Accordingly, we believe it is appropriate to designate holding the Series 79 and holding the Series 86 and 87 as qualifying natural persons for accredited investor status pursuant to Rule 501(a)(10). We are issuing this notice and providing an opportunity for public comment on such potential designations. We are particularly interested in comments on whether we should designate holding a Series 79 or holding a Series 86 and 87 as qualifying natural persons for accredited investor status pursuant to Rule 501(a)(10), as discussed in this notice, and whether such designation could raise investor protection concerns unique to persons who would be qualified under such designation.

By the Commission.

Dated: September 30, 2026.

Vanessa A. Countryman,

Secretary.

[FR Doc. 2026–20307 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

[75] *See, e.g.,* Katherine Carman et al., *Exploring Accredited Investors and Private Market Securities Ownership* 18 tbl. 6 (OIAD, Working Paper No. 1, June 2025), available at *https://www.sec.gov/files/exploring-accredited-investors-june-2025.pdf* (reporting, based on a recent investor survey, that, 14.4% of accredited investors and 4.7% of non-accredited investors, respectively, indicate interest in investing in new or private companies, and that 4.3% of accredited investors and 1.1% of non-accredited investors, respectively, report owning a ''private fund or offering''). *See also* Katherine Carman & Alycia Chin, *Accredited Investors in the U.S. Population,* 9 **Fin. Plan. Rev.** e70023 (2026).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106554; File No. SR–PEARL–2026–41]

Self-Regulatory Organizations: MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Risk Controls for Equity Members in Connection With the Upcoming Expansion by Other National Securities Exchanges and the Appliable Securities Information Processors of Their Hours to 23 Hours per Day, 5 Days per Week

September 30, 2026.

Pursuant to the provisions of 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 September 25, 2026, MIAX PEARL, LLC (''MIAX Pearl'' or the ''Exchange''),[3] filed with the Securities and Exchange Commission (''Commission'') a 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 amend its existing risk controls for Equity Members[4] trading on the Exchange in connection with the upcoming expansion by other national securities exchanges and the appliable Securities Information Processors (''SIPs'') of their hours to 23 hours per day, 5 days per week.[5]

The text of the proposed rule change is available on the Exchange's website at *https://www.miaxglobal.com/markets/us-equities/pearl-equities/rule-filings,* and at MIAX Pearl's principal office.

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

[2] 17 CFR 240.19b–4.

[3] All references to ''MIAX Pearl'' in this filing are to MIAX Pearl Equities, the equities trading facility of MIAX PEARL, LLC. *See* Exchange Rule 1901.

[4] The term ''Equity Member'' is a Member authorized by the Exchange to transact business on MIAX Pearl Equities. *See* Exchange Rule 1901.

[5] *See* Securities Exchange Act Release Nos. 105779 (June 26, 2026), 91 FR 40082 (July 1, 2026) (Order approving SR–CTA/CQ–2026–01); 105780 (June 26, 2026), 91 FR 40058 (July 1, 2026) (Order approving Fifty-Fifth Amendment to the Nasdaq UTP Plan); 105587 (May 29, 2026); 91 FR 33238 (June 3, 2026) (SR–CboeEDGX–2026–19); 105532 (May 21, 2026); 91 FR 31509 (May 27, 2026) (SR–NYSEArca–2026–53); 890235 (November 27, 2024); 89 FR 97072 (''24X Approval Order''); 105199 (April 10, 2026); 91 FR 20222 (April 15, 2026) (SR–Nasdaq–2025–109).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, MIAX Pearl 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. MIAX Pearl 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

To help Equity Members manage their risk, the Exchange currently offers Limit Order Price Protection and other risk controls that authorize the Exchange to take automated action if a designated limit for an Equity Member is breached. Such risk controls provide Equity Members with enhanced abilities to manage their risk when trading on the Exchange. The Exchange now proposes to amend Limit Order Price Protection under Exchange Rule 2614(a)(1)(ix) and Trading Collars under Exchange Rule 2618(b)(1) to specify which reference prices would be used in connection with the upcoming expansion by other national securities exchanges and the appliable SIPs of their hours to 23 hours per day, 5 days per week. The proposal would allow the Exchange to maintain its status quo under 23/5 trading and continue to use the same last trade price as a reference price similar to today by limiting the times at which the last trade is received outside of Regular Trading Hours[6] to the times between 4:00 a.m. and 9:30 a.m. Eastern Time and 4:00 p.m. and 8:00 p.m. Eastern Time, as described below.

Limit Order Price Protection

Limit Order Price Protection is set forth under Exchange Rule 2614(a)(1)(ix) and provides for the cancellation of Limit Orders[7] priced too far away from a specified reference price at the time the order first becomes eligible to trade. A Limit Order entered

[6] Further, a Limit Order in a security that is subject to a trading halt becomes first eligible to trade when the halt is lifted and continuous trading has resumed. *See* Exchange Rule 2614(a)(1)(ix)(C).

[7] A Limit Order means an order to buy or sell a stated amount of a security at a specified price or better. *See* Exchange Rule 2614(a)(1).

before Regular Trading Hours [8] that becomes eligible to trade during Regular Trading Hours will be subject to Limit Order Price Protection at the time Regular Trading Hours begins.

Exchange Rule 2614(a)(1)(ix)(A) provides that a Limit Order to buy (sell) will be rejected if it is priced at or above (below) the greater of a specified dollar value and percentage away from the PBO for Limit Orders to buy, the PBB [9] for Limit Orders to sell. Exchange Rule 2614(a)(1)(ix)(A) further provides that if the PBBO is unavailable, a Limit Order to buy (sell) will be rejected if it is priced at or above (below) the greater of a specified dollar and percentage away from the most current of the following: 1. the consolidated last sale price disseminated during the Regular Trading Hours on trade date; or 2. the last trade price for the security on trade date that occurred outside of Regular Trading Hours (Form T, as communicated by the relevant SIP) on trade date which other than for the Form T designation would have been considered a valid last sale price; or 3. the prior day's Official Closing Price identified as such by the primary listing exchange, adjusted to account for events such as corporate actions and news events.

The Exchange operates three separate trading sessions between 4:00 a.m. Eastern Time and 8:00 p.m. Eastern Time. These are the Early Trading Session, which operates from 4:00 a.m. to 9:30 a.m. Eastern Time, the ''Regular Trading Session'' that operates from the completion of the Opening Process or Contingent Open as defined in Exchange Rule 2615 to 4:00 p.m. Eastern Time, and finally the ''Late Trading Session'' that operates from 4:00 p.m. to 8:00 p.m. Eastern Time.[10] Currently, Exchange Rule 2614(a)(1)(ix)(A)2 provides that the reference price may be the last trade price for the security on trade date that occurred outside of Regular Trading Hours (Form T, as communicated by the relevant SIP) on trade date which other than for the Form T designation would have been considered a valid last sale price. This reference price will be used when it is more current than the PBBO and the consolidated last sale price disseminated during the Regular Trading Hours on trade date. As currently written, the Exchange could use a last trade price disseminated at any time outside of Regular Trading Hours, which would include not only the Exchange's Early and Late Trading Sessions, but also the upcoming overnight trading session, which will operate from 9:00 p.m. to 4:00 a.m. Eastern Time.

Today, due to the trading hours of the Exchange and other national securities exchanges being limited to 4:00 a.m. and 8:00 p.m. Eastern Time, the Exchange would use a last trade price received outside of Regular Trading Hours received during its Early or Late Trading Sessions only. At this time, the Exchange intends to keep this status quo and only use last trade prices disseminated when the Exchange is operating a trading session and not a last trade price disseminated during the overnight trading session, which is anticipated to be from 9:00 p.m. to 4:00 a.m. Eastern Time as a reference price. The Exchange believes the upcoming overnight trading session has the potential to involve material trading risks, including the possibility of lower liquidity, high volatility, changing prices, unlinked markets, an exaggerated effect from news announcements, wider spreads and other relevant risks. The Exchange is concerned that using a last trade price disseminated during the overnight trading session could lead to using a reference price unrelated to the securities' current market, and cause Limit Orders to be improperly canceled or left available for execution. The Exchange, therefore, proposes to amend Exchange Rule 2614(a)(1)(ix)(A)2 to provide that, when most current, the Exchange would use the last trade price for a security on trade date received outside of Regular Trading Hours but during the Exchange's Early or Late Trading Session (Form T, as communicated by the relevant SIP) on trade date which other than for the Form T designation would have been considered a valid last sale price for purposes of Limit Order Price Protection.

Trading Collar

In addition to the Limit Order Price Protection above, the Exchange also prevents all incoming orders, including those marked Intermarket Sweep Orders (''ISO''), from executing at a price outside the Trading Collar price range as described in Exchange Rule 2618(b). The Trading Collar prevents buy orders from trading or routing at prices above the collar and prevents sell orders from trading or routing at prices below the collar.

The Exchange's default behavior is to calculate the Trading Collar price range for a security by applying the numerical guidelines for Clearly Erroneous Executions under Exchange Rule 2621 or a specified dollar value established by the Exchange or adjusted by the Equity Member.[11] The resultant Trading Collar price range is then either added to the Trading Collar Reference Price to determine the Trading Collar Price for buy orders or subtracted from the Trading Collar Reference Price to determine the Trading Collar Price for sell orders. Exchange Rule 2618(b)(1) provides that the Trading Collar Reference Price is equal to the most current of the following: (A) consolidated last sale price disseminated during the Regular Trading Hours on trade date; (B) the last trade price for the security on trade date that occurred outside of Regular Trading Hours (Form T, as communicated by the relevant SIP) on trade date which other than for the Form T designation would have been considered a valid last sale price; or (C) the prior day's Official Closing Price identified as such by the primary listing exchange, adjusted to account for events such as corporate actions and news events. If none of the above are available to use as the Trading Collar Reference Price, the Exchange suspends the Trading Collar function in the interest of maintaining a fair and orderly market in the impacted security pursuant to Exchange Rule 2618(b)(1)(iii).

Similarly to the Exchange's proposal above for Limit Order Price Protection, the Exchange proposes to amend Exchange Rule 2618(b)(1)(ii) regarding the reference price that would be used due to the upcoming expansion by other national securities exchanges and the appliable SIPs of their hours to 23 hours per day, 5 days per week. Currently, Exchange Rule 2618(b)(1)(ii)(B) provides that the reference price may be the last trade price for the security on trade date that occurred outside of Regular Trading Hours (Form T, as communicated by the relevant SIP) on trade date which other than for the Form T designation would have been considered a valid last sale price. This reference price will be used when it is more current than the consolidated last sale or prior day's

[8] The term ''Regular Trading Hours'' means the time between 9:30 a.m. and 4:00 p.m. Eastern Time. *See* Exchange Rule 1901.

[9] ''PBB'' shall mean the national best bid that is a Protected Quotation, the term ''PBO'' shall mean the national best offer that is a Protected Quotation, and the term ''PBBO'' shall mean the national best bid and offer that is a Protected Quotation. ''Protected Quotation'' shall mean a quotation that is a Protected Bid or Protected Offer. *See* Exchange Rule 1901.

[10] *See* Exchange Rule 1901. The Exchange does not currently intend to expand its trading hours beyond 4:00 a.m. and 8:00 p.m. Eastern Time.

[11] Although the Exchange applies the numerical guidelines for Clearly Erroneous Executions, no order would be executed outside of the prescribed Price Bands pursuant to the Plan to Address Extraordinary Market Volatility, as described below. *See Exchange Rule 2622.*

Official Closing Price. As currently written, the Exchange would use a last trade price disseminated any time outside of Regular Trading Hours, which will include not only the Exchange's Early and Late Trading Sessions, but also the upcoming overnight trading session that will operate from 9:00 p.m. to 4:00 a.m. Eastern Time.

Like for Limit Order Price Protection, due to the trading hours of the Exchange and other national securities exchanges being currently limited to 4:00 a.m. and 8:00 p.m. Eastern Time, the Exchange would use a last trade price received outside of Regular Trading Hours received during its Early or Late Trading Sessions. For the same reasons as discussed for Limit Order Price Protection above, the Exchange intends to keep the status quo and only use the last trade prices disseminated when the Exchange is operating, which is from 4:00 a.m. to 8:00 p.m. Eastern Time, and not a last trade price disseminated during the overnight trading session, which is anticipated to be from 9:00 p.m. to 4:00 a.m. Eastern Time, as a reference price. The Exchange, therefore, proposes to amend Exchange Rule 2618(b)(1)(ii) to provide that, when most current, the Exchange would use the last trade price for the security on trade date received outside of Regular Trading Hours but during the Exchange's Early or Late Trading Sessions (Form T, as communicated by the relevant SIP) on trade date which other than for the Form T designation would have been considered a valid last sale price for purposes of the Trade Collar price range.

There are also certain situations where the Exchange would not cancel an order that would execute at a price outside of the Trading Collar price range. Exchange Rule 2618(b)(1)(i) provides that, upon entry, any portion of an order to buy (sell) that would execute at a price above (below) the Trading Collar price range is cancelled, unless: (A) the price listed under paragraph (ii)(C) (*i.e.,* the prior day's Official Closing Price) is to be applied and a regulatory halt has been declared by the primary listing market during that trading day; or (B) if no consolidated last sale price and no last trade price for the security on trade date that occurred outside of Regular Trading Hours (Form T, as communicated by the relevant SIP) on trade date which other than for the Form T designation would have been considered a valid last sale price has been disseminated following the conclusion of a regulatory halt declared by the primary listing market on that trading day. For the same reasons as discussed above, the Exchange proposes to amend Exchange Rule 2618(b)(1)(i)(B) to conform to Exchange Rule 2618(b)(1)(ii)(B).

* * * * *

The Exchange does not guarantee that the risk settings in this proposal are sufficiently comprehensive to meet all of an Equity Member's risk management needs. Pursuant to Rule 15c3–5 under the Act,[12] a broker-dealer with market access must perform appropriate due diligence to assure that controls are reasonably designed to be effective, and otherwise consistent with the rule.[13] Use of the Exchange's risk settings included in Exchange Rule 2618 will not automatically constitute compliance with Exchange or federal rules and responsibility for compliance with all Exchange and SEC rules remains with the Equity Member.

Implementation

The Exchange plans to implement the proposed rule changes on December 6, 2026, the date on which the SIPs will extend their hours to 23 hours, 5 days a week.

2. Statutory Basis

The Exchange believes the proposed rules changes are consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[14] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [15] 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 foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [16] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposal would allow the Exchange to maintain its status quo under 23/5 trading and continue to use the same last trade prices as a reference price as it does today for both Limit Order Price Protection and Trading Collars by limiting the times at which the last trade price is received outside Regular Trading Hours to the times between 4:00 a.m. and 9:30 a.m. Eastern Time and 4:00 p.m. and 8:00 p.m. Eastern Time. Rather than leave the rules in place as is, which could result in the use of a last trade price received during the overnight trading session, the Exchange determined to maintain the status quo, rather than risk the use of a reference price from the overnight trading session that may not be reasonably related to the securities' trading behavior at the time the risk protection is to be applied.

Overnight trading may be subject to different liquidity and participation considerations than the current pre- and post-market sessions that operated outside of Regular Trading Hours. As stated above, the Exchange believes that the upcoming overnight trading session has the potential liquidity, high volatility, changing to involve material trading risks, including the possibility of lower prices, unlinked markets, an exaggerated effect from news announcements, wider spreads and other relevant risks. The Exchange is concerned that using a last trade price disseminated during the overnight trading session could lead to using a reference price unrelated to the securities' current market, and cause Limit Orders to be improperly canceled or left available for execution. The decision to maintain the status quo under this proposal would promote a fair and orderly markets and thereby protect investors and the public interest. In addition, the operation of Limit Order Price Protection and Trading Collars would not change because, as proposed, the last trade price received outside of Regular Trading Hours but during the Exchange's Early or Late Trading Sessions would continue to be used as a reference price. However, the Exchange believes that it is appropriate to amend its rules to ensure that its rules maintain the status quo in light of 23/5 trading. Without this change, market participants may mistakenly believe that the Exchange would apply a reference price from the overnight trading session. The proposed rule change would therefore facilitate operational transparency while providing for a fair and orderly market.

[12] 17 CFR 240.15c3–5.

[13] *See* Division of Trading and Markets, Responses to Frequently Asked Questions Concerning Risk Management Controls for Brokers or Dealers with Market Access, *available at https://www.sec.gov/divisions/marketreg/faq-15c-5-risk-management-controls-bd.htm.*

[14] 15 U.S.C. 78f(b).

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

[16] *Id.*

Lastly, the Exchange believes the proposed amendments will remove impediments to and perfect the mechanism of a free and open market and a national market system because they will allow the Exchange to continue to provide reasonably designed functionality for Equity Members to manage their risk. The Exchange believes that the proposal is designed to protect investors and the public interest because it would allow the Exchange to apply reasonable reference prices and provide risk mitigation tools to aid Equity Members in minimizing their financial exposure and reduce the potential for disruptive, market-wide events.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rules changes will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Maintaining the status quo and using a last trade price received while the Exchange is open for trading as reference price as proposed herein may increase confidence in the proper functioning of the markets, reasonableness of the Exchange's risk controls, and contribute to additional competition among trading venues and broker-dealers. Rather than impede competition, the proposal is designed to facilitate reasonable risk management by Equity Members. The proposal would impose no burden on intra-market competition because the use of the proposed risk settings is optional and each risk setting is available to all Equity Members equally.

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

Pursuant to Section 19(b)(3)(A) of the Act[17] and Rule 19b–4(f)(6)[18] thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.[19]

At any time within 60 days of the filing of this 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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or 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 (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–PEARL–2026–41 on the subject line.

Paper Comments

- Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–PEARL–2026–41. 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 (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–PEARL–2026–41 and should be submitted on or before October 26, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–20302 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

[17] 15 U.S.C. 78s(b)(3)(A).

[18] 17 CFR 240.19b–4(f)(6).

[19] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

[20] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 33–11446; File No. 4–932]

Potential Designation of U.S. Certified Public Accountant License as Qualifying Natural Persons for Accredited Investor Status

AGENCY: Securities and Exchange Commission.

ACTION: Notice; request for comment.

SUMMARY: Notice is given that the Securities and Exchange Commission (the ''Commission'') is considering whether to issue an order designating holding a license as a U.S. certified public accountant (a ''CPA'') in good standing as qualifying natural persons for accredited investor status.

DATES: This release was published in the **Federal Register** on October 5, 2026. Comments should be received on or before December 4, 2026.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/comments/4-932/potential-designation-us-certified-public-accountant-license-qualifying-natural-persons-accredited*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number 4–932 on the subject line. To submit a comment to more than one file, please include each file number on the subject line.

Paper Comments

- Send paper comments to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number 4–932. To submit a comment to more than one file, please refer to each file number. 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 of submission. The Commission will post all submitted comments on its website (*https://www.sec.gov/rules-regulations/public-comments/4-932*). Do not include personally identifiable information in submissions; you should submit only information that you wish to make available publicly. The Commission may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

FOR FURTHER INFORMATION CONTACT: John Byrne, Office Chief, Kenisha D. Nicholson, Senior Special Counsel, or Max Corey, Special Counsel, Office of Small Business Policy, Division of Corporation Finance, at 202–551–3460, and Blaine Roundy, Senior Special Counsel, Office of the Chief Accountant, at (202) 551–5300, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION:

I. Background

A. Accredited Investor Definition

Regulation D [1] provides a widely-used set of exemptions from registration under 15 U.S.C. 77a *et seq.* (the ''Securities Act'') for the offer and sale of securities.[2] Among other things, Regulation D includes the regulatory definition of ''accredited investor'' in 17 CFR 230.501(a) (''Rule 501(a)'') followed by the three main operative provisions—17 CFR 230.504 (''Rule 504''),[3] 17 CFR 230.506(b) (''Rule 506(b)''),[4] and 17 CFR 230.506(c) (''Rule 506(c)'').[5] The Commission has stated that the ''accredited investor'' definition under Regulation D is intended to capture persons whose financial sophistication renders the protection of the Securities Act's registration process unnecessary.[6]

The definition of ''accredited investor'' is a cornerstone of Regulation D and also plays an important role in other Federal securities law contexts.[7] Qualifying for accredited investor status is significant because accredited investors may, under Commission rules, participate in investment opportunities that are generally not available to non-accredited investors, such as investments in private companies and offerings by private funds.

Accredited investors are natural persons and entities that come within, or that the issuer reasonably believes come within, any of the enumerated categories contained in Rule 501(a). Natural persons may qualify as accredited investors if they are:

- Any director, executive officer, or general partner of the issuer of the securities being offered or sold or of a general partner of that issuer, pursuant to 17 CFR 230.501(a)(4);
- Individuals who have a net worth exceeding $1,000,000 (excluding the value of the individual's primary residence and any indebtedness secured by such residence up to the estimated value of the residence), either alone or with their spouse or spousal equivalent, pursuant to 17 CFR 230.501(a)(5);
- Individuals who had an income in excess of $200,000 in each of the two most recent years, or joint income with the individual's spouse or spousal equivalent in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in the current year, pursuant to 17 CFR 230.501(a)(6);
- Individuals who are holders in good standing of one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status, pursuant to 17 CFR 230.501(a)(10) (''Rule 501(a)(10)'');
- Individuals who are ''knowledgeable employees,'' [8] under the Investment Company Act of 1940 (the ''Investment Company Act''),[9] of the private-fund issuer of the securities being offered or sold, pursuant to 17 CFR 230.501(a)(11); or
- Individuals who are ''family clients'' of a ''family office'' [10] under the Investment Advisers Act of 1940 (the ''Advisers Act'') [11] and whose prospective investment in the issuer is directed by such family office in accordance with 17 CFR 230.501(a)(12)(iii), pursuant to 17 CFR 230.501(a)(13) (''Rule 501(a)(13)'').

Various institutions may qualify as accredited investors based on their status alone or on a combination of their status and the amount of their total assets or investments. Institutions that qualify include:

- Banks, savings and loan associations; brokers or dealers registered pursuant to section 15 of the Securities Exchange Act of 1934; [12] certain investment advisers; insurance companies; investment companies registered under the Investment Company Act or business development companies as defined in section 2(a)(48) of the Investment Company Act; [13] and certain specialized investment companies; [14] plans established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its

[1] 17 CFR 230.500 through 230.508.

[2] Approximately $400 billion was raised in Regulation D offerings (excluding pooled funds) between July 1, 2024 and June 30, 2025. *See Staff Report from Office of the Advocate for Small Business Capital Formation* (''OASB'') Fiscal Year 2025 OASB Annual Report (Jan. 8, 2026) at 14, available at *https://www.sec.gov/files/2025-oasb-staff-report.pdf.*

[3] Rule 504 provides an exemption from registration under the Securities Act for the offer and sale of up to $10 million of securities in a 12-month period from an unlimited number of investors (without regard to whether those investors are accredited).

[4] Rule 506(b) is a safe harbor under section 4(a)(2) of the Securities Act that permits issuers to raise any amount from an unlimited number of accredited investors but limits the number of non-accredited investors to 35 in any 90-calendar-day period. The rule does not permit general solicitation and, where non-accredited investors purchase in the Rule 506(b) offering, the information requirements in 17 CFR 230.502(b) must be met. *See* 17 CFR 230.506(b)(1); 17 CFR 230.506(b)(2)(i); 17 CFR 230.502(b).

[5] Rule 506(c) provides an exemption from registration under the Securities Act, and permits issuers to raise any amount from an unlimited number of accredited investors. The exemption permits general solicitation, but issuers may not make any sales to non-accredited investors under Rule 506(c), and the issuer must take reasonable steps to verify that all purchasers are accredited. *See also* Jumpstart Our Business Startups Act of 2012, Public Law 112–106, sec. 201(a), 126 Stat. 306 (2012) (directing the Commission to revise its rules ''to provide that the prohibition against general solicitation or general advertising contained in section 230.502(c) of such title [17] shall not apply to offers and sales of securities made pursuant to section 230.506, provided that all purchasers of the securities are accredited investors . . . . Section 230.506 of title 17, Code of Federal Regulations, as revised pursuant to this section, shall continue to be treated as a regulation issued under section 4(2) of the Securities Act of 1933 (15 U.S.C. 77d(2))'').

[6] *See Accredited Investor Definition,* Release No. 33–10824 (Aug. 26, 2020) [85 FR 64234, n.7 and accompanying text (Oct. 9, 2020)] (''Accredited Investor Adopting Release''); *Regulation D Revisions; Exemption for Certain Employee Benefit Plans,* Release No. 33–6683 (Jan. 16, 1987) [52 FR 3015 (Jan. 30, 1987)]. *See also SEC* v. *Ralston Purina Co.,* 346 U.S. 119, 125 (1953) (taking the position that the availability of the section 4(a)(2) exemption ''should turn on whether the particular class of persons affected needs the protection of the [Securities] Act. An offering to those who are shown to be able to fend for themselves is a transaction 'not involving any public offering' '').

[7] For example, each of 17 CFR 230.251 through 230.263 (''Regulation A'') and 17 CFR 227.100 through 227.504 (''Regulation Crowdfunding'') contains limitations on the amount an investor may invest if such investor is not an accredited investor. *See* 17 CFR 230.251(d)(2)(i)(C) and 17 CFR 227.100(a)(2).

[8] 17 CFR 270.3c–5(a)(4).

[9] 15 U.S.C. 80a–1 *et seq.*

[10] 17 CFR 275.202(a)(11)(G)–1 (defining ''family office'').

[11] 15 U.S.C. 80b–1 *et seq.*

[12] 15 U.S.C. 78*o.*

[13] 15 U.S.C. 80a–2(a)(48).

[14] This includes small business investment companies licensed under section 301(c) or (d) of the Small Business Investment Act of 1958 [15 U.S.C. 661 *et seq.*], and any rural business investment company as defined in section 384A of the Consolidated Farm and Rural Development Act [7 U.S.C. 1921].

employees, if such plan has total assets in excess of $5 million; employee benefit plans (within the meaning of the Employee Retirement Income Security Act of 1974 [15]) if a bank, savings and loan association, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of $5 million, or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors, pursuant to 17 CFR 230.501(a)(1) (''Rule 501(a)(1)'');

- Any private business development company as defined in section 202(a)(22) of the Advisers Act,[16] pursuant to 17 CFR 230.501(a)(2) (''Rule 501(a)(2)'');
- Charitable organizations, corporations, business trusts, partnerships, or limited liability companies not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000, pursuant to 17 CFR 230.501(a)(3) (''Rule 501(a)(3)''); [17]
- Trusts with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in 17 CFR 230.506(b)(2)(ii), pursuant to 17 CFR 230.501(a)(7) (''Rule 501(a)(7)'');
- Entities in which all of the equity owners are accredited investors, pursuant to 17 CFR 230.501(a)(8) (''Rule 501(a)(8)'');
- Any entity, of a type not listed in Rules 501(a)(1), (2), (3), (7), or (8), not formed for the specific purpose of acquiring the securities offered, owning investments in excess of $5,000,000, pursuant to 17 CFR 230.501(a)(9);
- ''Family offices'' meeting certain requirements, pursuant to 17 CFR 230.501(a)(12) (''Rule 501(a)(12)''); [18] and
- Entities that are ''family clients'' of a ''family office'' that meets the requirements of Rule 501(a)(12), pursuant to Rule 501(a)(13).

B. Background on Rule 501(a)(10) and Overview of Potential Designation

Rule 501(a)(10) confers accredited investor status on any natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status.[19] In adopting Rule 501(a)(10), the Commission stated that certain ''professional credentials and experience should enable [investors that hold such credentials] to assess investment opportunities, appropriately allocate capital based on their individual circumstances, including whether to reallocate investment capital between private investments and other equivalent-sized investments, and otherwise make appropriately informed decisions regarding their financial interests, including their ability to bear the financial risk.'' [20]

Rule 501(a)(10) contains the following non-exclusive list of attributes that the Commission will consider in determining whether to designate a professional certification or designation or credential from an accredited educational institution as qualifying for accredited investor status:

- The certification, designation, or credential arises out of an examination or series of examinations administered by a self-regulatory organization or other industry body or is issued by an accredited educational institution, under 17 CFR 230.501(a)(10)(i) (''Rule 501(a)(10)(i)'');
- The examination or series of examinations is designed to reliably and validly demonstrate an individual's comprehension and sophistication in the areas of securities and investing, under 17 CFR 230.501(a)(10)(ii) (''Rule 501(a)(10)(ii)'');
- Persons obtaining such certification, designation, or credential can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment, under 17 CFR 230.501(a)(10)(iii) (''Rule 501(a)(10)(iii)''); and
- An indication that an individual holds the certification or designation is either made publicly available by the relevant self-regulatory organization or other industry body or is otherwise independently verifiable, under 17 CFR 230.501(a)(10)(iv) (''Rule 501(a)(10)(iv)''). [21]

In proposing Rule 501(a)(10), the Commission noted prior recommendations to designate CPA licenses as qualifying natural persons for accredited investor status, but did not include them in the proposed list of certifications or designations to be included in an initial Commission order accompanying the final rule, if adopted.[22] In response to the omission, some commenters to the Accredited Investor Proposing Release suggested including CPA licenses in the initial list of professional certifications, designations, and credentials.[23] One of these commenters stated that the CPA exam process is ''rigorous'' and requires ''extensive'' education.[24] Other commenters opposed including CPAs as accredited investors.[25] One of these commenters expressed concerns that the ''[CPA license] is not focused on investing,'' [26] and another commenter stated that the CPA license by itself ''[does not] reliably and validly demonstrate an individual's comprehension and sophistication in the areas of securities and investing.'' [27]

Consistent with the proposal, at the time of adoption of Rule 501(a)(10), the Commission issued an order designating

[15] 29 U.S.C. 1001 *et seq.*

[16] 15 U.S.C. 80b–2(a)(22).

[17] A charitable organization is as described in section 501(c)(3) of the Internal Revenue Code [26 U.S.C. 501(c)(3)].

[18] The family office must have assets under management in excess of $5,000,000; not been formed for the specific purpose of acquiring the securities offered; and its prospective investments directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment. *See* 17 CFR 230.501(a)(12)(i) through 230.501(a)(12)(iii).

[19] Rule 501(a)(10) does not expressly define what constitutes good standing. In connection with the adoption of Rule 501(a)(10), the Commission stated that in addition to passing the relevant exam, ''maintaining an active certification, designation, or license is sufficient to demonstrate the individual's financial sophistication to invest in exempt offerings . . . . [and] that an inactive certification, designation, or license, particularly when the certification or designation has been inactive for an extended period of time, could lessen the validity of the certification or designation as a measure of financial sophistication.'' Accredited Investor Adopting Release at 64242. *See infra* section II.B.1.

[20] *Id.* at 64241.

[21] Additionally, Note 1 to paragraph 501(a)(10) specifies that the Commission will designate professional certifications or designations or credentials as qualifying such holders as accredited investors by order, after notice and an opportunity for public comment.

[22] *See Amending the* ''*Accredited Investor*'' *Definition,* Release No. 33–10734 (Dec. 18, 2019) [85 FR 2574, 2579–2581 (Jan. 15, 2020)] (the ''Accredited Investor Proposing Release'').

[23] *See, e.g.,* letter from American Association of Private Lenders (May 27, 2020); letter from Seyed Arab (Dec. 18, 2019) (''S. Arab''); from Artivest Holdings, Inc. (Apr. 22, 2020); letter from David Burton (May 1, 2020) (''D. Burton''); letter from Carta, Inc. (Mar. 16, 2020); letters from CityVest (Jan. 6, 2020 and Jan. 7, 2020); letter from Geraci LLP (Mar. 9, 2020); letter from Matt Langford (Dec. 18, 2019). The comment letters to the Accredited Investor Proposing Release are available at *https://www.sec.gov/comments/s7-25-19/s72519.htm.*

[24] *See* letter from S. Arab.

[25] *See, e.g.,* letter from the Maryland State Bar Association (Mar. 16, 2020) (stating ''[w]e do not believe that even the most thorough understanding of accounting and auditing standards provides the individual who possesses such knowledge with any degree of financial sophistication in the sense of being able to make knowledgeable investment decisions''); letter from Consumer Federation of America (Mar. 9, 2020) (''Consumer Federation''); letter from the North American Securities Administrators Association (Mar. 16, 2020) (''NASAA''); letter from G. Philip Rutledge (Jan. 31, 2020).

[26] *See* letter from NASAA.

[27] *See* letter from Consumer Federation.

the General Securities Representative license (Series 7), Private Securities Offerings Representative license (Series 82), and Investment Adviser Representative license (Series 65) as qualifying a holder of such licenses in good standing for accredited investor status.[28] In the Accredited Investor Adopting Release, the Commission expressly noted that ''[a]lthough other professional certifications, designations, and credentials, such as other FINRA exams, a specific accredited investor exam, other educational credentials, or professional experience received broad commenter support, we are taking a measured approach to the expansion of the definition . . . . [and] we believe it is appropriate to consider these other credentials after first gaining experience with the revised rules.'' [29]

The Commission has now had over five years of experience with the initially designated professional licenses. There is no evidence that we are aware of to suggest that the expansion in 2020 of the accredited investor definition to include these types of financially sophisticated investors has created investor protection concerns. Since the adoption of Rule 501(a)(10) and the initial designations, the Commission has received recommendations to further expand the number of investors that qualify as accredited investors under Rule 501(a)(10).[30] The arguments in some of these recommendations echo the arguments contained in letters from commenters in connection with the adoption of Rule 501(a)(10), which stated that the definition limits access to private investments primarily to those who are wealthy,[31] have close ties to the issuer,[32] or have certain jobs in the financial industry.[33] The Commission has also received petitions for rulemaking requesting changes to the accredited investor definition.[34]

For the reasons set forth in section II, we believe that holding a CPA license in good standing would satisfy the standard in Rule 501(a)(10).[35] Accordingly, as required by Rule 501(a)(10), we are providing notice and an opportunity for public comment on potential designation of holding a CPA license in good standing as qualifying natural persons for accredited investor status.[36]

II. Discussion

A. CPA Licensure Requirements

1. Background

We believe designating holding a CPA license in good standing as qualifying natural persons for accredited investor status would be consistent with the standard in Rule 501(a)(10) because such status meets the non-exclusive attributes the Commission identified in Rule 501(a)(10) as relevant to its consideration of adding additional professional certifications or designations or credentials.

A CPA license is issued by one of 55 U.S. jurisdictions (each of the fifty states plus the District of Columbia, the Northern Mariana Islands, Guam, Puerto Rico, and the U.S. Virgin Islands).[37] In order to obtain a CPA license, an individual must meet the educational and experience requirements as well as pass the Uniform CPA Examination (the ''Exam'') and meet the licensure requirements specific to the jurisdiction in which she would like to be

[28] The exams for the General Securities Representative license (Series 7) and the Private Securities Offerings Representative license (Series 82) are developed and administered by the Financial Industry Regulatory Authority (''FINRA''), and the exam for the Investment Adviser Representative license (Series 65) was developed by NASAA and is administered by FINRA. *See Order Designating Certain Professional Licenses as Qualifying Natural Persons for Accredited Investor Status,* Release No. 33–10823 (Aug. 26, 2020) [85 FR 64234 (Oct. 9, 2020)].

[29] Accredited Investor Adopting Release at 64243.

[30] *See, e.g., Report on the 45th Annual Small Business Forum* (July 27, 2026) at 17, available at *https://www.sec.gov/files/2026-oasb-annual-forum-report.pdf* (recommending that the Commission ''expand the accredited investor definition to include additional measures of sophistication, including through an investor test and experience''); *Report on the 44th Annual Small Business Forum* (Sept. 22, 2025) at 18, available at *https://www.sec.gov/files/2025-oasb-annual-forum-report.pdf* (recommending that the Commission ''[e]xpand the accredited investor definition to include additional measures of sophistication''); SEC Small Business Capital Formation Advisory Committee Recommendation regarding the Accredited Investor Definition (May 1, 2024), available at *https://www.sec.gov/files/recs-accredited-investor-definition.pdf* (recommending in part that persons not meeting the definition be able to undertake an educational program, which would allow them to invest a percent of their assets); OASB, *Annual Report for Fiscal Year 2023* at 75, available at *https://www.sec.gov/files/2023-oasb-annual-report.pdf* (recommending expansion of the accredited investor definition to add qualitative professional criteria and alternative ways to demonstrate financial sophistication). *See also* SEC Investor Advisory Committee Recommendation regarding Retail Investor Access to Private Market Assets (Sept. 18, 2025), available at *https://www.sec.gov/files/iac-recommendation-private-market-assets-final-09182025.pdf* (not taking a position on whether the accredited investor definition should be expanded, but recommending that, if the definition were to be expanded, the Commission consider expanding the accredited investor definition to cover additional professional certifications or designations or credentials, including a CPA license).

[31] *See, e.g.,* letter from D. Burton (stating that ''people outside of the financial industry should have a means to prove that they have the knowledge and sophistication to qualify as [accredited investors] . . . . [o]therwise, the Commission will effectively creat[e] barriers where only affluent people or those it regulates in the financial industry have access to these investments.''); letter from Tron Black (Nov. 20, 2019, last updated Dec. 24, 2019).

[32] *See, e.g.,* letter from Bruce A. Wallick (Dec. 19, 2019) (stating that the ''[accredited investor definition] should include an opportunity for self-taught investors to demonstrate their financial sophistication and achieve accredited status.''); letter from D. Burton.

[33] *See, e.g.,* letter from Crowdwise, LLC (Mar. 1, 2020) (stating that it is crucial for the Commission to ''consider how self-taught, sophisticated investors who do *not* have any other financial credentials (nor the ability to get them) or finance industry experience can still have access to the same investment opportunities that are available to accredited investors today.''); letter from D. Burton (stating that expansion of the accredited investor definition ''will help investors that would typically otherwise be barred from investing in Regulation D offerings (most often younger investors or those that live outside of high-income metropolitan areas).'').

[34] *See* Benjamin Bartel, *Petition for Rulemaking to Amend the Accredited Investor Definition in Rule 501(a) of SEC Regulation D* (Sept. 25, 2025), available at *https://www.sec.gov/files/rules/petitions/2025/petn4-871.pdf;* Fabricio R. Murillo Garcia, *Petition for Modification of Definition of Accredited Investors* (Feb. 13, 2024), available at *https://www.sec.gov/files/rules/petitions/2024/petn4-823.pdf;* Nicholas Morgan, Investor Choice Advocates Network, *Rulemaking petition to reduce the diversity, equity, and inclusion (''DEI'') barriers for ''accredited investors'' by replacing the net worth and income requirements of Rule 501(a) under the Securities Act of 1933 with non-financial metrics* (Nov. 9, 2022), available at *https://www.sec.gov/files/rules/petitions/2022/petn4-796.pdf;* Benny R. Brown, *Request to change the rules which qualifies an individual or individuals as an accredited investor* (Apr. 26, 2021), available at *https://www.sec.gov/files/rules/petitions/2021/petn4-773.pdf.* The Commission has considered these petitions in connection with this notice and the other notices published elsewhere in this issue of the **Federal Register**. *See infra* note 35.

[35] We are also concurrently providing notice pursuant to Note 1 to paragraph 501(a)(10) with respect to the potential designation of each of the following as qualifying natural persons for accredited investor status: the passage of an accredited investor exam to be developed by FINRA; holding a charter as a Chartered Financial Analyst in good standing; holding a certification as a Certified Financial Planner in the United States in good standing; and the Investment Banking Representative license (Series 79) and the Research Analyst license (Series 86 and Series 87). *See Potential Designation of Passage of an Accredited Investor Exam to be Developed by FINRA as Qualifying Natural Persons for Accredited Investor Status; Potential Designation of Chartered Financial Analyst Designation as Qualifying Natural Persons for Accredited Investor Status; Potential Designation of Certified Financial Planner Certification as Qualifying Natural Persons for Accredited Investor Status; Potential Designations of the Investment Banking Representative License (Series 79) and the Research Analyst License (Series 86 and Series 87) as Qualifying Natural Persons for Accredited Investor Status* published elsewhere in this issue of the **Federal Register**.

[36] As is the case for the other prongs of the accredited investor definition, individuals holding CPA licenses in good standing would only themselves qualify as accredited investors and could not rely on their status as accredited investors to purchase securities on behalf of another person.

[37] *See* National Association of State Boards of Accountancy (''NASBA''), *CPA Exam Candidate Guide* (''Candidate Guide'') at 6, available at *https://nasba.org/wp-content/uploads/2026/09/CPA-Exam-Candidate-Guide-09212026.pdf* (last retrieved Sept. 24, 2026).

licensed.[38] The American Institute of Certified Public Accountants (the ''AICPA'') is responsible for developing and scoring the Exam. NASBA—a member organization composed of the accounting boards of each jurisdiction that issues a CPA license—serves as a central clearinghouse for information related to persons who take the Exam.[39]

As of August 27, 2026, NASBA estimates there are over 650,000 CPAs.[40] Additionally, the AICPA has found that participation by undergraduate and graduate students in accounting programs has increased recently, which could, over time, lead to an increase in the number of persons who hold a CPA license in good standing.[41]

2. Educational and Supervised Experience Requirements

Prior to applying for CPA licensure, a person must confirm with the jurisdiction where she intends to seek licensure that she meets the requirements of such jurisdiction.[42] Jurisdictions typically have an educational component, such as an accounting degree, and a supervised experience component, such as having been employed in the accounting industry, that the applicant must meet before being eligible to sit for the Exam. Generally, each jurisdiction requires at least one of the following pathways:

- a baccalaureate degree with an accounting concentration,[43] 30 additional educational credit hours, and one year of supervised experience;
- a post-baccalaureate degree with an accounting concentration, and one year of supervised experience; or
- a baccalaureate degree with an accounting concentration, and two years of supervised experience.

The first two pathways are currently available in each jurisdiction, and the third pathway is being implemented in a number of jurisdictions.[44] The specific educational and supervised experience requirements for the issuance of a CPA license are set by each individual jurisdiction.

CPA candidates must also comply with any other requirements specific to the jurisdiction in which they will be licensed.[45] While education and supervised experience requirements have changed over time in certain jurisdictions (for example, in the past, certain licensees were not required to complete the same amount of educational and supervised experience currently required), such persons would have been subject to ongoing education requirements in order to maintain an active CPA license, which are discussed in section II.A.4.

3. Exam

i. Contents

The Exam is designed to assess the knowledge and skills that the AICPA has determined that all CPAs need in their role to protect the public interest.[46] The Exam tests accounting related knowledge and skills through:

- Three four-hour sections that cover: Auditing and Attestation (the ''AUD'');[47] Financial Accounting and

[38] The education requirements to sit for the Exam are different for every state. For example, some states require 150 total semester hours to qualify; while some may require less. *See* NASBA, *How to Get Licensed* (''NASBA Licensing''), available at *https://nasba.org/licensure/gettingacpalicense/howtogetlicensed/* (last retrieved Sept. 24, 2026). *See also infra* note 42.

[39] *See* Candidate Guide at 7.

[40] Two jurisdictions—Hawaii and New Mexico—are not included in this estimate. *See* NASBA, *How Many CPAs Are There,* available at *https://nasba.org/licensure/howmanycpas* (estimating the number of actively licensed CPAs based on the aggregate of data from the Accountancy Licensee Database) (last retrieved Sept. 24, 2026).

[41] Postsecondary enrollment consists of enrollments at 4-year colleges and universities, community colleges, hybrid institutions that primarily offer associate's degrees, and graduate schools. *See* AICPA, *U.S. Accounting Undergraduate Enrollment Rises for Third Straight Year* (Jan. 20, 2026) available at *https://www.aicpa-cima.com/news/article/u-s-accounting-undergraduate-enrollment-rises-for-third-straight-year* (last retrieved Sept. 24, 2026).

[42] *See* NASBA Licensing. NASBA and the AICPA have mutual recognition agreements with the following professional organizations outside of the U.S.: CPA Australia, Chartered Accountants Australia and New Zealand, CPA Canada, Chartered Accountants Ireland, CPA Ireland, Instituto Mexicano de Contadores Publicos, and South African Institute of Chartered Accountants. These agreements set the qualification requirements for International Qualification Exam (''IQEX''), which is an exam designed to facilitate the CPA qualification process for accounting professionals from those jurisdictions. The IQEX specifically uses a section of the Exam that tests knowledge related to ethics, professional and legal responsibilities, business law, and taxation in U.S. accounting practice; however, passage does not grant individuals who pass the IQEX a CPA license. Accordingly, passing the IQEX alone would not qualify a person as an accredited investor. *See* NASBA, *International Qualification Examination (IQEX),* available at *https://nasba.org/exams/iqex/* (last retrieved Sept. 24, 2026). *See also* NASBA, IQEX Candidate Guide (''IQEX Candidate Guide'') at 2 (stating that ''[t]he IQEX currently uses an administration of the Uniform CPA Examination's Regulation (REG) section''), available at *https://nasba.org/wp-content/uploads/2026/09/IQEX-Guide_New-Design-09212026.pdf* (last retrieved Sept. 24, 2026). However, NASBA recognizes the requirements of the jurisdictions that are party to these mutual recognition agreements as substantially equivalent to the education, examination, and experience requirements of CPAs through the passage of the Exam and satisfaction of the requirements of their jurisdiction of licensure. Therefore, if an individual that passes the IQEX becomes licensed as a CPA and holds such license in good standing, such persons would qualify as an accredited investor. *See* NASBA, *Candidates & Professionals,* available at *https://nasba.org/international/candidates-professionals/* (last retrieved Sept. 24, 2026); IQEX Candidate Guide at 5.

[43] A concentration typically means getting a specific number of credits in accounting and related business subjects. The specific credit hour requirements vary by state, but they are often between 24–30 hours of accounting and 24 hours of business subjects. *See* AICPA and CIMA, *Education Pathways: Frequently Asked Questions,* available at *https://www.thiswaytocpa.com/education/articles/choosing-well/faq-new-pathway-become-cpa/* (last retrieved Sept. 24, 2026).

[44] The third pathway was created in 2025 through NASBA and AICPA's adoption of new model rules governing the licensure of CPAs. *See* NASBA, *AICPA and NASBA Approve Model Legislation for New CPA Licensure Path* (May 14, 2025) available at *https://nasba.org/wp-content/uploads/2025/05/AICPA-and-NASBA-Approve-Model-Legislation-for-New-CPA-Licensure-Path_Final-14May25.pdf* (last retrieved Sept. 24, 2026). As of July 21, 2026, NASBA reports that a majority of jurisdictions have adopted additional licensure pathways with effectiveness dates ranging from 2025 through 2027. *See* NASBA, *New Licensures Pathways Legislation,* available at *https://nasba.org/pathways/,* under ''Click Here.'' (last retrieved Sept. 24, 2026).

[45] For example, certain jurisdictions require a stand-alone ethics exam prior to licensure, which may be the AICPA's ethics exam or a jurisdiction-specific ethics exam. Most jurisdictions require proof of residency or U.S. citizenship to take the Exam, but some do not require either. Two jurisdictions require that the person be 21 years of age to take the Exam and receive a CPA license. *See* Becker, *CPA Exam Requirements,* available at *https://www.becker.com/cpa-review/requirements* (last retrieved Sept. 24, 2026). California, for example, requires a criminal background check prior to licensure, while Wyoming requires self-reporting of certain events, such as a conviction from a felony or other crime where an element of the crime was dishonesty or fraud. *See also* California Board of Accountancy, *Initial Licensing FAQs,* available at *https://www.dca.ca.gov/cba/applicants/initial-license-faqs.shtml* (last retrieved Sept. 24, 2026); Wyoming Board of Certified Public Accountants, *Original Certificate Application,* available at *https://cpaboard.wyo.gov/individuals/certificate-application-information/original-certificate* (last retrieved Sept. 24, 2026).

[46] AICPA, *Uniform CPA Examination® Blueprints* (Aug. 18, 2025) (''Blueprints 2026'') at 2, available at *https://www.aicpa-cima.com/resources/article/learn-what-is-tested-on-the-cpa-exam* (last retrieved Sept. 24, 2026). NASBA and the AICPA collaborated on a significant overhaul of the Exam that went into effect in 2024 that involved the replacement of the Business Environment and Concepts section with subject matter expertise specific sections and a greater emphasis on technology. *See* AICPA, *Trust in the CPA Exam* (Feb. 13, 2025), available at *https://www.aicpa-cima.com/professional-insights/article/trust-in-the-cpa-exam* (last retrieved Sept. 24, 2026).

[47] The AUD section tests knowledge and skills that CPAs must demonstrate when performing audit, attestation, and accounting and review service engagements. It specifically focuses on a CPA's role in planning, risk assessment, performing procedures, obtaining evidence, and reporting for those types of engagements. *See* Blueprints 2026 at 6.

Reporting (the ''FAR''); [48] and Taxation and Regulation (the ''REG'').[49]

• One four-hour section selected by the CPA candidate from one of three topics (each a ''Discipline''): Business Analysis and Reporting (the ''BAR''); [50] Information Systems and Controls (the ''ISC''); [51] or Tax Compliance and Planning (the ''TCP'').[52]

The Exam is designed to cover content areas, specific to each section, and skill areas of ''Remembering & Understanding,'' ''Application,'' ''Analysis,'' and ''Evaluation,'' which are assigned different weights for purposes of scoring each section.[53] In addition to the AICPA's regular review of the contents of the Exam, the Exam is also regularly updated to reflect changes in accounting and auditing pronouncements, and applicable laws and rules.[54]

ii. Administration of the Exam

Depending on the jurisdiction of licensure, the CPA candidate either applies to take the Exam through NASBA or directly through the relevant board of accountancy. However, the administration of the actual exam is handled by a third party.[55] The fees associated with the Exam vary based on the jurisdiction of licensure.[56]

4. Continuing Education

In order to maintain an active CPA license, a person must complete Continuing Professional Education (''CPE'') hours.[57] The jurisdiction that issued the CPA license determines what CPEs are required.[58] However, NASBA and AICPA jointly set certain standards as to what types of activities should qualify for CPEs.[59]

5. Public Verification

NASBA maintains CPAVerify.org, which it describes as the ''only official, free, single-source national database of licensed CPAs available to the public.'' [60] The data is provided by member jurisdictions of NASBA. Neither Hawaii nor New Mexico provide information to CPAVerify.org; however, each of these jurisdictions maintains a website containing information regarding CPAs that are licensed in such jurisdiction, which is available to the public.[61] Additionally, many jurisdictions also have a look-up tool specific to the CPA licenses issued in such jurisdiction and the status of the license.[62]

B. Rationale for Designation

1. Rule 501(a)(10) Generally and Rule 501(a)(10)(i)

We believe it would be appropriate to designate holding a CPA license in good standing as qualifying an individual for accredited investor status pursuant to Rule 501(a)(10). The addition of holding a CPA license in good standing as a designated professional certification would provide an additional knowledge-based means for individuals to qualify as accredited investors while appropriately balancing investor protection concerns.[63]

Rule 501(a)(10) requires that any professional certifications and designations and other credentials designated as qualifying such holder for accredited investor status be held in good standing.[64]

The Commission's rules related to the preparation of financial statements state we ''will not recognize any person as a certified public accountant who is not duly registered and in good standing as such under the laws of the place of his

[48] The FAR section tests knowledge and skills that CPAs must demonstrate in the financial accounting and reporting frameworks used by for-profit (public and non-public) and not-for-profit entities. It specifically focuses on a CPA's role in the preparation and review of financial statements, account balances, and transactions to ensure compliance with applicable frameworks. *See* Blueprints 2026 at 30.

[49] The REG section tests knowledge and skills that CPAs must demonstrate with respect to the U.S. ethics and professional responsibilities of tax practice, U.S. business law, and certain U.S. Federal tax compliance concepts. *See* Blueprints 2026 at 48.

[50] The BAR section tests knowledge and skills related to higher-order concepts in lease accounting and revenue recognition. *See* Blueprints 2026 at 65. Specifically, the BAR section tests ''financial statement and financial information analysis with a focus on a[ ]CPA's role in comparing historical results to budgets and forecasts, deriving the impact of transactions, events (actual and proposed) and market conditions on financial and non-financial performance measures and comparing investment alternatives[;] [s]elect technical accounting and reporting requirements under the Financial Accounting Standards Board (FASB) Accounting Standards Codification and the [Commission] that are applicable to for-profit business entities and employee benefit plans[; and] [f]inancial accounting and reporting requirements under the Governmental Accounting Standards Board (GASB) that are applicable to state and local government entities.'' *Id.*

[51] The ISC section tests knowledge and skills that CPAs must demonstrate with respect to information systems, including processing integrity, availability, security, confidentiality, and privacy. *See* Blueprints 2026 at 83.

[52] The TCP section tests knowledge and skills that CPAs must demonstrate for individuals and entities with a focus on nonroutine and higher complexity transactions, U.S. Federal tax planning for individuals and entities, and personal financial planning. *See* Blueprints 2026 at 99. *See also* NASBA, *What is the Uniform CPA Examination?,* available at *https://nasba.org/exams/becomingacpa/whatistheuniformcpaexam/* (last retrieved Sept. 24, 2026).

[53] *See* Blueprints 2026 at 3–4. Evaluation is only weighted for the AUD section.

[54] Generally, the earliest that a change will be eligible for inclusion in the Exam is six months after the effective or enactment date of the change. *See* AICPA, *CPA Exam Policy on New Pronouncements,* available at *https://www.aicpa-cima.com/resources/article/learn-what-is-tested-on-the-cpa-exam* (last retrieved Sept. 24, 2026.

[55] *See* Candidate Guide at 6–8.

[56] In order to register for the Exam, CPA candidates must be eligible for licensure in their selected jurisdiction, which requires the payment of application fees and Exam fees, which in the aggregate are currently estimated to be on average approximately $1,400. There are separate fees to obtain a CPA license after passing the Exam. *See* Becker, *The Cost of the CPA Exam Cost and Other CPA Licensure Fees* (Sept. 2, 2026), available at *https://www.becker.com/blog/cpa/the-real-cost-of-the-cpa-exam* (last retrieved Sept. 24, 2026). In addition, to the extent the Exam needs to be rescheduled, whether a rescheduling fee is assessed depends upon how close to the scheduled Exam date the rescheduling request is made, but the maximum fee is approximately $100. *See* Candidate Guide at 34. There are also fees if CPA candidates request that their scores be reviewed ($240) or appeal their scores (a fee of $550, plus $100 for each item appealed). NASBA, *Score Information,* available at *https://nasba.org/exams/cpaexam/scores/* (last retrieved Sept. 24, 2026).

[57] *See* National Registry of CPE Sponsors, *The Standards for Continuing Professional Education (CPE) Programs,* available at *https://www.nasbaregistry.org/the-standards* (stating that ''[c]ontinuing professional education is required for CPAs to maintain their professional competence and provide quality professional services'') (last retrieved Sept. 24, 2026). *See also infra* notes 65–66 (discussing that the Commission believes that requirement of an active CPA license constitutes an appropriate measure of good standing for the purposes of Rule 501(a)(10)).

[58] Enforcing compliance with licensure requirements, including continuing education requirements, is the responsibility of the jurisdiction(s) where a CPA is licensed. For example, the California Code of Regulations provides that failure to comply with continuing education rules constitutes cause for disciplinary action. *See* Cal. Code Regs. Tit. 16, § 94.

[59] These standards are reviewed on a two-year cycle and the most recent changes went into effect on Aug. 1, 2026.

[60] NASBA, *What is CPAVerify?* (Nov. 13, 2023), available at *https://nasba.org/blog/2023/11/13/what-is-cpaverify/* (last retrieved Sept. 24, 2026).

[61] Information related to CPA licenses issued by Hawaii is available from the Professional and Vocational Licensing Division, available at *https://mypvl.dcca.hawaii.gov/public-license-search/.* Information related to CPA licenses issued by New Mexico is available from the New Mexico Regulation and & Licensing Department, available at *https://nmrldlpi.my.site.com/bcd/s/public-search-license-division.*

[62] *See, e.g.,* California Board of Accountancy, available at *https://www.dca.ca.gov/cba/consumers/license-lookup.shtml;* New York State Education Department Office of the Professions, available at *https://www.op.nysed.gov/certified-public-accountants;* Wyoming Board of Certified Public Accountants, available at *https://online.wycpaboard.org/#/VerifyLicense;* South Carolina Board of Accountancy, available at *https://llr.sc.gov/acct/.*

[63] As the Commission stated in connection with adoption of Rule 501(a)(10) ''[w]e believe that the amendments we are adopting in [the Accredited Investor Adopting Release] provide appropriate investor protections while facilitating capital formation.'' *See* Accredited Investor Adopting Release at 64256. *See also supra* note 20.

[64] *See supra* note 19 and *infra* notes 65–66.

residence or principal office.'' [65] Accordingly, for the purposes of good standing under Rule 501(a)(10) for the CPA license, we believe it would be appropriate to use this standard.[66]

We believe that the standards set by the relevant jurisdiction of licensure for CPA license holders to retain their license in an active status are an appropriate measure of good standing; and accordingly, licensees that hold inactive or suspended licenses would not be considered in good standing. Therefore, a holder of an inactive or suspended license would not qualify as an accredited investor under this category.

Rule 501(a)(10)(i) additionally requires that a designated certification, designation, or credential arise out of an examination or series of examinations administered by a self-regulatory organization or other industry body or be issued by an accredited educational institution. As described in section II.A.1, the Exam, which is a prerequisite to holding a CPA license in good standing,[67] is designed and administered by the AICPA with assistance from NASBA, and state boards of accountancy. Although ''other industry body'' is not defined in Rule 501(a)(10), we believe that each of the AICPA and NASBA are industry bodies as contemplated under Rule 501(a)(10) due to their integral role in setting requirements for the accounting industry.[68]

2. Rules 501(a)(10)(ii) and 501(a)(10)(iii)

Rule 501(a)(10)(ii) states that the Commission will consider whether ''[t]he examination or series of examinations is designed to reliably and validly demonstrate an individual's comprehension and sophistication in the areas of securities and investing.'' Rule 501(a)(10)(iii) states the Commission will consider whether ''[p]ersons obtaining [a] certification, designation, or credential [designated under Rule 501(a)(10)] can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment.'' We believe that passage of the Exam satisfies the objectives of Rule 501(a)(10)(ii). We further believe that passage of the Exam combined with the satisfaction of the requirements to obtain a CPA license would satisfy the objectives of Rule 501(a)(10)(iii). As described in more detail in section II.A.3.i, the Exam is designed to evaluate a person's knowledge and skill in the area of accounting for both public and private companies. The AUD section of the Exam specifically covers matters that require special audit consideration, such as investments in securities.[69] The BAR section of the Exam requires demonstration of knowledge and skills related to analysis of business, some of which are directly relevant to a person's comprehension and sophistication in the areas of securities and investing. Areas that may be tested include interpreting financial statement fluctuations and ratios (*e.g.,* profitability, liquidity, solvency, performance); interpreting non-financial measures (*e.g.,* customer retention rate, employee turnover, labor productivity rate, ticket response time) and non-GAAP measures and analyzing specific aspects of an entity's performance and risk profile; calculating the present value of future cash flows or the net present value of a potential investment; and comparing acquisition and divestiture opportunities based on given market analysis and investment criteria.[70] The REG section of the Exam expressly tests knowledge and skills related to U.S. business law, such as contracts and debtor-creditor relationships and the legal aspects of business entity selection, formation, operation and termination.[71]

As described in section II.A.2, in addition to the passage of the Exam, in order to be eligible to obtain a CPA license, the CPA candidate must have the required educational and supervised experience. We therefore believe that in obtaining a CPA license, which requires attaining and demonstrating the knowledge and skills tested by the Exam, and obtaining the required educational experience and supervised experience, such persons will have demonstrated that they have the comprehension and sophistication to evaluate the merits and risks of investment opportunities, and ultimately, appropriately allocate capital based on their individual circumstances, and otherwise make appropriately informed decisions regarding their financial interests.[72]

3. Rule 501(a)(10)(iv)

Rule 501(a)(10)(iv) states the Commission will consider whether ''[a]n indication that an individual holds the certification or designation is either made publicly available by the relevant self-regulatory organization or other industry body or is otherwise independently verifiable.'' As described in section II.A.5, the public may use *CPAverify.org* or jurisdiction-specific websites to verify whether any person holds a CPA license in good standing.

C. Economic Considerations

As discussed above, we are considering whether to add holding a license as a CPA in good standing to the list of designated professional certifications, designations, or credentials that would qualify natural persons for accredited investor status under Rule 501(a)(10). Thus, individuals who hold a CPA license in good standing would qualify as accredited investors and would be able

[65] *See* 17 CFR 210.2–01(a).

[66] Different jurisdictions use different language to describe the requirement described by the Commission in 17 CFR 210.2–01(a). *See, e.g.,* Cal. Bus. & Professions Code § 5033 (''`Certified public accountant' means any person who has received from the board a certificate of certified public accountant and who holds a *valid permit to practice*'' (emphasis added)); N.Y. Ed. Law § 7401–a (''`Certified public accountant' or `CPA' means any person who has *received a license* from the [state education] department or any other state as a certified public accountant for the practice of public accountancy.'' (emphasis added)). We believe, whatever the language used by the relevant jurisdictions, it is appropriate to treat as in ''good standing'' (for purposes of Rule 501(a)(10)) any CPAs whom the Commission would recognize under 17 CFR 210.2–01(a). For the purposes of this notice, the phrase ''active CPA'' or a ''CPA license in good standing'' means a person that meets this standard. CPAs that are currently denied the privilege of appearing and practicing before the Commission for failing to ''possess the requisite qualifications to represent others'' under 17 CFR 201.102(e)(1)(i) would not be eligible to rely on their CPA license to qualify as accredited investors. However, CPAs that are denied the privilege of appearing or practicing before the Commission under 17 CFR 201.102(e)(1)(ii) through (1)(iv) or suspended from appearing or practicing before the Commission under 17 CFR 201.102(e)(2) or (3) would still be eligible to rely on their CPA license to qualify as accredited investors, so long as they remained ''in good standing,'' as described above. We believe disqualifying such CPAs from being accredited investors would be unnecessarily punitive.

[67] *See supra* note 42 (discussing individuals who pass the IQEX, who may be able to hold a CPA license in good standing without taking the Exam in its entirety).

[68] In connection with the adoption of Rule 501(a)(10), the Commission received comments regarding what other credentials it should consider designating as qualifying such holders as accredited investors and its discussion of such comments primarily focused on whether having obtained a CPA license should be included. *See* Accredited Investor Adopting Release at 64239. The Commission did not request comment on whether the AICPA or NASBA constituted an ''other industry body'' nor did any commenters question whether the AICPA or NASBA should be considered an other industry body. *See* Accredited Investor Proposing Release at 2582–2584.

[69] *See* Blueprints 2026 at 7.

[70] *See* Blueprints 2026 at 70–73.

[71] *See* Blueprints 2026 at 48–50. In addition, the IQEX currently uses an administration of the REG section. *See supra* note 42.

[72] *See* Accredited Investor Adopting Release at 64241. Additionally, we believe that the CPE requirement further supports that holders of a CPA license in good standing have and continue to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment. *See supra* note 57 and the accompanying text.

to participate in investment opportunities that may not otherwise have been available to them, unless they were already accredited investors based on another criterion.[73] This change could also impact issuers seeking to raise capital.[74] The designation of holders of a CPA license in good standing as accredited investors would have economic effects on investors and issuers that would be consistent with those the Commission discussed in creating the Rule 501(a)(10) designation process in the Accredited Investor Adopting Release.[75]

It is difficult to quantify how many additional natural persons would qualify as accredited investors. There are approximately 650,000 active CPA license holders.[76] However, we do not have information on whether these CPA license holders already qualify as accredited investors based on one or more of the other eligibility criteria in Rule 501(a), such as those for net worth, income, and other qualifying professional certifications, designations, or credentials.[77] Further, it is unclear to what extent any newly eligible accredited investors will choose to participate in exempt offerings.

Issuers are expected to benefit from the expansion of the accredited investor definition under Rule 501(a)(10) through potentially greater capital formation, lower cost of capital, and greater efficiency in raising capital due to an expanded pool of accredited investors (especially for issuers that are small or do not have access to a network of institutional accredited investors or persons with the required net worth or income to qualify as accredited investors).[78] This change may also benefit issuers in exempt offerings by making it easier and less costly to find and verify accredited investors (*i.e.,* by reducing search costs).[79] As discussed in section II.A.5, CPA license status can be easily independently verified, which would directly reduce issuers' costs of confirming accredited investor eligibility, relative to verifying income or net worth.[80] This is expected to benefit issuers and intermediaries in exempt offerings where only accredited investors may be purchasers (such as Rule 506(c)) or where some provisions, such as limits on the number of purchasers or investment limits, are dependent on accredited investor status (*e.g.,* Rule 506(b), Regulation A, and Regulation Crowdfunding). However, to the extent that issuers would have otherwise pursued additional financing from accredited investors meeting the existing definition or engaged in an offering that is not dependent on accredited investor participation (such as a registered securities offering), the amount of additional capital formation may be limited. Still, issuers may benefit from greater flexibility in how they may raise capital, which could result in some cost savings and a lower cost of capital. For instance, issuers undertaking a Rule 506(b) offering may incur lower costs if all of their purchasers are accredited investors as compared to if not all of their purchasers are accredited investors, as the rule would not require them to furnish the financial and other information prescribed by Rule 502(b) for offerings involving non-accredited investors.[81] For issuers in Rule 506(c) offerings, verification of accredited investor status based on a credential that is easier to confirm may be less costly than verification of other prongs of the accredited investor definition (such as financial eligibility), reducing their transaction costs.[82] For issuers that undertake a Tier 2 Regulation A or Regulation Crowdfunding offering, both of which are subject to investment limits for non-accredited investors, having more accredited investors in the offering enables higher investment amounts per investor, which may decrease all-in offering costs.[83] Issuers choosing among different exempt offering alternatives may choose a Regulation D offering if they have enough prospective investors that meet the accredited investor definition, instead of pursuing a Regulation A or Regulation Crowdfunding offering, potentially lowering their compliance, intermediary, and marketing costs-per-dollar raised. Some issuers choosing between an exempt and a registered offering may choose an exempt offering if they have enough prospective investors that meet the accredited investor definition, instead of pursuing a registered offering.

For investors, the designation of holders of a CPA license in good standing as accredited investors could enable more natural persons who would not otherwise meet one of the eligibility criteria in Rule 501(a), such as the income and net worth criteria, to access a broader range of investment options, potentially enhancing their ability to diversify and optimize portfolio allocations.[84]

However, these investment options generally come without the additional disclosure provided by registration under the Securities Act and could entail greater costs related to

[73] CPAs may decline to participate in certain offerings due to issues that might arise under related professional requirements. For example, a CPA working as an audit professional would need to consider the audit independence implications of an investment in an audit client.

[74] To the extent that the accredited investor definition is used outside of the Federal securities laws (such as for non-Federal securities laws that incorporate the accredited investor definition), the designation of CPAs as accredited investors might have indirect economic effects.

[75] *See* Accredited Investor Adopting Release at section VI.

[76] According to NASBA, there were 650,667 actively licensed CPAs, as of Aug. 27, 2026 according to their data (with the data for Hawaii and New Mexico not available). *See supra* note 40 and accompanying text.

[77] Specifically with respect to income, as of May 2025, the median pay for accountants and auditors was $83,680. In addition, the bottom decile (10th percentile) of pay was $56,020, and the top decile (90th percentile) of pay was $144,090, respectively. *See Occupational Outlook Handbook: Accountant and Auditors,* Bureau Lab. Stats., *https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm* (last modified Aug. 27, 2026, last retrieved Sept. 24, 2026). The estimate includes non-CPA accountants, who likely lower the salary estimate. There is considerable variation in CPA income based on region, experience, role seniority, overtime/bonus/equity compensation, and type of firm. The estimates of medians are lower than averages due to a small number of high-salary observations. The estimates do not account for income other than earned income. *See also, e.g., CPA Firms Report Steady Growth in Revenue and Profit, AICPA Research Finds,* AICPA & CIMA (Sept. 10, 2025), *https://www.aicpa-cima.com/news/article/cpa-firms-report-steady-growth-in-revenue-and-profit-aicpa-research-finds* (last retrieved Sept. 24, 2026) (reporting the median value of salaries for new graduates with bachelor's (master's) degrees of $60,834 ($67,750)); *2025 MAP Survey Executive Summary,* AICPA & CIMA (Nov. 17, 2025), *https://www.aicpa-cima.com/resources/download/map-survey-executive-summary* (last retrieved Sept. 24, 2026) (noting that the median value of equity partner/owner pay was over $202,521 and the median value of director pay was $149,822), consistent with lower pay for less experienced accountants, and vice versa. Thus, some investors that would qualify based on being an active CPA license holder may already qualify as accredited investors based on income or net worth criteria in Rule 501. Such individuals also may hold other licenses or credentials that are already designated, or that we are potentially designating, under Rule 501(a)(10). *See supra* note 35.

[78] *See* Accredited Investor Adopting Release at 64264–65.

[79] *See* Accredited Investor Adopting Release at 64264.

[80] Thus, even if some CPAs already meet other accredited investor eligibility criteria, the overall costs of verification of accredited investor status may decrease with the addition of the CPA license option.

[81] *See* 17 CFR 230.502(b).

[82] *See* 17 CFR 230.506(c)(1) through 230.506(c)(2).

[83] *See* 17 CFR 230.251(d)(2)(i)(C); 17 CFR 227.100(a)(2).

[84] As noted above, the extent of overlap between the CPAs and the investors that meet the existing accredited investor criteria is unclear. CPAs who are earlier in their careers, employed at smaller firms, or located in lower cost-of-living geographic areas, and thus may on average have lower incomes, may be most affected by the potential designation. Some investors that already meet income or net worth criteria may find it is easier or less costly to demonstrate their accredited investor status under Rule 501(a)(10).

illiquidity,[85] agency costs (*i.e.,* costs arising from conflicts of interest between investors and managers), adverse selection, and business risk, as compared to investments in the public capital markets. Individual investors' comprehension and sophistication in the areas of securities and investing, and knowledge and experience in financial and business matters, as reflected in having a professional certification or designation or credential under Rule 501(a)(10), increases the likelihood that such individual investors would be capable of evaluating the merits and risks of a prospective investment in an exempt offering and managing such risks. For example, such individuals may be more likely to consider the size of any single investment relative to their overall portfolio and diversify their portfolio.[86] It is unclear whether additional investment opportunities would improve portfolio efficiency for newly eligible accredited investors. While individuals incur costs to prepare for and take the Exam, and obtain and maintain an active CPA license, we do not expect there to be incremental costs of a CPA license in good standing being designated as an accredited investor credential under Rule 501(a)(10), since we expect individuals to continue to pursue and maintain the CPA license for professional purposes, rather than to qualify as accredited investors.

The described effects, including both the benefits and the costs to issuers and investors, may be modest in magnitude, as discussed in detail in the Accredited Investor Adopting Release. First, it is possible that a number of the individuals who would qualify as accredited investors under the potential designation may already qualify as accredited investors based on one or more of the criteria in Rule 501(a) (*e.g.,* since the high end of CPA compensation may exceed the income thresholds in Rule 501(a)(6)).[87] Second, because any newly-eligible individuals may have income and net worth below the currently required thresholds for individual accredited investors, the increase in the capital supply from an individual newly eligible accredited investor would likely be low, and the collective impact would depend on the size of any increase in the number of individual accredited investors.[88] Third, the effects may be more modest to the extent that some of the newly eligible natural persons may end up not participating in exempt offerings.[89] Fourth, it is possible that issuers may choose to offer securities to institutional accredited investors, or apply investment minimums (perhaps in an effort to simplify their capitalization table), such that any individual accredited investors participating in exempt offerings are more likely to be those who meet the net worth or income criteria in Rule 501(a). Fifth, any specific effects of this potential change to the accredited investor pool would be partly diluted to the extent that other Commission actions designating other credentials result in expanding the pool of natural persons qualifying as accredited investors based on multiple criteria.

III. Notice

For the reasons set forth herein, we believe that holding a CPA license in good standing would meet the requirements set forth in Rule 501(a)(10). Accordingly, we believe it is appropriate to designate holding a CPA license in good standing as qualifying natural persons for accredited investor status pursuant to Rule 501(a)(10). We are issuing this notice and providing an opportunity for public comment on such a potential designation. We are particularly interested in comments on whether we should designate holding a CPA license in good standing as qualifying natural persons for accredited investor status pursuant to Rule 501(a)(10), as discussed in this notice, and whether such designation could raise investor protection concerns unique to persons who would be qualified under such designation.

By the Commission.

Dated: September 30, 2026.

Vanessa A. Countryman,

Secretary.

[FR Doc. 2026–20308 Filed 10–2–26; 8:45 am]

BILLING CODE 8011–01–P

[85] While securities sold in an exempt offering are generally illiquid, the introduction of a larger pool of investors that become eligible as accredited investors through a CPA license could potentially (at the margin) create impetus for additional secondary market liquidity in these securities. In addition, the expansion of the accredited investor pool also would potentially increase the feasibility of resales under section 4(a)(7) of the Securities Act [15 U.S.C. 77d(a)(7)]. However, if some newly eligible investors have fewer financial resources (*see infra* note 86), they may be less willing to hold restricted securities over long holding periods, and especially, seek to unload positions during downturns.

[86] As stated in the Accredited Investor Adopting Release, while certain of these individuals may have fewer financial resources and, as a result, be less able to bear the financial risk of private investments, we believe their professional credentials and experience should enable these investors to assess investment opportunities, appropriately allocate capital based on their individual circumstances, including whether to reallocate investment capital between private investments and other equivalent-sized investments, and otherwise make appropriately informed decisions regarding their financial interests, including their ability to bear the financial risk. *See* Accredited Investor Adopting Release at 64241.

[87] *See* Accredited Investor Adopting Release at 64262.

[88] *Id.*

[89] *See, e.g.,* Katherine Carman et al., *Exploring Accredited Investors and Private Market Securities Ownership* 18 tbl. 6 (OIAD, Working Paper No. 1, June 2025), available at *https://www.sec.gov/files/exploring-accredited-investors-june-2025.pdf* (reporting, based on a recent investor survey, that, 14.4% of accredited investors and 4.7% of non-accredited investors, respectively, indicate interest in investing in new or private companies, and that 4.3% of accredited investors and 1.1% of non-accredited investors, respectively, report owning a ''private fund or offering''). *See also* Katherine Carman & Alycia Chin, *Accredited Investors in the US Population,* 9 Fin. Plan. Rev. e70023 (2026).

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration Number #21928 Disaster Number ZZ–00022]

The Entire United States and U.S. Territories; Military Reservist Economic Injury Disaster Loan Program (MREIDL)

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is notice of the Military Reservist Economic Injury Disaster Loan Program (MREIDL), dated October 1, 2026.

DATES: Issued on October 1, 2026.

MREIDL Loan Application Deadline Date: One (1) year after the essential employee is discharged or released from active service.

ADDRESSES: Visit the MySBA Loan Portal at *https://lending.sba.gov* to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Jennifer Talarico, Office of Disaster Recovery, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: This notice establishes the application filing period for the Military Reservist Economic Injury Disaster Loan Program (MREIDL).

Effective October 1, 2026 small businesses employing military reservists may apply for economic injury disaster loans if those employees are ordered to perform active service for a period of more than 30 consecutive days, and those employees are essential to the success of the small businesses' daily operations.

The purpose of the MREIDL program is to provide funds to eligible small businesses to meet ordinary and necessary operating expenses it is now unable to meet, because an essential

employee was ordered to perform active service for more than 30 consecutive days as a military reservist. These loans are intended only to provide the amount of working capital needed by a small business to pay its necessary obligations as they mature until operations return to normal after the essential employee is released from active service.

Applications for the MREIDL program may be submitted online using the MySBA Loan Portal (*https://lending.sba.gov*).

For further assistance please contact the SBA disaster assistance customer service center by email at *disastercustomerservice@sba.gov* or by phone at 1–800–659–2955. If you are deaf, hard of hearing, or have a speech disability, please dial 7–1–1 to access telecommunications relay service.

The interest rates are published quarterly in the **Federal Register**. The current rate for eligible small businesses is 4.000.

The number assigned is 219280.

(Catalog of Federal Domestic Assistance Number 59008)

(Authority: 13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery.

[FR Doc. 2026–20343 Filed 10–2–26; 8:45 am]

BILLING CODE 8026–09–P

DEPARTMENT OF STATE

[Public Notice 13142]

60-Day Notice of Proposed Information Collection: Media Inquiry System

ACTION: Notice of request for public comment.

SUMMARY: The Department of State is seeking Office of Management and Budget (OMB) approval for the information collection described below. In accordance with the Paperwork Reduction Act of 1995, we are requesting comments on this collection from all interested individuals and organizations. The purpose of this notice is to allow 60 days for public comment preceding submission of the collection to OMB.

DATES: The Department will accept comments from the public up to *December 4, 2026.*

ADDRESSES: You may submit comments by any of the following methods:

- *Web:* Persons with access to the internet may comment on this notice by going to *www.Regulations.gov.* You can search for the document by entering ''Docket Number: DOS–2026–1090'' in the Search field. Then click the ''Comment Now'' button and complete the comment form.
- *E-mail*: *Press2@state.gov.*

You must include the DS form number (if applicable), information collection title, and the OMB control number in any correspondence.

FOR FURTHER INFORMATION CONTACT: Direct requests for additional information regarding the collection listed in this notice, including requests for copies of the proposed collection instrument and supporting documents, to Cory Andrews, Office of Press Operations, Bureau of Global Public Affairs, U.S. Department of State, 2201 C ST NW, Suite 2109, Washington, DC 20520; *Press2@state.gov.*

SUPPLEMENTARY INFORMATION:

- *Title of Information Collection:* Media Inquiry System.
- *OMB Control Number:* None.
- *Type of Request:* New Collection.
- *Originating Office:* Bureau of Global Public Affairs, Office of Press Operations (GPA/PR/OPS).
- *Form Number:* No form.
- *Respondents:* Journalists or others who submit media inquiries to the Department of State.
- *Estimated Number of Respondents:* 20,000.
- *Estimated Number of Responses:* 20,000.
- *Average Time Per Response:* 5 minutes.
- *Total Estimated Burden Time:* 1,667 hours.
- *Frequency:* On occasion.
- *Obligation to Respond:* Voluntary.

We are soliciting public comments to permit the Department to:

- Evaluate whether the proposed information collection is necessary for the proper functions of the Department.
- Evaluate the accuracy of our estimate of the time and cost burden for this proposed collection, including the validity of the methodology and assumptions used.
- Enhance the quality, utility, and clarity of the information to be collected.
- Minimize the reporting burden on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Please note that comments submitted in response to this Notice are public record. Before including any detailed personal information, you should be aware that your comments as submitted, including your personal information, will be available for public review.

Abstract of Proposed Collection

The information collected will be used by the Department's Office of Press Operations to receive, route, track, and respond to inquiries and interview requests from members of the news media concerning U.S. foreign policy. The information may also be used to coordinate interview requests and other media engagements and to maintain an administrative record of press inquiries handled by the Department.

Methodology

The collection will be completed online, through a dedicated web page.

Edgar J. Vasquez,

Deputy Assistant Secretary for Press, Bureau of Global Public Affairs, Department of State.

[FR Doc. 2026–20283 Filed 10–2–26; 8:45 am]

BILLING CODE 4710–11–P

SURFACE TRANSPORTATION BOARD

[Docket No. EP 670 (Sub-No. 1)]

Notice of Rail Energy Transportation Advisory Committee Meeting

AGENCY: Surface Transportation Board.

ACTION: Notice of Rail Energy Transportation Advisory Committee meeting.

SUMMARY: Notice is hereby given of a meeting of the Rail Energy Transportation Advisory Committee (RETAC), pursuant to the Federal Advisory Committee Act.

DATES: The meeting will be held on Tuesday, October 27, 2026, at 9:00 a.m. E.T.

ADDRESSES: The meeting will be held at the Surface Transportation Board headquarters at 395 E Street SW, Washington, DC 20423.

FOR FURTHER INFORMATION CONTACT: Elizabeth Osburn at (202) 748–4566 or *elizabeth.osburn@stb.gov.* If you require an accommodation under the Americans with Disabilities Act for this meeting, please call (202) 245–0245 by October 13, 2026.

SUPPLEMENTARY INFORMATION: RETAC was formed in 2007 to provide advice and guidance to the Surface Transportation Board (Board), and to serve as a forum for discussion of emerging issues related to the transportation of energy resources by rail. *Establishment of a Rail Energy Transp. Advisory Comm.,* EP 670 (STB served July 17, 2007). The purpose of this meeting is to facilitate discussions regarding issues including rail service, infrastructure planning and development, and effective coordination among suppliers, rail carriers, and users of energy resources. Potential agenda items for this meeting include a rail

performance measures review, industry segment updates by RETAC members, and a roundtable discussion.

The meeting, which is open to the public, will be conducted in accordance with the Federal Advisory Committee Act, 5 U.S.C. Chapter 10; Federal Advisory Committee Management regulations, 41 CFR part 102–3; RETAC's charter; and Board procedures. Further communications about this meeting may be announced through the Board's website at *www.stb.gov.*

Written Comments: Members of the public may submit written comments to RETAC at any time. Comments should be addressed to RETAC, c/o Elizabeth Osburn, Surface Transportation Board, 395 E Street SW, Washington, DC 20423–0001 or *elizabeth.osburn@stb.gov.* Please submit any comments for review at the October 27, 2026 meeting by October 23, 2026, if possible.

Authority: 49 U.S.C. 1321, 11101, and 11121.

Decided: October 1, 2026.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.

Jeffrey Herzig,

Clearance Clerk.

[FR Doc. 2026–20369 Filed 10–2–26; 8:45 am]

BILLING CODE 4915–01–P

SUSQUEHANNA RIVER BASIN COMMISSION

Public Hearing

AGENCY: Susquehanna River Basin Commission.

ACTION: Notice.

SUMMARY: The Susquehanna River Basin Commission will hold a public hearing on October 28, 2026. The Commission will hold this hearing in person and telephonically. At this public hearing, the Commission will hear testimony on the projects and actions listed in the Supplementary Information section of this notice. In addition to the projects listed below, the Commission will also hear testimony on its proposed Access to Records Policy and its Draft Regulatory Program Fee Schedule. Such projects and actions are intended to be scheduled for Commission action at its next business meeting, scheduled for December 10, 2026, which will be noticed separately. The public should note that this public hearing will be the only opportunity to offer oral comments to the Commission for the listed projects and actions. The deadline for the submission of written comments is November 9, 2026.

DATES: The public hearing will convene on October 28, 2026, at 5:00 p.m. The public hearing will end at 8:00 p.m. or at the conclusion of public testimony, whichever is earlier. The deadline for submitting written comments is Monday, November 9, 2026.

ADDRESSES: This public hearing will be conducted in person and telephonically. You may attend in person at Susquehanna River Basin Commission, 4423 N Front St., Harrisburg, Pennsylvania, or join by telephone at Toll-Free Number 1–877–304–9269 and then enter the guest passcode 2619070 followed by #.

FOR FURTHER INFORMATION CONTACT: Andrew Zerby, Assistant Counsel, telephone: (717) 238–0423 or *azerby@srbc.gov.*

Information concerning the project applications is available at the Commission's Water Application and Approval Viewer at *https://www.srbc.gov/waav.* Information regarding the proposed Access to Records Policy and the draft Regulatory Program Fee Schedule can be found at *https://www.srbc.gov/regulatory/public-participation/.*

SUPPLEMENTARY INFORMATION: The public hearing will also cover the following projects:

Projects Scheduled for Action

1. *Project Sponsor:* Allegheny Mountain Spring Water, Incorporated. Project Facility: Roaring Spring, Roaring Spring Borough, Blair County, Pa. Application for consumptive use of up to 0.099 mgd (30-day average).

2. *Project Sponsor and Facility:* Ephrata Area Joint Authority, Ephrata Borough, Lancaster County, Pa. Application for groundwater withdrawal of up to 1.210 mgd (30-day average) from Well 1.

3. *Project Sponsor and Facility:* Expand Operating LLC (Susquehanna River), Terry Township, Bradford County, Pa. Application for surface water withdrawal of up to 3.000 mgd (peak day).

4. *Project Sponsor:* Hickory Heights, Inc. Project Facility: Hickory Heights Golf Club, North Codorus Township, York County, Pa. Application for consumptive use of up to 0.099 mgd (30-day average).

5. *Project Sponsor:* Knoebels Three Ponds, Inc. Project Facility: Knoebels Three Ponds Golf Course, Ralpho Township, Northumberland County, Pa. Application for consumptive use of up to 0.249 mgd (30-day average).

6. *Project Sponsor and Facility:* Milton Hershey School, Derry Township, Dauphin County, Pa. Applications for consumptive use of up to 1.125 mgd (peak day) and groundwater withdrawals (30-day averages) of up to 0.250 mgd from Well 1, 0.720 mgd from Well 3, 0.144 mgd from Well 4, 0.343 mgd from Well 6, 0.150 mgd from Well 7, and 0.103 mgd from Well 8.

7. *Project Sponsor:* Pennsylvania—American Water Company. Project Facility: Frackville District, West Mahanoy Township, Schuylkill County, Pa. Application for groundwater withdrawal of up to 0.192 mgd (30-day average) from Well 5.

8. *Project Sponsor and Facility:* Range End Golf Club, Inc., Carroll Township, York County, Pa. Applications for consumptive use of up to 0.240 mgd (peak day) and groundwater withdrawal 0.113 mgd (30-day average) from Well 1.

9. *Project Sponsor:* Saddleview Properties LLC. Project Facility: Stone Hedge Country Club, Tunkhannock Township, Wyoming County, Pa. Applications for surface water withdrawal of up to 0.249 mgd (peak day) from Osterhout Creek and consumptive use of up to 0.249 mgd (30-day average).

10. *Project Sponsor and Facility:* Sterman Masser, Inc. (Deep Creek), Hegins Township, Schuylkill County, Pa. Application for surface water withdrawal of up to 0.274 mgd (peak day).

11. *Project Sponsor:* Willow Valley Associates, Inc. Project Facility: Willow Valley Golf Course, West Lampeter Township, Lancaster County, Pa. Application for consumptive use of up to 0.099 mgd (30-day average).

The proposed Access to Records Policy is an update to the Commission's existing 2009 policy. The Commission is clarifying its procedures concerning confidential information requests by project sponsors and recognizing the Access to Records regulation at 18 CFR 801.14 adopted in 2018.

The draft Regulatory Program Fee Schedule adds the Consumer Price Index adjustment for the Mid-Atlantic Region to most fees, which is 3.9% for the preceding 12 months. The proposed fee schedule also adds pre-application and technical assistance to project sponsors as an activity to be funded under the current annual fee. The fee is proposed to be renamed the Annual Monitoring, Compliance and Assistance to Projects (AMCAP) Fee. This fee will begin to support the Commission's Public Water Supply Assistance Program as well as its efforts to provide technical assistance to small projects and pre-application assistance to all project sponsors. The proposed fee schedule also adjusts some terminology involving well grouping/well field determinations by the Commission, as

well as adds the fee for the recently enacted General Permit GP–04. The proposal also includes language clarifying the Commission's ability to assess a late fee for materially late payments due to the Commission consistent with 18 CFR 806.33.

Opportunity To Appear and Comment

Interested parties may appear or call into the hearing to offer comments to the Commission on any business listed above required to be the subject of a public hearing. Given the nature of the meeting, the Commission strongly encourages those members of the public wishing to provide oral comments to pre-register with the Commission by emailing Andrew Zerby at *azerby@srbc.gov* before the hearing date. The presiding officer reserves the right to limit oral statements in the interest of time and to control the course of the hearing otherwise. Access to the hearing via telephone will begin at 4:45 p.m. Guidelines for the public hearing are posted on the Commission's website, *www.srbc.gov,* before the hearing for review. The presiding officer reserves the right to modify or supplement such guidelines at the hearing. Written comments on any business listed above required to be the subject of a public hearing may also be mailed to Mr. Andrew Zerby, Assistant Counsel to the Commission, Susquehanna River Basin Commission, 4423 North Front Street, Harrisburg, Pa. 17110–1788, or submitted electronically through *https://www.srbc.gov/meeting-comment/default.aspx?type=2&cat=7.* Comments mailed or electronically submitted must be received by the Commission on or before Monday, November 9, 2026.

Authority: Pub. L. 91–575, 84 Stat. 1509 *et seq.,* 18 CFR parts 806, 807, and 808.

Dated: October 1, 2026.

Jason E. Oyler,

General Counsel and Secretary to the Commission.

[FR Doc. 2026–20333 Filed 10–2–26; 8:45 am]

BILLING CODE 7040–01–P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket Nos. USTR–2026–0595 and USTR–2026–0596]

Request for Public Comments and Notice of Public Hearing Relating to the Operation of the Agreement Between the United States of America, the United Mexican States, and Canada

AGENCY: Office of the United States Trade Representative (USTR).

ACTION: Request for comments and notice of public hearing.

SUMMARY: USTR is commencing a public consultation process in advance of the 2027 annual joint review meeting of the Agreement between the United States of America, the United Mexican States, and Canada (USMCA or Agreement). As directed by Congress, USTR is seeking public comments on the operation of the Agreement and providing notice of a public hearing.

DATES:

January 12, 2027, at 11:59 p.m. EST: Deadline for submitting written comments and requests to appear at the hearing. The request to appear must include a summary of testimony.

2027 Public Hearing: Details regarding the date and location of the public hearing will be published to USTR's website (*www.ustr.gov*). Please visit USTR's website for any updates to the hearing schedule.

Seven calendar days after the last day of the public hearing, at 11:59 p.m. EST: Deadline for submission of post-hearing rebuttal comments.

ADDRESSES: Submit documents in response to this notice, including written comments, hearing appearance requests, and summaries of testimony through the online USTR portal: *https://comments.ustr.gov/s/*.

FOR FURTHER INFORMATION CONTACT: Randall Oliver, Director for Canada, at *Randall.T.Oliver@ustr.eop.gov* or 202.395.9449, or Braeden Young, Director for Mexico, at *Braeden.P.Young@ustr.eop.gov* or 202.395.9620.

SUPPLEMENTARY INFORMATION:

I. Background

The USMCA entered into force on July 1, 2020, between the United States, Mexico, and Canada (collectively, the Parties).[1] Article 34.7.1 of the USMCA provides that the Agreement must terminate 16 years after the date of entry into force—*i.e.,* July 1, 2036—unless each Party confirms that it wishes to continue the Agreement for a new 16-year term. Pursuant to Article 34.7.2 of the USMCA, the Free Trade Commission (Commission), composed of the three Parties, convened on July 1, 2026, to conduct the first joint review of the operation of the Agreement. At that meeting, the United States did not agree to extend the Agreement for a new 16-year term. As such, pursuant to Articles 34.7.4–6 of the USMCA, the Commission will meet to conduct a joint review annually until each of the three Parties confirms its wish to extend the term of this Agreement for another 16-year period or the term of the Agreement expires, whichever is earlier.

In accordance with Section 611 of the *United States-Mexico-Canada Agreement Implementation Act* (19 U.S.C. 4611), USTR is publishing this notice regarding the joint review to provide an opportunity for the presentation of views relating to the operation of the USMCA. USTR invites interested persons to submit written comments (Part II) or oral testimony (Part III) on matters relevant to the joint review.

II. Request for Public Comments

Interested persons must submit written comments using the docket titled ''Request for Comments on the Operation of the Agreement between the United States of America, the United Mexican States, and Canada,'' docket number USTR–2026–0595, using the electronic portal at *https://comments.ustr.gov/s/* and following the instructions in Part IV below. To be assured of consideration, USTR must receive written comments by 11:59 p.m. EST on January 12, 2027. Additional instructions on how to submit written comments are provided below in Part IV.

In particular, this notice invites comments regarding:

- Any aspect of the operation or implementation of the USMCA;
- Any issues of compliance with the USMCA;
- Recommendations for specific actions that USTR should propose ahead of the joint review;
- Factors affecting the investment climate in North America and in the territories of each Party, as well as the effectiveness of the USMCA in promoting investment that strengthens U.S. competitiveness, productivity, and technological leadership; and
- Strategies for strengthening North American economic security and competitiveness and cooperation on

[1] The full text of the UMSCA is available at *https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/agreement-between.*

issues related to non-market policies and practices of other countries.

III. Hearing Participation

USTR will convene a public hearing. Details regarding the date and location of the public hearing will be published to USTR's website (*www.ustr.gov*). Please visit USTR's website for any updates to the hearing schedule. Persons wishing to appear at the hearing must provide written notification of their intention and a summary of the proposed testimony by 11:59 p.m. EST on January 12, 2027. Requests to appear must include a summary of testimony, and may be accompanied by a prehearing submission. Remarks at the hearing are limited to five minutes to allow for possible questions. Because the hearing will be public, testimony should not include any business confidential information (BCI).

Small businesses (generally defined by the Small Business Administration as firms with fewer than 500 employees) or organizations representing small business members that submit comments should self-identify as such, so that USTR may be aware of issues of particular interest to small businesses.

Interested persons must submit their request to appear and a summary of the testimony using the docket titled ''Request to Appear at the Hearing on the Operation of the Agreement between the United States of America, the United Mexican States, and Canada,'' docket number USTR–2026–0596, using the electronic portal at *https://comments.ustr.gov/s/* and following the instructions in Part IV below. To be assured of consideration, USTR must receive the request to appear and the summary of testimony by 11:59 p.m. EST on January 12, 2027.

Post-hearing rebuttal comments, which should be limited to rebutting or supplementing testimony presented at the hearing, may be submitted within seven calendar days after the last day of the public hearing. Rebuttal comments must be submitted to the appropriate docket titled ''Request for Comments on the Operation of the Agreement between the United States of America, the United Mexican States, and Canada,'' docket number USTR–2026–0595, using the electronic portal at *https://comments.ustr.gov/s/* and following the instructions in Part IV.

IV. Procedures for Written Submissions

To be assured of consideration, submit written comments, requests to appear at the hearing, summaries of testimony, and post-hearing rebuttal comments using the appropriate dockets on the portal at *https://comments.ustr.gov/s/* and as detailed in Parts II and III. All submissions must be in English. You do not need to establish an account to submit comments or a request to testify. The first screen allows you to enter identification and contact information. Third party organizations such as law firms, trade associations, or customs brokers should identify the full legal name of the organization they represent and identify the primary point of contact for the submission. USTR may not consider a comment or request if insufficient information is provided.

You may upload documents and indicate whether USTR should treat the documents as business confidential or public information. Any page containing BCI must be clearly marked ''BUSINESS CONFIDENTIAL'' on the top of that page and the submission should clearly indicate, via brackets, highlighting, or other means, the specific information that is BCI. If requesting confidential treatment, you must certify in writing that the information would not customarily be released to the public. Interested persons uploading attachments containing BCI also must submit a public version of their comments.

Daniel O'Brien,

Acting Assistant U.S. Trade Representative for the Western Hemisphere, Office of the United States Trade Representative.

[FR Doc. 2026–20341 Filed 10–2–26; 8:45 am]

BILLING CODE 3390–F4–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No. FAA–2026–11797]

Notice of Intent To Designate as Abandoned VanDyke Russell Supplemental Type Certificate

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of intent to designate VanDyke Russell supplemental type certificate as abandoned; request for comments.

SUMMARY: This notice announces the FAA's intent to designate VanDyke Russell Supplemental Type Certificate (STC) No. SA176CE as abandoned and make the related engineering data available upon request. The FAA has been unsuccessful in contacting VanDyke Russell concerning the STC. This action is intended to enhance aviation safety.

DATES: The FAA must receive all comments by April 5, 2027.

ADDRESSES: You may send comments on this notice by any of the following methods:

- *Federal eRulemaking Portal:* Go to *regulations.gov.* Follow the instructions for submitting comments.
- *Mail:* Aourolia Kristianti, AIR–761, Federal Aviation Administration, Central Certification Branch, 1801 South Airport Rd., Room 100, Wichita, KS 67209.
- *Email: 9-AVS-CCB-Correspondence@faa.gov.* Include ''Docket No. FAA–2026–11797 in the subject line of the message.
- *Hand Delivery:* Deliver to Mail address above between 8 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Aourolia Kristianti, Aviation Safety Specialist, Federal Aviation Administration, Central Certification Branch, 1801 South Airport Rd., Room 100, Wichita, KS 67209; telephone (316) 946–4121; email *9-AVS-CCB-Correspondence@faa.gov.*

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites interested parties to provide comments, written data, views, or arguments relating to this notice. Send your comments to an address listed under **ADDRESSES**. Include ''Docket No. FAA–2026–11797'' at the beginning of your comments. The FAA will consider all comments received on or before the closing date. All comments received will be available in the docket for examination by interested persons.

Background

The FAA is posting this notice to inform the public that the FAA intends to designate as abandoned VanDyke Russell STC No. SA176CE and subsequently release the related engineering data. VanDyke Russell STC No. SA176CE is for removal of door and installation of placard on FS 2001 Corp. Model (type certificate previously held by The New Piper Aircraft, Inc) AE–1, HE–1, J5A (Army L–4F), J5A–80, J5B (Army L–4G), and J5C aircraft.

The FAA has completed a due diligence search regarding the holder of STC No. SA176CE. Information obtained during that search indicates the certificate holder is deceased, and the FAA has been unable to identify or contact any legal successor or owner of the certificate. Therefore, the FAA intends to designate STC No. SA176CE as abandoned unless a person establishes ownership during the comment period.

The FAA cannot release commercial or financial information under the

provisions of the Freedom of Information Act (FOIA) without the permission of the data owner. However, in accordance with title 49 of the United States Code § 44704(a)(5), the FAA can provide STC ''engineering data'' it possesses for STC maintenance or improvement, upon request, if the following conditions are met:

1. The FAA determines the STC has been inactive for 3 years or more;
2. Using due diligence, the FAA is unable to locate the owner of record or the owner of record's heir; and
3. The availability of such data will enhance aviation safety.

There has been no activity on this STC for more than 3 years.

Information Requested

If you are the owner or heir or a transferee of STC No. SA176CE or have any knowledge regarding who may now hold STC No. SA176CE, please contact Aourolia Kristianti using a method described in this notice under **FOR FURTHER INFORMATION CONTACT**. If you are the heir of the owner, or the owner by transfer, of STC No. SA176CE, you must provide a notarized copy of your government-issued identification with a letter and background establishing your ownership of the STC and, if applicable, your relationship as the heir to the deceased holder of the STC.

Conclusion

If the FAA does not receive any response by April 5, 2027, the FAA will consider STC No. SA176CE as abandoned, and the FAA will proceed with the release of the requested data. This action is for the purpose of maintaining the airworthiness of an aircraft and enhancing aviation safety.

(Authority: 49 U.S.C. 44704(a)(5))

Issued on September 30, 2026.

Steven W. Thompson,

Acting Deputy Director, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2026–20312 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Notice of Request To Release Airport Property

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of Intent to Rule on Request to Release Airport Property for Land Disposal at the Liberal Mid-America Regional Airport (LBL), Liberal, Kansas.

SUMMARY: The FAA proposes to rule and invites public comment on the release and sale of two parcels of land at the Liberal Mid-America Regional Airport (LBL), Liberal, Kansas, under the provisions of 49 U.S.C. 47107(h)(2).

DATES: Comments must be received on or before November 4, 2026.

ADDRESSES: Comments on this application may be mailed or delivered to the FAA at the following address: Amy J. Walter, Airports Land Specialist, Federal Aviation Administration, Airports Division, ACE–620G, 1100 Main Street, Suite 800, Kansas City, MO 64105.

In addition, one copy of any comments submitted to the FAA must be mailed or delivered to: Chance Plett, Director of Aviation, Liberal Mid-America Regional Airport, 700 Terminal Road, Liberal, KS 67901, (620) 626–0188.

FOR FURTHER INFORMATION CONTACT: Amy J. Walter, Airports Land Specialist, Federal Aviation Administration, Airports Division, ACE–620G 1100 Main Street, Suite 800, Kansas City, MO 64105, (816) 329–2603, *amy.walter@faa.gov.*

The request to release property may be reviewed, by appointment, in person at this same location.

SUPPLEMENTARY INFORMATION: The FAA invites public comment on the request to release and sell two tracts of land in the airport industrial park totaling approximately 5 acres of airport property at the Liberal Mid-America Regional Airport (LBL) under the provisions of 49 U.S.C. 47107(h)(2). The Director of Aviation has requested from the FAA the release of two tracts of airport property be released for sale for commercial use. The FAA determined the request to release and sell property at Liberal Mid-America Regional Airport (LBL) meets the procedural requirements of the Federal Aviation Administration and the release and sale of the property does not and will not impact future aviation needs at the airport. The FAA may approve the request, in whole or in part, no sooner than thirty days after the publication of this Notice.

The following is a brief overview of the request:

Liberal Mid-America Regional Airport (LBL) is proposing the release and sale of two tracts of land in the airport industrial park totaling approximately 5 acres of airport property. The release of land is necessary to comply with Federal Aviation Administration Grant Assurances that do not allow federally acquired airport property to be used for non-aviation purposes. The sale of the subject property will result in the release of land and surface rights at the Liberal Mid-America Regional Airport (LBL) from the conditions of the AIP Grant Agreement Grant Assurances. In accordance with 49 U.S.C. 47107(c)(2)(B)(i) and (iii), the airport will receive fair market value and the property will continue to be used for commercial businesses by the existing tenants on these tracts.

Any person may inspect, by appointment, the request in person at the FAA office listed above under **FOR FURTHER INFORMATION CONTACT**. In addition, any person may, request an appointment and inspect the application, notice and other documents determined by the FAA to be related to the application in person at the Liberal Mid-America Regional Airport.

Issued in Kansas City, MO, on September 24, 2026.

Edward A. Hyatt,

Acting Director, FAA Central Region, Airports Division.

[FR Doc. 2026–20323 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No. FAA–2026–8879]

AC 187–1V: Schedule of Charges Outside the United States

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of availability.

SUMMARY: The Federal Aviation Administration (FAA) is announcing the availability of Advisory Circular (AC) 187–1V which transmits an updated schedule of charges for services of FAA Flight Standards Aviation Safety Inspectors outside the United States. The advisory circular has been updated in accordance with the procedures listed in 14 CFR part 187, Appendix A.

DATES: This AC is effective on October 1, 2026.

ADDRESSES: *How to obtain copies:* A copy of this publication may be downloaded from: *http://www.faa.gov/regulations_policies/advisory_circulars.*

FOR FURTHER INFORMATION CONTACT: Ms. Danuta Pronczuk, Flight Standards Service, AFS–50, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591, telephone (202) 267–0923, *Danuta.pronczuk@faa.gov.*

Issued in Washington, DC, on October 1, 2026.

Hugh J. Thomas,

Executive Director, Flight Standards Service.

[FR Doc. 2026–20327 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

Notice To Reestablish the Transit Advisory Committee for Safety Charter

AGENCY: Federal Transit Administration (FTA), U.S. Department of Transportation (DOT).

ACTION: Notice to reestablish the charter for the Transit Advisory Committee for Safety.

SUMMARY: The Federal Transit Administration (FTA) announces the reestablishment of the charter of the Transit Advisory Committee for Safety (TRACS). The previous TRACS charter expired on February 2, 2026. The U.S. Department of Transportation (DOT) and FTA are committed to ensuring the safety of the Nation's public transportation systems and reducing safety risks to both riders and transit workers. Accordingly, the Secretary of Transportation (Secretary) has determined that reestablishing TRACS is necessary and in the public interest.

DATES: This charter will be effective for two years from the date it is filed with Congress and uploaded into the U.S. General Services Administration's Federal Advisory Committee Act (FACA) database.

FOR FURTHER INFORMATION CONTACT: Joseph DeLorenzo, TRACS Designated Federal Officer, Associate Administrator, FTA Office of Transit Safety and Oversight, (202) 366–1783, *TRACS@dot.gov.*

SUPPLEMENTARY INFORMATION: This notice announces the Secretary's reestablishment of TRACS as a Federal advisory committee in accordance with the Federal Advisory Committee Act (Pub. L. 92–463, 5 U.S.C. ch. 10) to provide information, advice, and recommendations to the Secretary and the FTA Administrator on matters relating to the safety of public transportation systems.

The DOT and FTA are committed to ensuring the safety of the Nation's public transportation systems and reducing safety risks to both riders and transit workers. Accordingly, the Secretary has determined that reestablishing TRACS is necessary and in the public interest. The Public Interest Determination is available below.

TRACS will be tasked with providing advice and recommendations on improvements and innovations in transit safety. TRACS will review current challenges and innovations in public transportation and provide recommendations that FTA can implement in support of safety in the public transportation sector.

This notice is provided in accordance with the Federal Advisory Committee Act. Please see the TRACS website for additional information at *https://www.transit.dot.gov/regulations-and-guidance/safety/transit-advisory-committee-safety-tracs* and the General Services Administration's FACA database at *https://www.facadatabase.gov.*

Public Interest Determination

Pursuant to 41 U.S.C. 102–3.60(a), in order to establish, renew, reestablish, or merge a discretionary (agency discretion) advisory committee, an agency must first consult with the General Services Administration's Committee Management Secretariat (the Secretariat) and, as part of the consultation, provide a written public interest determination approved by the head of the agency to the Secretariat with a copy to the Office of Management and Budget. In addition, pursuant to 41 U.S.C. 102–3.35, an agency shall follow the same consultation process and document in writing the same determination of need before creating a subcommittee under a discretionary committee that is not made up entirely of members of a parent advisory committee.

Information on the following factors for the committee is provided to the Secretariat to demonstrate that renewing the committee is in the public interest:

1. Annual Budget

Estimated that the annual operating cost is approximately $315,000

a. Federal personnel on a full-time equivalent (FTE) basis.

$110,000

b. Other Federal internal costs.

$205,000

c. Proposed payments to members.

$0

d. Proposed number of members.

25 members

e. Reimbursable costs.

$0

2. If Applicable, the Total Dollar Value of Grants Expected To Be Recommended During the Fiscal Year

N/A

3. Criteria for Selecting Members To Ensure the Committee Has the Necessary Expertise and Fairly Balanced Membership

To select members, FTA will evaluate potential members based on the following criteria:

—Knowledge of trends and issues related to rail transit and/or bus transit safety

—Experience in the rail transit and/or bus transit

—Leadership and organizational skills

—Region of the country represented

—Overall balance of industry representation

Members will provide a broad representation of points of view of the transit industry, including academia, large and small rail and bus agencies, state departments of transportation and state safety oversight agencies, labor organizations, and other key industry stakeholders.

4. List of All Other Federal Advisory Committees of the Agency

Working Group on Covered Resources
Unmanned and Autonomous Flight Advisory Committee
United States Merchant Marine Academy Board of Visitors
U.S. Maritime Transportation System National Advisory Committee
U.S. Department of Transportation Advisory Board
The Beautifying Transportation Infrastructure Council
Technical Pipeline Safety Standards Committee
Technical Hazardous Liquid Pipeline Safety Standards Committee
Research, Engineering, and Development Advisory Committee
Railroad Safety Advisory Committee
Passenger Experience Advisory Committee
National Emergency Medical Services Advisory Council
National Airspace System Advisory Committee
National Advisory Committee on Travel and Tourism Infrastructure
Motorcyclist Advisory Council
Motor Carrier Safety Advisory Committee
Medical Review Board Advisory Committee
Intelligent Transportation Systems Program Advisory Committee
Great Lakes Saint Lawrence Seaway Development Corporation Advisory Board
DOT Advisory Committee on Human Trafficking
Bessie Coleman Women in Aviation Advisory Committee
Aviation Rulemaking Advisory Committee

Aviation Consumer Protection Advisory Committee

Arctic Shipping Federal Advisory Committee

Aircraft Noise Advisory Committee

Air Carrier Access Act Advisory Committee

5. Justification That the Information or Advice Provided by the Federal Advisory Committee or Subcommittee Is Not Available From Another Federal Advisory Committee, Another Federal Government Source, or Any Other More Cost-Effective and Less Burdensome Source

TRACS, established by the Secretary in 2009 as a Federal Advisory Committee in accordance with the Federal Advisory Committee Act (FACA), provides information, advice, and recommendations to the Secretary and the FTA Administrator on matters relating to the safety of public transportation systems and reducing the safety risk to both riders and transit workers. The Committee is FTA's only Federal advisory committee and its recommendations and advice are critical to FTA's work on public transportation safety and cannot be obtained through another federal advisory committee or Federal Government source. Its work is unique, the most cost effective and least burdensome source.

6. If the Consultation is a Committee Renewal, a Summary of the Previous Accomplishments of the Committee and the Reasons It Needs To Continue

Since its inception, TRACS has submitted 16 reports to FTA with recommendations and advice on safety-related matters critical to the public transportation industry. The Committee works cooperatively and collaboratively to address transit safety and other issues by identifying the best solutions based on agreed upon facts and identifying proposed regulatory provisions to implement those solutions. The Committee has provided more than 100 recommendations covering broad topics such as improving safety culture and implementation of Safety Management Systems, and highly specialized topics such as effective employee reporting systems, fitness for duty programs, and fatigue management safety issues. To date, FTA has implemented more than 30 TRACS recommendations. TRACS is the most essential source for the transit industry's perspective related to public transportation safety and security; and its work is critical to the Federal Transit Administration's work on safety and security.

7. Explanation of Why the Committee/Subcommittee Is Essential to the Conduct of Agency Business

TRACS is essential to the conduct of FTA's business related to safety. It exists at the discretion of the Secretary, the Administrator, or their designees and TRACS can undertake information-gathering activities as necessary to carry out its taskings, to define issues for consideration by the Committee, to develop positions on those issues, and to present the Committee's positions to the Administrator and the Secretary. Additionally, TRACS is essential to FTA business due to its ability to provide information, advice, and recommendations related to taskings from the Administrator. More importantly, TRACS is essential for its ability to independently evaluate economic, technological, and institutional developments related to transit safety and then submit its recommendations to the Administrator on innovative ideas and approaches for Federal policies and programs. The Administrator and the Secretary can select and implement from among the numerous recommendations made by TRACS.

In conclusion, this public interest determination documents that renewing the committee is in the public interest, essential to the conduct of agency business, and that the information to be obtained is not already available through another advisory committee or source within the Federal Government.

(Authority: 49 U.S.C. 5329; 49 CFR 1.91)

Jamie D. Pfister,

Acting Executive Director.

[FR Doc. 2026–20306 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–57–P

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

[Docket No. FTA–2026–0133]

Notice of Buy America Waiver for North County Transit District DMU Replacement Parts

AGENCY: Federal Transit Administration, Department of Transportation (''DOT'').

ACTION: Notice of Buy America waiver.

SUMMARY: The Federal Transit Administration (''FTA'') is granting a waiver of Buy America domestic preferences for North County Transit District (''NCTD'') to procure certain replacement parts for twelve Siemens Desiro series diesel multiple unit (''DMU'') vehicles.

DATES: The waiver is applicable on October 5, 2026.

FOR FURTHER INFORMATION CONTACT: Jaamal Jennings, FTA Attorney-Advisor, *Jaamal.Jennings@dot.gov.*

SUPPLEMENTARY INFORMATION:

Background

With certain exceptions, Buy America prohibits FTA from obligating funds for a project unless the steel, iron, manufactured goods, and construction materials used in the project are produced in the United States. 49 U.S.C. 5323(j); Public Law 117–58, 70914. FTA may waive Buy America requirements for a product if, among other reasons, a compliant version of an item is not produced in a sufficient and reasonably available amount or is not of a satisfactory quality. *See* 49 U.S.C. 5323(j)(2)(B). FTA cannot deny a request for a waiver unless it can provide the waiver requester with a written certification that (1) the item is produced in the United States in a sufficient and reasonably available amount; (2) the item produced in the United States is of a satisfactory quality; and (3) FTA's certification includes a list of known manufacturers in the United States from which the item can be obtained. *See* 49 U.S.C. 5323(j)(6)(A).

North County Transit District (''NCTD'') is the owner and operator of the Sprinter light rail service, which runs 22 miles from Oceanside to Escondido in San Diego County, California, with 15 passenger stations. The fleet consists of 12 Siemens Desiro series DMUs procured in 2003 pursuant to a previous Buy America waiver. On April 10, 2025, NCTD issued a solicitation for 27 kinds of replacement parts for the DMUs. A single bidder responded, representing it could comply with Buy America for 12 of the parts specified in the RFP and could not comply for 15 other parts. Following the RFP, NCTD submitted a supplier scouting opportunity (scouting number 2025–368) through the National Institute of Standards and Technology Manufacturing Extension Partnership (''NIST–MEP'') in compliance with Section 70916(c) of the Build America, Buy America Act (Pub. L. 117–58, November 15, 2021). NIST–MEP identified no manufacturer matches for the opportunity. FTA had previously waived the Buy America requirements for certain replacement parts for the DMU vehicles in 2016. 81 FR 89570 (Dec. 12, 2016).

Proposed Waiver and Request for Comments

On June 30, 2026, FTA published in the **Federal Register** a request for

comments on a proposal to waive Buy America for the specific replacement parts not produced in the United States.[1]

Response to Comments

FTA received no comments on its proposed waiver during the 15-day comment period.

Finding on Waiver

FTA finds that the replacement parts identified in FTA's June 30, 2026, notice of proposed waiver are not produced in the United States in a sufficient and reasonably available amount or of a satisfactory quality. Accordingly, FTA is granting the waiver as proposed in FTA's June 30 notice.

Matthew B. Cahill,

Acting Deputy Administrator.

[FR Doc. 2026–20358 Filed 10–2–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

[Docket No. DOT–OST–2016–0023]

Extension of a Previously Approved Collection: Public Charters, 14 CFR Part 380

AGENCY: Office of the Secretary, DOT.

ACTION: Notice and request for comments.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995, Public Law 104–13, the Department of Transportation (DOT) invites the general public, industry and other governmental parties to comment on Public Charters, 14 CFR part 380. The pre-existing information collection request was previously approved by the Office of Management and Budget (OMB).

DATES: Written comments should be submitted by December 4, 2026.

ADDRESSES: You may submit comments [identified by DOT–DMS Docket No. DOT–OST–2016–0023] through one of the following methods:

- *Federal eRulemaking Portal: http://www.regulations.gov.* Follow the instructions for submitting comments.
- *Fax:* 1–202–493–2251.
- *Mail or Hand Delivery:* Docket Management Facility, U.S. Department of Transportation, 1200 New Jersey Ave. SE, West Building, Room W58–213, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except on Federal holidays.

FOR FURTHER INFORMATION CONTACT: Ms. Reather Flemmings (202–366–1865) and Mr. Brett Kruger (202–366–8025), Office of the Secretary, Office of International Aviation, U.S. Air Carrier Licensing/Special Authorities Division-X44, 1200 New Jersey Ave. SE, Washington, DC, 20590.

SUPPLEMENTARY INFORMATION:

OMB Control Number: 2106–0005.

Title: Public Charters, 14 CFR part 380.

Form Numbers: 4532, 4533, 4534, 4535.

Type of Review: Extension of a Previously Approved Collection: The current OMB inventory has not changed.

Abstract: 14 CFR part 380 establishes regulations embodying the Department's terms and conditions for Public Charter operators to conduct air transportation using direct air carriers. Public Charter operators arrange transportation for groups of people on chartered aircraft. This arrangement is often less expensive for the travelers than individually buying a ticket. Part 380 exempts charter operators from certain provisions of the U.S. code in order that they may provide this service. A primary goal of Part 380 is to seek protection for the consumer. Accordingly, the rule stipulates that the charter operator must file evidence (a prospectus—consisting of OST Forms 4532, 4533, 4534, 4535, and supporting financial documents) with the Department for each charter program certifying that it has entered into a binding contract with a direct air carrier to provide air transportation and that it has also entered into agreements with Department-approved financial institutions for the protection of charter participants' funds. The prospectus must be accepted by the Department prior to the operator's advertising, selling or operating the charter. If the prospectus information were not collected it would be extremely difficult to assure compliance with agency rules and to assure that public security and other consumer protection requirements were in place for the traveling public. The information collected is available for public inspection (*unless the respondent specifically requests confidential treatment*). Part 380 does not provide any assurances of confidentiality.

Burden Statement: Completion of all forms in a prospectus can be accomplished in approximately two hours (30 minutes per form) for new filers and one hour for amendments (existing filings). The forms are simplified and request only basic information about the proposed programs and the private sector filer. The respondent can submit a filing to operate for up to one year and include as many flights as desired, in most cases. If an operator chooses to make changes to a previously approved charter operation, then the operator is required by regulations to file revisions to its original prospectus.

Respondents: Private Sector: Air carriers; tour operators; the general public (including groups and individuals, corporations and Universities or Colleges, etc.).

Number of Respondents: 154.

Number of Responses: 1,418.

Total Annual Burden: 891.

Frequency of Responses:

154 (respondents) × 4 = 616

401 (amendments *from the same respondents*) × 2 = 802

Total estimated responses: 616 + 802 = 1,418

The frequency of response is dependent upon whether the operator is requesting a new program or amending an existing prospectus. Variations occur due to the respondents' criteria. On average four responses (forms 4532, 4533, 4534 and/or 4535) are required for filing new prospectuses and two of the responses (forms) are required for amendments. The separate hour burden estimate is as follows:

Total Annual Burden: 709 hours.

Approximately 1,418 (responses) × 0.50 (per form) = 709.

Public Comments Invited: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; (b) the accuracy of the Department's estimate of the burden of the proposed information collection; (c) ways to enhance the quality, utility and clarity of the information collection; and (d) ways to minimize the burden of the collection of information on respondents, by the use of electronic means, including the use of automated collection techniques or other forms of information technology. All responses to this notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. Chapter 35, as amended; and 49 CFR 1.48.

Issued in Washington, DC, on October 1, 2026

Brett D. Kruger,

Assistant Director for Regulatory Affairs, Office of International Aviation.

[FR Doc. 2026–20355 Filed 10–2–26; 8:45 am]

BILLING CODE 4910–9X–P

[1] 91 FR 39665.

DEPARTMENT OF THE TREASURY

Interest Rate Paid on Cash Deposited To Secure U.S. Immigration and Customs Enforcement Immigration Bonds

AGENCY: Departmental Offices, Treasury.

ACTION: Notice.

SUMMARY: For the period beginning October 1, 2026, and ending on January 31, 2027, the U.S. Immigration and Customs Enforcement Immigration Bond interest rate is 3 per centum per annum.

DATES: Rates are applicable October 1, 2026, to January 31, 2027.

ADDRESSES: Comments or inquiries may be mailed to Funds Management Branch, Bureau of the Fiscal Services, Parkersburg, West Virginia 26106–1328.

You can download this notice at the following internet addresses: <*http://www.treasury.gov*> or <*http://www.federalregister.gov*>.

FOR FURTHER INFORMATION CONTACT: The Bureau of Fiscal Service Funds Management Branch, Bureau of the Fiscal Service, Parkersburg, West Virginia 26106–1328 via *FCReports@fiscal.treasury.gov*; Kim Poling, Supervisor, Funds Management Branch, Bureau of the Fiscal Services, Parkersburg, West Virginia 26106–1328, (304) 480–5242.

SUPPLEMENTARY INFORMATION: Federal law requires that interest payments on cash deposited to secure immigration bonds shall be ''at a rate determined by the Secretary of the Treasury, except that in no case shall the interest rate exceed 3 per centum per annum.'' 8 U.S.C. 1363(a). Related Federal regulations state that ''Interest on cash deposited to secure immigration bonds will be at the rate as determined by the Secretary of the Treasury, but in no case will exceed 3 per centum per annum or be less than zero.'' 8 CFR 293.2. Treasury has determined that interest on the bonds will vary quarterly and will accrue during each calendar quarter at a rate equal to the lesser of the average of the bond equivalent rates on 91-day Treasury bills auctioned during the preceding calendar quarter, or 3 per centum per annum, but in no case less than zero. [FR Doc. 2015–18545]. In addition to this Notice, Treasury posts the current quarterly rate in Table 2b—Interest Rates for Specific Legislation on the Treasury Direct website.

The Acting Fiscal Assistant Secretary, Gary Grippo, having reviewed and approved this document, is delegating the authority to electronically sign this document to Heidi Cohen, Federal Register Liaison for the Department, for purposes of publication in the **Federal Register**.

Heidi Cohen,

Federal Register Liaison.

[FR Doc. 2026–20375 Filed 10–2–26; 8:45 am]

BILLING CODE 4810–AS–P



FEDERAL REGISTER

Vol. 91 Monday,
No. 191 October 5, 2026

Part II

Securities and Exchange Commission

17 CFR Parts 239, 249, et al.
Proposed Rule

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 239, 249, 270, and 274

[Release No. 33–11444; 34–106534; IC–36351; File No. S7–2026–34]

RIN 3235–AN83

Interval Fund Modernization; Expansion of Multiple Share Class to Registered Closed-End Management Investment Companies and Business Development Companies

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule.

SUMMARY: The Securities and Exchange Commission (the ''Commission'') is proposing to amend the rule under the Investment Company Act of 1940 that allows registered closed-end management investment companies and business development companies (collectively, ''regulated closed-end funds'') to make repurchase offers to shareholders at net asset value (''NAV'') at periodic intervals pursuant to a fundamental policy (''interval funds''). The proposed amendments would increase flexibility in the rule's repurchase offer framework and modify the rule's liquidity management requirements. The proposal is designed to modernize the framework applicable to these funds by allowing them to better match the liquidity profile of the assets in which they invest, while continuing to provide the operational infrastructure and investor protection of the Investment Company Act of 1940. We also propose amending certain rules that would permit regulated closed-end funds to issue multiple share classes, consistent with routine exemptive relief provided to these funds, and to require certain related disclosure in funds' prospectuses. We further propose to require disclosures in all regulated closed-end fund shareholder reports, a legend in their prospectuses, and an increase in the dollar amount used for the prospectus expense example, to provide investors with information about fund expenses similar to that provided by registered open-end funds. As a result of these amendments for interval funds and multiple share class regulated closed-end funds, we propose to rescind existing related exemptive orders.

DATES: This r was published in the **Federal Register** on October 5, 2026. Comments should be received on or before December 4, 2026.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/comments/s7-2026-34/interval-fund-modernization-expansion-multiple-share-class-registered-closed-end-management*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number S7–2026–34 on the subject line.

Paper Comments

- Send paper comments to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number S7–2026–34. 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 of submission. The Commission will post all comments on the Commission's website (*https://www.sec.gov/rules-regulations/public-comments/s7-2026-34*). Do not include personally identifiable information in submissions; you should submit only information that you wish to make available publicly. The Commission may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

Studies, memoranda, or other substantive items may be added by the Commission or staff to the comment file during this rulemaking. A notification of the inclusion in the comment file of any such materials will be made available on the Commission's website. To ensure direct electronic receipt of such notifications, sign up through the ''Stay Connected'' option at *www.sec.gov* to receive notifications by email.

A summary of the proposal of not more than 100 words is posted on the Commission's website (*https://www.sec.gov/rules-regulations/2026/09/s7-2026-34*).

FOR FURTHER INFORMATION CONTACT: Susan Ali, Claudia Rios, and Greg Scopino, Senior Counsels; Blair Burnett, Branch Chief; Brian McLaughlin Johnson, Assistant Director, at (202) 551–6792, Investment Company Regulation Office, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–8549.

SUPPLEMENTARY INFORMATION: The Commission is proposing for public comment amendments to 17 CFR 270.23c–3 (''rule 23c–3''), 17 CFR 270.18f–3 (''rule 18f–3''), and 17 CFR 270.17d–3 (''rule 17d–3'') and Form N–23c–3 [referenced in 17 CFR 274.221], Form N–2 [referenced in 17 CFR 239.14 and 274.11a–1] and Form N–CEN [referenced in 17 CFR 249.330 and 274.101] under the Investment Company Act of 1940 (the ''Investment Company Act'').[1]

Table of Contents

I. Introduction and Background
A. Overview of the Interval Fund Framework
1. History of Rule 23c–3
2. Requirements Under Rule 23c–3
3. Need for Updated Regulatory Framework
B. Multiple Share Class Funds
C. Overview of the Proposal
II. Discussion
A. Enhancing Flexibility in the Interval Fund Repurchase Offer Requirements
1. Deferral of the First Repurchase Offer
2. Monthly Periodic Intervals
3. More Frequent Discretionary Repurchases
4. Repurchase Pricing Date
5. Amount of Securities Repurchased
6. Deferred Sales Loads
B. Modification to the Interval Fund Liquidity Requirement During the Repurchase Offer Period
C. Other Proposed Amendments to the Interval Fund Framework
1. Grandparent Clause
2. Form N–23c–3
D. Expansion of Multiple Share Class Offerings to Regulated Closed-End Funds
1. Rule 18f–3
2. Rule 17d–3
3. Disclosures and Reporting
E. Proposed Rescission of Exemptive Orders
F. Effective and Compliance Dates
III. Economic Analysis
A. Introduction
B. Economic Baseline
1. Regulatory Baseline
2. Affected Parties
3. Market Practices
C. Benefits and Costs
1. Enhancing Flexibility in the Repurchase Requirements
2. Modification to the Interval Fund Liquidity Requirement During the Repurchase Offer Period
3. Other Proposed Amendments
4. Expansion of Multiple Share Class Offerings to Regulated Closed-End Funds
5. Aggregate Monetized Benefits and Costs

[1] 15 U.S.C. 80a *et seq.*

D. Effects on Efficiency, Competition, and Capital Formation
E. Reasonable Alternatives
1. Longer Interval-Scaled Deferral of First Repurchase Offer
2. Lower Repurchase Offer Minimums for Monthly Interval Funds
3. Permit Multiple Share Classes for All Regulated Closed-End Funds
4. Targeted Liquidity Management Carve-Outs
F. Request for Comment
IV. Paperwork Reduction Act Analysis
A. Summary of the Collections of Information
B. Summary of the Proposed Amendments' Estimated Effects on the Collections of Information
C. Incremental and Aggregate Burden and Cost Estimates
D. Request for Comments
V. Initial Regulatory Flexibility Analysis
A. Reasons for and Objectives of the Proposed Actions
B. Legal Basis
C. Small Entities Subject to Proposed Rule Amendments
D. Projected Reporting, Recordkeeping, and Other Compliance Requirements
E. Duplicative, Overlapping, or Conflicting Federal Rules
F. Significant Alternatives
G. Request for Comment
VI. Congressional Review Act
VII. Other Matters
Statutory Authority

I. Introduction and Background

The asset management industry has expanded and diversified as investors seek opportunities across both public and private markets. As the variety of investment products and their delivery channels has grown, both institutional and individual investors have increasingly sought to access alternative investment assets and to construct more diversified investment portfolios than in the past. The Commission is committed to identifying ways to reduce unnecessary regulatory obstacles to investment product innovation, allowing for the broadening of investor choice available in today's asset management industry while appropriately addressing risks associated with increasingly diverse portfolio compositions and operations.

As part of this initiative, the Commission is proposing amendments to rule 23c–3, the rule that governs interval funds. These changes aim to provide interval funds with increased flexibility, including by permitting extended deferral of initial repurchase offers and providing less prescriptive portfolio liquidity requirements. As investors increasingly look for access to private markets, interval funds can offer a way to deliver that exposure while maintaining a level of investor liquidity. Their structure enables asset managers to invest in less-liquid holdings while still offering investors predictable, rules-based liquidity at set intervals. The proposed changes may allow broader adoption of this structure by fund managers seeking to offer retail investors exposure to private markets.

Rule 23c–3 under the Investment Company Act permits regulated closed-end funds to make periodic repurchase offers to shareholders at NAV at predetermined intervals, subject to certain conditions. These regulated closed-end funds are commonly referred to as ''interval funds.'' Rule 23c–3 also permits both interval funds and other closed-end funds or business development companies (''BDCs'') that do not make periodic repurchase offers the option to offer discretionary repurchases, subject to certain conditions. We generally refer to ''interval funds'' when discussing amendments to rule 23c–3 even though certain of the amendments may also apply to closed-end funds and BDCs that are not interval funds (''non-interval funds'') if they elect to make a discretionary repurchase offer. These discretionary repurchase offers by non-interval funds are subject to some, but not all, of the provisions of rule 23c–3.[2]

The Commission established the interval fund framework through the adoption of rule 23c–3 in 1993.[3] Interval funds occupy a distinct position in the registered investment company landscape, blending aspects of registered open-end management investment companies (''registered open-end funds'') and regulated closed-end funds. Registered open-end funds are required to redeem their securities on demand from shareholders at a price approximating their proportionate share of the fund's NAV, next calculated by the fund after receipt of such redemption request, which restricts their ability to allocate a significant portion of their portfolio to illiquid assets.[4] Regulated closed-end funds, in contrast, do not offer redeemable securities, which permits them to offer meaningful exposure to less-liquid assets, including private market assets offered in transactions exempt from registration under the Securities Act of 1933 (''Securities Act''). Further, while regulated closed-end funds can employ strategies that involve less liquid assets as compared to registered open-end management companies, they can also offer benefits that private funds cannot, such as the protections provided by being registered under or regulated by the Investment Company Act, the potential to being open to an unlimited number of non-accredited investors, and eligibility for tax treatment under Subchapter M of the Internal Revenue Code of 1986, as amended, if the conditions of that regulation are satisfied.[5] However, investors in regulated closed-end funds that are not interval funds typically have limited options to sell their shares. Investors can generally either sell their shares back to the fund through issuer tender offers that the fund has elected to make, or, if the fund is listed on a securities exchange, sell to the market, often at a discount to NAV.[6]

Interval funds can address these limitations of both structures. They can invest in less liquid assets because the interval fund structure does not require daily redemptions. Rather, investors are provided with opportunities to sell their shares to the fund on a predetermined periodic basis. In addition to providing exposure to less liquid assets, in contrast to other regulated closed-end fund structures, interval funds offer the predictability of a mandatory, limited, rules-based liquidity framework by requiring interval funds to adopt a fundamental policy to make periodic repurchases of their shares at a price based on NAV. This provides a stable, continuous-offering alternative to discretionary repurchase programs that afford both advisers and investors greater certainty regarding the potential for periodic liquidity at or near NAV.

The interval fund framework has remained largely unchanged since it was first adopted. As discussed in more detail below,[7] over time, certain of rule 23c–3's provisions have become outdated, operationally burdensome, or less responsive to the evolving realities of modern interval fund operations. For example, the Commission has granted exemptive orders from certain provisions of the rule to allow certain

[2] *See infra* footnote 84 and accompanying text.

[3] Repurchase Offers By Closed-End Management Investment Companies, Investment Company Act Release No. 19399 (Apr. 7, 1993) [58 FR 19330 (Apr. 14, 1993)] (''1993 Adopting Release'').

[4] *See* 15 U.S.C. 80a–22; 17 CFR 270.22c–1 (describing requirements related to the pricing of redeemable securities for distribution, redemption and repurchase). *See also* 15 U.S.C. 80a–22(e) (requiring payment of redemption proceeds within seven days) and 17 CFR 270.22e–4 (prohibiting registered open-end funds from investing more than 15% of the portfolio in ''illiquid securities'').

[5] *See, e.g.,* Concept Release on Harmonization of Securities Offering Exemptions, Securities Act Release No. 10649 (June 18, 2019) [84 FR 30460 (June 26, 2019)] (''2019 Concept Release'') at section IV.A.1.

[6] *See, e.g., id.*

[7] *See infra* section I.A.3.

interval funds to provide liquidity to their investors on a more frequent basis than currently permitted under the rule, specifically allowing liquidity to be offered on a monthly basis.[8] While interval funds have experienced some growth in recent years,[9] greater flexibility in the rule could facilitate larger adoption rates by fund managers seeking to provide a retail registered fund investment that provides access to private markets. To further expand retail exposure to private market assets through products that provide this level of liquidity in a closed-end fund structure, a comprehensive update to the interval fund rule is needed to reflect current market realities and support continued innovation in the sector. Accordingly, we are proposing amendments to rule 23c–3 that would modernize, enhance, and simplify the interval fund framework while maintaining appropriate investor protections and safeguards.

In addition, the proposal would codify what has become routine exemptive relief for regulated closed-end funds, allowing regulated closed-end funds to issue multiple share classes subject to certain conditions, without first obtaining this relief via an exemptive order. Rule 18f–3 has allowed registered open-end funds to issue multiple classes of shares since 1995. In 2025, the Commission began granting exemptive orders to mutual funds to offer ETF share classes within the same portfolio, with a significant number being issued so far.[10] The Commission is proposing to broaden the scope of these rules to permit regulated closed-end funds to issue multiple share classes as well. These amendments would streamline the offering process for regulated closed-end funds and reduce the burdens and costs associated with the exemptive application process for these funds and the Commission.

In connection with multiple share class structures, we are proposing to make amendments to relevant disclosure forms. We are proposing amendments to Form N–2 to require disclosures detailing multiple share class structures for investors and to provide enhanced expense disclosures regarding all regulated closed-end funds. We are also proposing to extend the existing open-end fund reporting on Form N–CEN regarding multiple share class information to registered closed-end management companies.

A. Overview of the Interval Fund Framework

1. History of Rule 23c–3

Closed-end funds became prominent during the 1920s, prior to the enactment of the Investment Company Act, with new offerings commonly being sold at large premiums to NAV. Following the stock market crash of 1929, however, these funds began trading at persistent discounts. Affiliated persons of such funds (including managers and insiders) with access to portfolio information frequently repurchased shares at depressed prices, exploiting the information asymmetry at the expense of selling shareholders who lacked sufficient visibility into the value of the funds' holdings.[11]

To address these abuses, Congress included section 23 in the initial text of the Investment Company Act. Section 23 supplements the disclosure and reporting requirements imposed by the Securities Act and the Securities Exchange Act of 1934 (the ''Exchange Act''), and prescribes the conditions under which regulated closed-end funds may repurchase their own securities. Specifically, section 23(c) generally prohibits a regulated closed-end fund from purchasing its own securities except: (1) on a national securities exchange or other market designated by the Commission (after adequate notice to all shareholders); (2) pursuant to tenders open to all security holders; or (3) in such other circumstances as the Commission permits by rule or order.

The significance of section 23 of the Investment Company Act is best understood with reference to the classification framework established in section 5(a) of the Investment Company Act, which divides management investment companies into two categories:

- registered open-end companies, defined as management companies that offer or have outstanding any redeemable security, and
- closed-end companies, defined as any management company that is not an open-end company.

A redeemable security is any security, other than short-term paper, under the terms of which the holder, upon presentation to the issuer, is entitled to receive a proportionate share of the issuer's current net assets or the cash equivalent thereof.[12] This right of redemption is the defining structural feature of registered open-end funds (*e.g.,* mutual funds). Because regulated closed-end fund shares are not redeemable securities, shareholders of a regulated closed-end fund have no statutory right to demand redemption. Section 23 of the Investment Company Act prescribes the exclusive conditions under which regulated closed-end funds may offer shareholders liquidity through the repurchase of shares.

Prior to the Commission proposing rule 23c–3 in 1992, the Division of Investment Management issued a report that identified significant structural limitations in the existing open-end/closed-end binary classification framework and recommended that the Commission consider rulemaking to accommodate funds with overlapping features.[13] Staff drew particular attention to a class of funds that emerged in the late 1980s commonly referred to as ''prime rate funds,'' which invested primarily in bank loans and other less-liquid credit assets. Although these funds registered as closed-end companies, they operated in many respects like registered open-end funds, offering shares on a continuous basis and relying on periodic tender offers conducted pursuant to section 23(c)(2) as the sole source of liquidity for their shareholders. Staff observed, however, that the issuer tender offer framework was governed by the Exchange Act and the rules thereunder, which rendered

[8] *See, e.g.,* In the Matter of Lord Abbett Opportunities Fund, Investment Company Act Release No. 35663 (July 1, 2025) (Notice) and Investment Company Act Release No. 35699 (Jul. 29, 2025) (Order); In the Matter of Optimize Growth Equity Fund, Optimize Premium Yield Fund and Optimize Wealth Management Inc., Investment Company Act Release No. 35533 (Apr. 10, 2025) (Notice) and Investment Company Act Release No. 35576 (May 7, 2025) (Order); In the Matter of Nuveen Enhanced Floating Rate Income Fund, Nuveen Fund Advisors, LLC, Nuveen Securities, LLC, and Nuveen Asset Management, LLC, Investment Company Act Release No. 35081 (Notice) and Investment Company Act Release No. 35091 (Jan. 17, 2024) (Order).

[9] Information reported to the Commission on Form N–CEN as of Dec. 2025 suggests growth from 58 interval funds with $38 billion in assets in 2020 to 139 interval funds holding $101 billion in assets in 2025.

[10] *See, e.g.,* In the Matter of DFA Investment Dimensions Group Inc. et al., Investment Company Act Release No. 35770 (Sep. 29, 2025) (Notice) and Investment Company Act Release No. 35786 (Nov. 17, 2025) (Order); In the Matter of SPDR Series Trust et al., Investment Company Act Release No. 35834 (Dec. 17, 2025) (Notice) and Investment Company Act Release No. 35891 (Jan. 13, 2026) (Order).

[11] *See* Investment Company Act of 1940 and Investment Advisers Act of 1940, S. Rep. No. 1775, 76th Cong., 3d Sess. (1940) (stating ''[t]he DISTRIBUTION and repurchase of the securities issued by investment companies have on occasion resulted in discrimination in favor of the management or other 'insiders' who have been able to acquire the securities and to have the companies repurchase them on a basis more favorable than that accorded public stockholders.'').

[12] 15 U.S.C. 80a–2(a)(32).

[13] *See* Division of Investment Management, SEC, Protecting Investors: A Half Century of Investment Company Regulation (May 1992) (''Protecting Investors Report'') at 424–425, *available at https://www.sec.gov/divisions/investment/guidance/icreg50-92.pdf.*

this approach operationally cumbersome and costly.[14] For instance, the tender offer framework pursuant to the Exchange Act requires regulated closed-end funds to disclose information about the fund, such as the identity and background of the issuer, the source of proceeds, comprehensive financial statements, and significant corporate events, among other disclosures.[15] Although informative for shareholders, these Exchange Act disclosure obligations were designed for operating companies tendering shares on a non-regular basis, not registered investment companies that are making regular and frequent repurchase offers.[16]

Accordingly, staff recommended that the Commission develop a new regulatory framework to permit regulated closed-end funds to offer periodic repurchases to shareholders at NAV in a manner that was less burdensome than the Exchange Act tender offer regime and that provided investors with more predictable and reliable access to liquidity. The staff's recommendation and the asset management industry's general interest in offering more flexible fund vehicles that could invest in less-liquid assets, while offering periodic liquidity to shareholders, led the Commission to adopt rule 23c–3 in 1993.[17] The establishment of the interval fund framework reflected the Commission's efforts to balance investor protection with the need for innovative investment products.

2. Requirements Under Rule 23c–3

Under rule 23c–3, the shares of an interval fund are subject to periodic repurchase offers by the fund at NAV in accordance with the fund's fundamental policy.[18] An interval fund makes repurchase offers to its shareholders, every three, six, or twelve months, at a ''periodic interval'' disclosed in the fund's prospectus and annual report.[19] A fund must begin making repurchase offers with a repurchase request deadline no later than two periodic intervals after the effective date of the fund's registration statement or after a shareholder vote adopting the fundamental policy that specifies the fund's periodic interval.[20] When a fund initiates a repurchase offer pursuant to its fundamental policy, the repurchase offer amount cannot be less than five percent or more than 25 percent of the common stock outstanding on a repurchase request deadline.[21] The repurchase offer amount is determined by the interval fund's board of directors and is communicated in the offer notification to shareholders prior to each repurchase.[22]

Subject to limited exceptions as defined in the rule, the fund must accept repurchases up to the repurchase offer amount.[23] A fund cannot, for example, offer a repurchase amount of 10 percent of NAV, receive repurchase requests from shareholders of 10 percent of NAV, and then elect to only offer to repurchase five percent of NAV. However, if shareholders request more than the repurchase offer amount, the fund can repurchase an additional amount of stock not to exceed two percent of the common stock outstanding.[24]

In addition to the periodic repurchase offers subject to a fundamental policy, the rule permits any regulated closed-end fund (including a fund that is not an interval fund) to repurchase its common stock no more frequently than once every two years pursuant to a repurchase offer that is not made pursuant to a fundamental policy.[25] These discretionary repurchase offers must be made to all holders and are subject to some, but not all, of the provisions of rule 23c–3.[26]

Under rule 23c–3, interval funds are required to send a notification to shareholders detailing the repurchase offer between twenty-one and forty-two days before the repurchase request deadline, ensuring that shareholders have a reasonable opportunity to participate in any repurchase offer.[27] Subsequently, the fund must determine the NAV of the shares by the repurchase pricing date, which must be within fourteen days following the repurchase request deadline.[28] Shareholders must then receive payment within seven days of the repurchase pricing date.[29] The diagram below illustrates this process:

[14] *See id.* at 440–441 (also noting that the Commission staff had taken the position that committing in advance to conduct periodic tender offers could expose registered fund directors to fiduciary concerns, leaving fund prospectuses in the position of representing only that the board would consider making tender offers at certain intervals without providing assurances that such offers would occur).

[15] *See* Schedule TO (17 CFR 240.14d–100), Tender Offer Statement under Section 14(d)(1) or 13(e)(1) of the Securities Exchange Act of 1934.

[16] *See* Protecting Investors Report at 444–445 (stating that ''the experiences of closed-end companies that have conducted repurchases in accordance with the [Exchange Act] tender offer rules suggest that some provisions of those rules were intended to apply to different transactions and do not achieve their objectives when applied to closed-end companies conducting repurchases at a price based on net asset value'').

[17] *See* 1993 Adopting Release at 19330–19331 (stating that the adoption of rule 23c–3 implements part of the recommendations made in the Protecting Investors Report and that the provisions for periodic repurchase offers are intended to offer investors a limited ability to resell their shares in a manner that traditionally had been available only to open-end company shareholders).

[18] *See* rule 23c–3(b).

[19] *See* rule 23c–3(a)(1). The Commission has also issued exemptive orders to certain interval funds permitting the fund to conduct repurchase offers on a monthly basis, subject to certain conditions. *See infra* footnote 57.

[20] *See* rule 23c–3(a)(7).

[21] *See* rule 23c–3(a)(3) (definition of repurchase offer amount) and rule 23c–3(a)(7) (definition of repurchase request deadline).

[22] *See* rule 23c–3(a)(3) (requiring that the directors of the company determine the repurchase offer amount) and rule 23c–3(b)(4)(i) (detailing the requirements of shareholder notification).

[23] *See* rule 23c–3(b)(3).

[24] *See* rule 23c–3(b)(5) (detailing the process for oversubscribed repurchase offers).

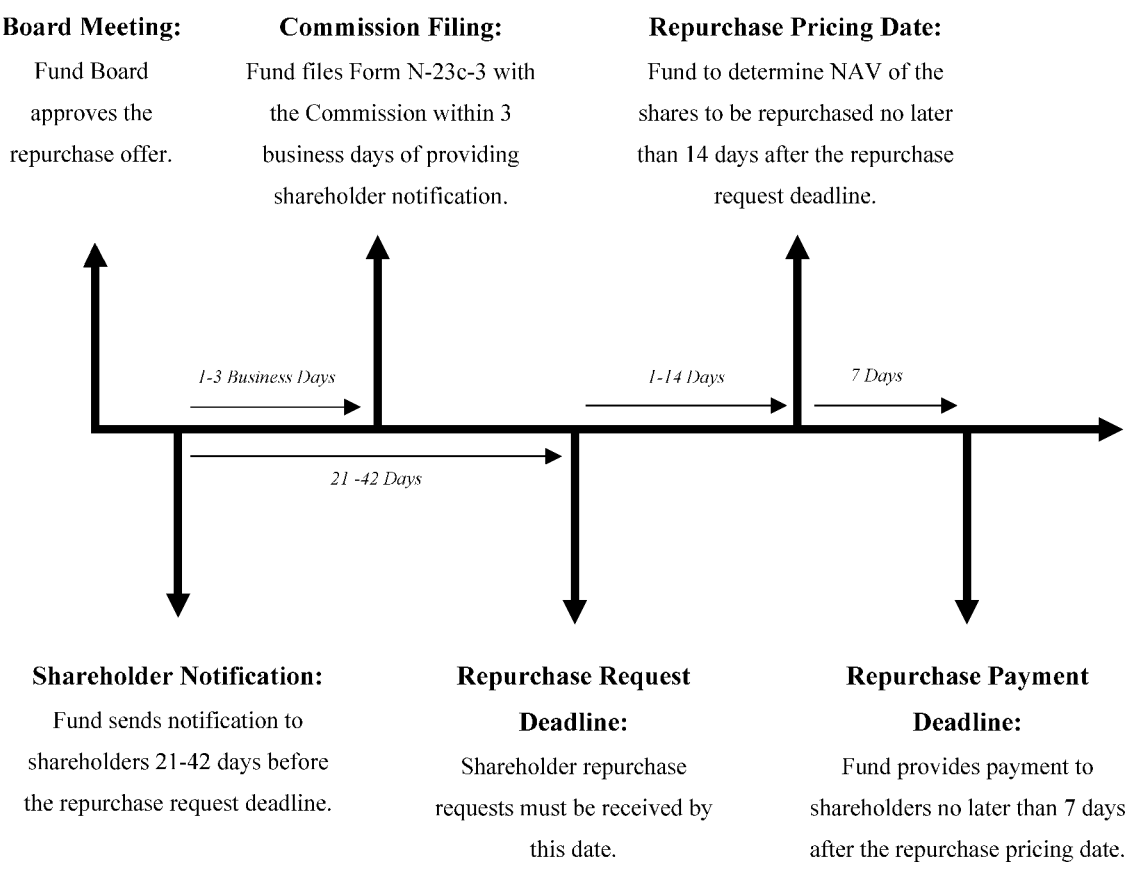
[25] *See* rule 23c–3(c).

[26] *Id.* (stating that funds making discretionary repurchases under this rule must comply with the requirements of paragraph (b)(1), (3), (4), (5), (6), (7)(ii), (8), (10)(i), and (10)(ii) of this section).

[27] *See* rule 23c–3(b)(4).

[28] *See* rule 23c–3(a)(5).

[29] *See* rule 23c–3(a)(4).



The interval fund framework also mandates certain liquidity requirements. From the point at which an interval fund notifies shareholders regarding a repurchase offer until the designated repurchase pricing date, the fund is obligated to maintain no less than 100 percent of the repurchase offer amount in assets that can be sold or disposed of in the ordinary course of business, at approximately the price at which the company has valued the investment, within a period equal to the period between a repurchase request deadline and the repurchase payment deadline.[30] An interval fund is also required to maintain policies and procedures to ensure that the fund's assets are sufficiently liquid so that the fund can comply with its fundamental policy on repurchases.[31]

3. Need for Updated Regulatory Framework

Recent years have witnessed significant growth in private market assets, driven by evolving investor demands and the availability of a broader range of investment opportunities across public and private markets. Exempt offerings, such as private fund offerings, have become more popular vehicles for raising new capital relative to registered offerings.[32] As a result, the benefits of portfolio diversification are becoming increasingly limited for investors unable to obtain meaningful exposure to these private market assets and strategies, which include real estate, private equity, private credit, hedge, and various other alternative asset classes and strategies. For most investors, the ability to obtain exposure to private market assets through a pooled investment vehicle generally is limited to exposure through registered investment companies and BDCs. Interval funds provide asset managers the flexibility to build diversified portfolios, while preserving investors' ability to tender shares for repurchase at NAV.

We recognize that the interval fund structure offers an inherent tradeoff: the fund offers investors the ability to obtain exposure to illiquid or less liquid assets with access to a certain amount of liquidity, but investors generally can tender their shares only periodically and in amounts offered by the fund. Recent market events have drawn attention to this structural characteristic. In early 2026, multiple non-traded BDCs and registered closed-end funds, including several interval funds, experienced increased investor demand to repurchase shares. In several cases, investors sought to tender more shares than the fund had originally offered to repurchase. Our rules require funds to disclose these structural features and this tradeoff—and to manage liquidity to meet periodic promised repurchase offers—so that investors can determine if these funds are an investment that meets their portfolio objectives, risk tolerances, and liquidity needs. If investors are well-informed about the liquidity limitations and repurchase schedule of interval funds, the interval fund structure can be an effective way to gain exposure to less liquid assets.

Although the interval fund framework has been available since the Commission adopted rule 23c–3 in 1993, the structure was not used much in its early years. That trajectory has changed significantly in recent years, however. The number of interval funds has grown from 58 in 2020 to 139 in 2025 and the aggregate net assets have increased from $38 billion to $101

[30] *See* rule 23c–3(b)(10).

[31] *See* rule 23c–3(b)(10)(iii).

[32] The Commission estimated that approximately $3.7 trillion of new capital was raised through exempt offerings in 2022, which is 270% more than the $1.0 trillion raised in registered offerings over the same period. *See* Review of the ''Accredited Investor'' Definition under the Dodd-Frank Act (Dec. 2023), available at *https://www.sec.gov/files/review-definition-accredited-investor-2023.pdf.*

billion during that same period.[33] The growth of the interval fund market has been driven in large part by demand for registered vehicles that provide access to private market assets, including private credit, private equity, and other alternative asset classes that have traditionally been available only through private funds. Credit strategies constitute the largest segment of the interval fund market, representing approximately 55 percent of aggregate net assets.

In October 2017, the U.S. Department of Treasury prepared a report that included, among other items, recommendations that the Commission review its rules regarding interval funds to determine whether more flexible provisions might encourage the creation of registered closed-end funds that invest in offerings of smaller public companies and private companies whose shares have limited or no liquidity.[34] In 2019, the Commission issued a concept release that requested public comment on ways to simplify, harmonize, and improve the exempt offering framework to expand investment opportunities while maintaining appropriate investor protections and to promote capital formation.[35] The Concept Release sought input on whether changes should be made to improve the consistency, accessibility, and effectiveness of the Commission's exemptions for both companies and investors, including identifying potential overlap or gaps within the framework. It considered, among other things, whether retail investors should be allowed greater exposure to growth-stage companies through pooled investment vehicles such as interval funds and other regulated closed-end funds.

Despite the significant growth in interval fund assets and the evolution of the market over time, rule 23c–3 has remained largely unchanged since its adoption in 1993. Since that time, industry and Commission staff have identified a number of challenges regarding the application of the rule. For instance, market participants have expressed the view that the interval fund structure is a useful vehicle for investors seeking exposure to private market investments; however, they have also expressed concerns that the rule's rigidity related to certain repurchase mechanics and liquidity requirements hinders broader adoption of the interval fund framework.[36]

We agree that, although the interval fund structure holds promise, the current rule's requirements may hinder broader adoption. In particular, the framework may lack the flexibility needed for certain investment strategies that could support more frequent repurchase opportunities. The current interval fund framework restricts funds that have strategies where the asset base would permit more frequent repurchases from adopting a monthly interval. Instead, those funds currently seek exemptive relief to offer repurchases on a monthly frequency. To address this, as discussed below, we propose to amend the rule to expressly permit interval funds to establish monthly repurchase intervals. Conversely, for interval funds that may benefit from aligning the start of the repurchasing process with the longer-term nature of their underlying assets, such as those funds following a private equity or venture capital approach, the current structure does not provide a way to defer the repurchase process beyond the two periodic interval timeframe. For these funds, we propose, as discussed below, more ability to match the repurchase rights to a timeline approximating anticipated realizations of underlying assets.

Currently, from the time an interval fund notifies investors of a repurchase offer until the repurchase offer is priced, a percentage of an interval fund's assets equal to at least 100 percent of the amount offered to be repurchased must consist of assets that can be sold or disposed of in the ordinary course of business at approximately the price at which the interval fund has valued the investment.[37] We propose, as discussed in more detail below, to replace this requirement with a more principles-based approach that would instead require interval funds to manage their portfolio's liquidity so that the interval fund can satisfy repurchase requests without requiring a sale or disposition of investments at a price that deviates significantly from the value of those investments.

The interval fund structure represented a significant advancement when it was first introduced, and our regulatory framework should adapt to changing regulatory and market conditions to remain effective. Accordingly, the proposed amendments are designed to provide increased flexibility to the interval fund framework, which would enable both established and emerging interval funds to operate more efficiently while maintaining the critical safeguards that protect investors. This in turn may foster increased growth among interval funds, increasing investor choice and opportunities to obtain exposure to alternative asset classes while retaining the investor protections of the Investment Company Act and the liquidity and other investor protective features required by rule 23c–3. In addition, reducing the rigidity of the rule would eliminate unnecessary obstacles and allow funds to design liquidity policies that are specifically tailored to the unique risks and investment strategies of their funds.

B. Multiple Share Class Funds

Multiple share class structures are an important feature of the registered investment company landscape, offering meaningful benefits to both funds and investors. By permitting a single fund to offer shares through multiple classes with different fee structures, sales loads, or distribution arrangements, multi-class structures provide investors with the flexibility to select the purchasing method most suited to their individual circumstances, allowing investors to consider factors such as size of their investment, anticipated holding period, and the distribution channels through which they access the fund. At the same time, multi-class structures allow sponsors of registered investment companies to distribute fund shares across a broader range of investor markets and distribution channels without the cost and administrative burden of organizing separate funds for each investor segment. Because fixed costs are spread across a larger asset base, investors in funds that issue multiple share classes may benefit from economies of scale that would otherwise be unavailable, including the potential for lower advisory fees. The alternative of sponsoring multiple ''clone'' funds with duplicative administrative infrastructure would impose costs on shareholders and fund sponsors alike that a multi-class structure is specifically designed to avoid.

[33] The figures in this paragraph utilize information reported to the Commission on Form N–CEN as of Dec. 2025.

[34] *See* A Financial System That Creates Economic Opportunities Capital Markets, U.S. Dept. of the Treasury (Oct. 2017) (''2017 Treasury Report''), *available at https://home.treasury.gov/system/files/136/A-Financial-System-Capital-Markets-FINAL-FINAL.pdf.*

[35] *See* 2019 Concept Release. The comment letters regarding the Concept Release (File No. S7–08–19) are available at *https://www.sec.gov/comments/s7-08-19/s70819.htm.* All references to comment letters in this release are to letters from this comment file.

[36] *See, e.g.,* Comment Letter of the Investment Company Institute (Sep. 24, 2019) (''ICI Comment Letter''), Comment Letter of the American Investment Council (Sep. 24, 2019) (''AIC Comment Letter'').

[37] Current rule 23c–3(b)(10)(i).

Section 18 of the Investment Company Act limits the ability of registered investment companies to issue multiple share classes with different voting rights or expense structures and permits registered closed-end funds to issue one class of senior security representing indebtedness and one class of senior security which is a stock.[38] The Commission, however, has long recognized the benefits of multiple share class structures. In 1985, the Commission began granting exemptive relief under the Investment Company Act to registered open-end funds seeking to issue multiple share classes representing interests in the same portfolio. Over the course of the following decade, the Commission issued approximately 200 such orders, and the practice of offering shares through multiple distribution share classes became common among registered open-end funds. In 1995, the Commission adopted rule 18f–3 under the Investment Company Act, which permits registered open-end funds to issue multiple classes of shares without obtaining individual exemptive orders, provided that certain conditions designed to protect investors are satisfied.[39] Rule 18f–3 thus supplanted the exemptive order process for registered open-end funds, establishing a standardized framework that eliminated the cost and delay associated with individual applications while reserving the investor protection conditions the Commission had developed through its exemptive practice. More recently, the Commission has been issuing exemptive orders to regulated open-end funds that permit such funds to offer one class of exchange-traded shares that operate as an ETF and one or more classes of shares that are not exchange-traded.[40]

Rule 18f–3, as adopted in 1995, was designed to address the distribution practices of registered open-end funds. The Commission did not propose to apply the rule or provide similar relief to regulated closed-end funds, and, at the time, the regulated closed-end fund market consisted primarily of exchange-listed funds for which multi-class distribution arrangements were not a concern. In the years since, however, the market for unlisted regulated closed-end funds, including interval funds, has grown substantially, and these vehicles have increasingly sought to offer shares through multiple classes with differentiated fee and distribution structures.[41]

Further, multiple share class regulated closed-end funds may seek to engage in asset-based distribution and service fees or charge investors a fee payable to the distributor for leaving their investment early. While the Investment Company Act and Commission rules do not set as many restrictions on regulated closed-end fund distribution arrangements as they do for registered open-end funds, some restrictions may apply particularly in a multiple share class structure. Section 17(d) of the Investment Company Act prohibits affiliated persons, principal underwriters, and any affiliated person of such person or underwriter, of a registered investment company from effecting any transaction in which such registered investment company or a company controlled by such registered investment company is a joint or a joint and several participant with the affiliated person or underwriter in contravention of Commission rules (a ''joint transaction''). This restriction is designed to prevent these affiliates from managing the fund for their own benefit.[42] 17 CFR 270.17d–1 (''rule 17d–1'') generally requires an application to, and an order issued by, the Commission with respect to joint enterprises or other joint arrangements or profit-sharing plans involving, among others, regulated closed-end funds.[43] These provisions can serve to prevent asset-based distribution or service fees to the extent such fees involve joint transactions. Further, rule 23c–3 prohibits interval funds from deducting fees from repurchase proceeds other than a two percent repurchase fee reasonably intended to compensate the interval fund for expenses directly related to a repurchase,[44] likewise limiting the ability to charge fees payable to the distributor.

In response to these limitations, the Commission has issued approximately 230 exemptive orders permitting unlisted continuously offered regulated closed-end funds to maintain multi-class structures since 2007, generally imposing conditions modeled on those set forth in rule 18f–3 as adapted to the regulated closed-end fund context and disclosure consistent with that provided by multiple share class registered open-end funds.[45] These orders also permit regulated closed-end funds and their affiliates to participate in asset-based distribution and service arrangements to the extent necessary to permit them to impose asset-based distribution and/or service fees. They also permit regulated closed-end funds to charge fees to compensate distributors when investors submit repurchase requests in a short period of time from purchase, all subject to certain conditions. In light of the Commission's extensive experience with multi-class structures across both registered open-end funds and regulated closed-end funds, however, the costs and administrative burdens on regulated closed-end funds and their advisers associated with the process to obtain individual exemptive orders seem difficult to justify.

C. Overview of the Proposal

We are proposing amendments to rule 23c–3 designed to modernize the interval fund framework by providing enhanced flexibility while maintaining appropriate investor protections. We are also proposing to codify the multiple share class exemptive orders so that all regulated closed-end funds can utilize that structure without obtaining an exemptive order.[46]

• *Enhanced Flexibility in Interval Fund Repurchase Offer Requirements.* The proposal would provide greater flexibility to interval funds, in part to permit both deferred initial and more frequent recurring liquidity opportunities depending on the needs of an interval fund's strategy, by permitting deferral of the first repurchase offer, allowing monthly periodic intervals, allowing more frequent discretionary repurchases, allowing the deduction of deferred sales loads from repurchase proceeds, and simplifying and clarifying the process of determining the repurchase pricing date and treatment of oversubscribed repurchase offers.

[38] *See infra* section II.D.1.

[39] *See* Exemption for Open-End Management Investment Companies Issuing Multiple Classes of Shares; Disclosure by Multiple Class and Master-Feeder Funds; Class Voting on Distribution Plans, Investment Company Act Release No. 20915 (Feb. 23, 1995) [60 FR 11876 (Mar. 2, 1995)].

[40] *See supra* footnote 12.

[41] *See supra* section I.A.3.

[42] *See, e.g.,* Transactions of Investment Companies With Portfolio and Subadviser Affiliates, Investment Company Act Release No. 25888 (Jan. 14, 2003) [68 FR 3142 (Jan. 22, 2003)].

[43] BDCs are subject to rule 17d–1 and to similar requirements as those included in section 17(d). *See* section 57 of the Investment Company Act.

[44] Rule 23c–3(b)(1).

[45] *See, e.g.,* American Beacon Sound Point Enhanced Income Fund, et al., Investment Company Act Release No. 33393 (Oct. 26, 2017) (Notice) and Investment Company Act Release No. 33439 (Nov. 21, 2017) (Order); OFI Carlyle Private Credit Fund, et al., LLC, Investment Company Act Release No. 33168 (July 24, 2018) (Notice) and Investment Company Act Release No. 33204 (Aug. 20, 2018) (Order); Pioneer ILS Interval Fund, et al., Investment Company Act Release No. 33108 (May 24, 2018) (Notice) and Investment Company Act Release No. 33127 (June 19, 2018) (Order).

[46] For the reasons discussed below, we find that this relief would be 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 Investment Company Act. *See* 15 U.S.C. 80a–6(c).

• *Enhanced Flexibility in Interval Fund Liquidity Requirements.* The proposal would amend the requirements of rule 23c–3 that specify that an interval fund must hold a certain amount of liquidity and replace it with a principles-based liquidity approach.

• *Codification of Multiple Share Class Exemptive Orders.* The proposal would amend rule 18f–3 to permit regulated closed-end funds to have multiple share class structures, subject to requirements modified to account for regulated closed-end funds. The proposal would also amend rule 17d–3 to permit regulated closed-end funds and their affiliates to enter into arrangements for the payment of asset-based distribution and service fees.

• *Form Updates.* The proposal would update Form N–2 to provide for disclosures that account for multiple share class and master-feeder structures, and update Form N–CEN to enhance multiple share class reporting by registered closed-end management companies. The amendments to Form N–2 would also include enhanced shareholder report disclosure regarding fees and expenses for all filers of that form.

• *Other Updates.* The proposal would also update other relevant rules and forms, for example, by removing outdated language from Form N–23c–3. We are also proposing to rescind all but one of the relevant exemptive orders.

II. Discussion

A. Enhancing Flexibility in the Interval Fund Repurchase Offer Requirements

We are proposing to amend rule 23c–3 to enhance flexibility for interval funds by extending the deferral of the first repurchase offer, permitting monthly repurchase intervals, enabling more frequent discretionary repurchases, allowing deferred sales loads to be deducted from repurchase proceeds, providing for a principles-based liquidity framework, and simplifying other parts of the rule. Specifically, we propose:

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Table 1: Summary of Proposed Amendments to Rule 23c-3

Rule Number	Current Requirement	Proposed Amendment
23c-3(a)(1)	Interval funds are permitted to repurchase shares of common stock at intervals of three, six, or twelve months.[1]	Interval funds would be permitted to repurchase shares of common stock at intervals of one, three, six, or twelve months.
23c-3(a)(3)	The notice of a discretionary repurchase must include the repurchase amount, which is defined to mean an amount between five and 25 percent of outstanding common stock.[2]	The repurchase offer amount must be between five and 25 percent of outstanding common stock for repurchases made pursuant to a fundamental policy. This amendment specifies that the repurchase offer amount limit only applies to repurchase offers made pursuant to a fundamental policy to more clearly reflect that a discretionary repurchase can be for any amount of the fund's shares.
23c-3(a)(4)	The repurchase payment deadline must occur seven days after the repurchase pricing date.	The repurchase payment deadline would occur no later than seven days after the repurchase pricing date and would need to occur at least one business day before notification of the next repurchase offer.
23c-3(a)(5) and 23c-3(b)(2)(i)(D)	Interval funds are required to include the maximum number of days between the repurchase request deadline and the repurchase pricing date in the fund's fundamental policy.	Interval funds would no longer be required to include the maximum number of days between the repurchase request deadline and the repurchase pricing date in the fund's fundamental policy.
23c-3(a)(7)	Interval funds must start the repurchase process with an initial purchase request deadline no later than two periodic intervals after the effective date of the fund's registration statement or the date of the shareholder vote adopting the fund's fundamental policy that specifies the periodic interval.	Interval funds would have up to two years after the effective date of the fund's registration statement or the date of the first shareholder vote adopting the fund's fundamental policy that specifies the periodic interval before its initial purchase request deadline.
23c-3(b)(1)	Interval funds may only deduct repurchase fees of no more than two percent from repurchase proceeds.	Interval funds would also be permitted to charge deferred sales loads subject to certain conditions.
23c-3(b)(2)(iii)	Permits funds that were already making periodic repurchase offers for their shares before May 14, 1993 to treat their existing repurchase practices as a	This provision would be removed.

	fundamental policy for purposes of the rule.	
23c-3(b)(4)(i)	Interval funds must send notification to shareholders no less than twenty-one days and no more than forty-two days before the repurchase request deadline.[3]	Interval funds would be permitted to send notification to shareholders no less than fourteen days and no more than forty-two days before the repurchase request deadline.
23c-3(b)(4)(ii)	Interval funds must file Form N-23c-3 with the Commission. The current rule text states that funds must file three copies of the notification to shareholders accompanied by copies of the form with the Commission; however, amendments to Regulation S-T supersede the stated filing requirement and do not require funds to submit three copies.[4]	Interval funds must file Form N-23c-3 with the Commission. The amendment to the rule removes the obsolete language that states a fund must file three copies of the notification, accompanied by copies of the form.
23c-3(b)(5)	If a repurchase offer is oversubscribed, interval funds can repurchase up to an additional two percent of common stock outstanding. In cases of oversubscribed repurchases where the interval fund does not repurchase the total amount of shares requested by shareholders, interval funds are required to repurchase shares on a pro rata basis, subject to limited exceptions.	Interval funds would be able to repurchase up to an additional two percent of common stock outstanding. In cases of oversubscribed repurchases where the interval fund does not repurchase the total amount of shares requested by shareholders, funds would still be required to repurchase shares on a pro rata basis, subject to limited exceptions. The amendments to the rule would resolve a textual ambiguity in the existing rule about purchasing additional common stock.
23c-3(b)(10)	Interval funds are required to hold, between the repurchase notification and the repurchase pricing date, at least 100 percent of the repurchase offer amount in assets that can be sold or disposed of in the ordinary course of business at approximately the price at which the company has valued the investment. Fund boards are required to adopt written procedures to ensure that the fund can comply with its fundamental policy and the liquidity requirements.[5]	Interval funds would not be required to hold 100 percent of the repurchase offer amount in assets that can be sold or disposed of in the ordinary course of business. The requirement instead would be that the fund must manage its portfolio's liquidity so that the fund can satisfy its repurchase requests without requiring a sale or disposition of the fund's investments at a price that deviates significantly from the value of those investments.
23c-3(c)	Regulated closed-end funds may only offer a discretionary repurchase once every two years.	Regulated closed-end funds would be able to offer a discretionary repurchase once every year.[6]

Notes:
1. Commission exemptive orders have permitted some interval funds to make repurchase offers for their common stock on a monthly basis.
2. The Commission by exemptive order has permitted at least one fund to offer monthly repurchases and offer to repurchase two percent of common stock outstanding on a monthly basis. As a condition of this relief, the fund also has to ensure that it offers to repurchase no less than five percent of the aggregate number of its shares outstanding as of the third month of the three-month period.
3. Funds that are permitted to make monthly repurchase offers, pursuant to an exemptive order, are also permitted to send shareholder notifications between seven and fourteen days before the repurchase request deadline.
4. Form N-23c-3 currently includes an instruction to manually sign a copy of the form. However, this instruction has been superseded by Regulation S-T. We are also proposing to eliminate that language from the form.
5. Rule 38a-1 also requires a fund to adopt and implement written policies and procedures reasonably designed to prevent violation of the Federal securities laws by the fund and its service providers.
6. Non-interval funds would also be subject to the proposed amendments impacting rule 23c-3 paragraphs (b) (1), (4), (5), and (10) if they elect to offer a discretionary repurchase.

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1. Deferral of the First Repurchase Offer

Currently, an interval fund's initial repurchase request deadline must occur no later than two periodic intervals after the effective date of the fund's registration statement or the date of the shareholder vote adopting the fundamental policy prescribing the fund's intervals, whichever is later.[47] For example, a new interval fund with a three-month interval could schedule its initial repurchase request deadline as far as, but no later than, six months after the effective date of the registration statement. Investors in such fund therefore would not be able to tender their shares for repurchase for six months, unless the fund chose to make a repurchase offer earlier than required under the rule. We propose to extend the amount of time an interval fund may defer its initial repurchase offer from two periodic intervals to two years, regardless of the length of a fund's periodic interval thereafter.[48] Funds would retain the option to initiate repurchase offers before the end of this period.

The deferral of the fund's first repurchase offer under the rule is designed to provide an interval fund with additional time to more effectively ''ramp up'' and develop the long-term investment portfolio and align the fund's liquidity terms with the underlying asset classes targeted by its investment strategy before being required to offer repurchases to its shareholders. This ''ramp up'' period allows an interval fund to structure its portfolio to have expected liquidity characteristics necessary to support periodic repurchase obligations in a manner consistent with the interests of the fund and its shareholders. Illiquid strategies typically generate sources of liquidity over time, such as scheduled loan repayments, principal amortization, refinancings, and asset sales. These sources of liquidity are largely absent in a portfolio's early stages but become increasingly reliable as the portfolio seasons. Moreover, an interval fund that has deployed capital over an extended period will benefit from vintage diversification, whereby investments at different stages of their respective lifecycles should provide a laddering effect, ensuring that some portion of the portfolio is approaching a liquidity event at any given time and generally can be used to fund repurchase requests without resorting to forced asset sales or credit facility draws. For instance, an interval fund pursuing a private credit strategy could use the ramp up period to acquire loans across multiple origination vintages with staggered maturity dates, creating a repayment ladder that provides recurring principal cash flows to fund repurchase requests following the end of the ramp up period. Similarly, an interval fund pursuing a private equity strategy could acquire primary investments or secondaries in funds across multiple vintage years, but the liquidity events that generate distributable proceeds, such as portfolio company exits, IPOs, and fund wind-downs, would typically require time to materialize.

Certain investment strategies employed by interval funds may benefit more from a longer ramp up period. For instance, given the longer-term nature of certain private equity and venture capital strategies, it may be more difficult for an interval fund investing directly or indirectly in such strategies to manage liquidity during the current ramp up period without a corresponding impact to the fund's longer-term investment strategy and return potential.[49] We understand that without sufficient time prior to commencing repurchases, interval funds, regardless of strategy, but

[47] *See* current rule 23c–3(a)(7).

[48] Proposed rule 23c–3(a)(7).

[49] Private funds that pursue private equity strategies typically start returning capital to investors within the first year and half to three and half years with harvesting of the portfolio starting after the investment period ends. *See* Basics of Cash Flow Management, Private Fund Cash Flow Series, Pitchbook, Sep. 4, 2020, *https://pitchbook.brightspotcdn.com/24/61/0245c7339b2a0024611029f942fc/pitchbook-basics-of-cash-flow-management.pdf* (''About half of all funds, for example, will make their first distribution by the 1.5-year mark; however, about 25% of funds will go nearly 2.5 years before their first distribution, and 10% will go 3.5 years.'').

impacting certain strategies more than others, may have to exit certain investments earlier than desired or avoid making certain investments altogether.

Providing an interval fund with more time before it is first required to offer to repurchase its shares could benefit funds in their early stages. The additional time would allow interval funds to better match the maturation profile of their underlying portfolio with the structure of the fund's repurchase obligations. In addition, a longer ramp up period would allow funds to better organize and manage critical operational tasks such as facilitating the timely and accurate distribution of shareholder notifications.

Under the proposed amendments, most new interval funds would be provided with additional time to ramp up operations and season their portfolio before starting the repurchase process. Under the current rule, funds with a three-month periodic interval would have up to six months before starting the repurchase process, but would have up to two years (an additional year and a half) under the proposed amendment. Funds with a six-month periodic interval would have up to one year under the current rule, but up to two years (an additional year) under the proposed amendment. Funds with a periodic interval of twelve months would have the same amount of time under the current and proposed rule of up to two years. Interval funds with a one-month interval, as discussed below, would also have up to two years before starting the repurchase process. In other words, an interval fund can currently have up to two years before providing liquidity to shareholders under the current two interval deferral period, but only if the fund offers to repurchase investors' shares just once per year, which may not meet investor preferences. Conversely, interval funds with shorter intervals are currently required to begin the repurchase process much sooner. The proposed amendment, in contrast, would provide greater flexibility for any interval fund to build its portfolio following the fund's launch for up to two years without limiting the fund's ability to offer investors more frequent liquidity after the fund completes its ramp up period.

It is possible that some newly formed interval funds would hold their initial repurchase offer before the proposed end of the two-year ramp up, but we expect that some interval funds would utilize the proposed amendments to extend the ramp up period to two years following the fund's registration, as it may provide the ability for certain funds to structure their portfolios to have expected liquidity characteristics necessary to match the structural liquidity of the funds (*i.e.,* the periodic repurchase obligations). This approach could also apply to existing closed-end funds that adopt a fundamental policy. The two-year ramp up period would apply after a shareholder vote first adopting a fundamental policy specifying the fund's periodic interval. Funds that subsequently update their periodic interval would not be granted an additional ramp up period to avoid the possibility that a fund could excessively delay providing investors liquidity.

In response to the 2019 Concept Release, commenters stated that a two period interval delay does not provide sufficient time for interval funds to effectively establish operations and can cause funds to incur unnecessary costs (*e.g.,* costs to liquidate assets to meet the current liquidity requirement as well as costs of operational resources to prepare, distribute, and file repurchase offers in a short time from launching the fund) to offer liquidity that is in little or no demand by investors that early in the funds' operations.[50] One commenter suggested that a two year ''lock up'' period strikes an appropriate balance that would reduce fund expenses at the start-up phase of an interval fund's life and would benefit investors in the longer-term.[51] Commenters raised particular concerns about the length of the current ramp up period for funds that may be considering investment strategies that would benefit from more time such as investments in private equity.[52]

Investors, in particular those seeking exposure to certain types of investment strategies and asset classes, may recognize that it may take time for a portfolio to season or ramp up and, as a result, would accept limited liquidity in the initial stages of the fund. On the other hand, investors who have this understanding still may not desire their capital to be locked up for longer periods such as the three- to five-year period that is customary in some private funds. The proposed two-year ramp up period aims to allow newly organized interval funds adequate time to deploy capital and build a diversified portfolio with anticipated portfolio liquidity before periodic repurchase obligations attach, while also providing funds the flexibility to invest in less liquid assets without the liquidity management constraints that ongoing repurchase obligations would otherwise impose.

We anticipate that a longer ramp up period would help to protect shareholders by allowing the fund more time to develop portfolio liquidity to handle repurchase requests and help to avoid the chance that a fund may have to sell assets at less than favorable prices to meet repurchase requests, potentially harming the remaining shareholders. A longer ramp up period also could benefit shareholders by allowing interval funds to reduce the ''cash drag'' that would result if the fund had to hold additional cash and cash equivalents during the fund's ramp up period in order to satisfy repurchase requests. Extending the ramp up period may enable an interval fund to pursue investment strategies that it otherwise may not have pursued under the current ramp up period and could also encourage the creation of new interval funds, expanding investor choice and offering a broader range of opportunities in the market.

When assessing investment opportunities, investors often weigh both the potential returns and the anticipated timeframe for liquidity. In contrast to other types of investment opportunities, such as private funds that can delay offering liquidity for extended periods, interval funds may be structured to achieve a balance. Interval funds provide detailed disclosures regarding the expected duration of their ramp up period on the outside front cover of the prospectus as part of their identification of the funds' type and their investment objectives and in disclosing the funds' fundamental policies.[53] These disclosures have typically indicated that funds may begin offering repurchases after two periodic intervals, within a timeframe shorter than two intervals, or by a specific date. Interval funds relying on the proposed two-year ramp up period similarly would disclose the duration of their ramp up period in response to these requirements.

Investors seeking potentially higher returns may opt to invest in interval funds that employ strategies that invest in less liquid assets to capture an

[50] *See, e.g.,* Comment Letter of Dechert LLP (Sep, 24, 2019) (''Dechert Comment Letter'') (stating that an interval fund should be permitted to defer its first repurchase request deadline for up to two years); AIC Comment Letter (stating that certain interval funds should be provided with more flexibility such as five to seven years before starting to offer repurchases); Comment Letter of Ropes & Gray (Sep. 24, 2019) (''Ropes & Gray Comment Letter'') (stating that the rule should provide for additional flexibility for funds to commence repurchase offers after the completion of the fund's initial ramp up period of investment operations).

[51] *See* Dechert Comment Letter.

[52] *See, e.g.,* AIC Comment Letter; Ropes & Gray Comment Letter.

[53] *See, e.g.,* Items 1.1.b and 8.2.c of Form N–2.

illiquidity premium, accepting a longer initial wait for liquidity. Alternatively, investors prioritizing access to liquidity may choose to invest in interval funds that employ strategies focused on more liquid assets, recognizing this may come with a lower return potential. The flexibility of the interval fund structure empowers investors to select the strategy that best aligns with their investment goals and liquidity preferences. While under the current rule, it is possible for an interval fund to have a two-year ramp up period which may benefit strategies that invest in less liquid assets, those funds are currently restricted to offering liquidity only once per year, which may not appeal to investors who are willing to wait for initial liquidity but would prefer more frequent access than once a year following the ramp up period. Under the proposed rule, all newly organized interval funds would have the option of a two-year ramp up period, but without the limitation of offering liquidity only once per year. Before investing in a new interval fund, prospective investors would need to consider whether they are comfortable with the possibility of waiting up to two years before being able to submit repurchase requests to access their liquidity.

We request comment on the proposed changes to the provision for deferral of the first repurchase offer, including:

1. Should we extend the amount of time an interval fund may defer its initial repurchase offer to two years as proposed? How would an extended ramp up period benefit or harm interval funds and shareholders? What operational or strategic adjustments would funds make with this additional time? Should existing interval funds be granted a two-year ramp up period if they modify their periodic interval?

2. Should the proposal provide interval funds with additional time, beyond two years, before commencing repurchase offers? If so, what period of time is best and why? For example, should we consider allowing interval funds a period of three to five years? Would funds with an annual periodic interval benefit from a longer ramp up period? Should the ramp up period be based on a multiple of the fund's selected periodic interval rather than a set period of time as proposed, consistent with the construction of the current rule? For instance, should we provide that interval funds may defer their initial repurchase offer no later than three or four periodic intervals following registration or the adoption of a fundamental policy?

3. Are there other mechanisms aside from additional time that could provide operational benefits to interval funds during the ramp up period?

4. What reporting and oversight measures are implemented during the ramp up period to ensure that the fund is adequately prepared to support the repurchase offer process? If specific milestones are met, would a fund choose to offer repurchase offers early?

5. Would a longer ramp up period, as proposed, detract investors from investing in interval funds that take advantage of the flexibility? If so, why? What other conditions, if any, would investors consider when thinking about the ramp up period?

6. Delayed access to liquidity can be a significant drawback for investors who value flexibility, making it essential that investors understand an interval fund's repurchase process, including the expected length of the ramp up period. Should we require more specific disclosure about the timing of the first repurchase offer? If so, what should this disclosure look like?

7. If we were to further extend or introduce greater flexibility to the initial ramp up period, what mechanisms could be implemented to effectively balance investors' need for liquidity? For instance, should we consider permitting funds the option to make ad hoc repurchase offers during the initial ramp up period? Should we also consider specifically allowing funds to provide limited liquidity during this period, perhaps even below the standard five percent minimum requirement?

2. Monthly Periodic Intervals

Under rule 23c–3, interval funds are permitted to repurchase shares of common stock at intervals of three, six, or twelve months. The selected interval is documented in the fund's fundamental policy, changeable only by a majority vote of the outstanding voting securities of the company. The Commission has granted exemptive orders allowing interval funds to make repurchase offers on a monthly basis.[54] Exemptive orders permit some funds to repurchase shares on a monthly basis so long as the fund provides notification to shareholders between seven and fourteen days prior to the repurchase request deadline and provides payment for shares repurchased in the prior month's repurchase offer at least five business days before sending notification of the next repurchase offer. At least one fund with this relief has also been permitted to offer repurchase amounts of no less than two percent provided the fund offers to repurchase no less than five percent of the aggregate percentage of common shares at the end of every three month period.[55] Aside from these conditions, funds are otherwise required to comply with the provisions of rule 23c–3.

We are proposing rule amendments that would allow all interval funds the option of making repurchase offers on a monthly basis. Certain aspects of these proposed amendments differ from the terms and conditions provided in the exemptive relief. The proposed amendments are designed to provide interval funds with more repurchase offer flexibility and shareholders of interval funds the potential for more frequent liquidity opportunities. The option of a one-month periodic interval could also make the interval fund structure more appealing to a broader range of investors, including those who may be accustomed to the redemption opportunities of registered open-end funds since there would be more frequent opportunities for investors to access liquidity. From the interval fund's perspective, monthly intervals could help smooth repurchase requests, reducing the risk of large, concentrated outflows that might occur with less frequent repurchase offers since funds may be better able to anticipate and respond to more frequent repurchases.

When the Commission originally proposed rule 23c–3 in 1992, the Commission requested comment on whether the rule should permit other intervals, including repurchase opportunities at shorter intervals.[56] Commenters addressing that part of that proposal suggested that the rule should permit other intervals such as one or two months, or generally any interval so

[54] *See, e.g.,* In the Matter of Lord Abbett Opportunities Fund, Investment Company Act Release No. 35663 (July 1, 2025) (Notice) and Investment Company Act Release No. 35699 (Jul. 29, 2025) (Order); In the Matter of Optimize Growth Equity Fund, Optimize Premium Yield Fund and Optimize Wealth Management Inc., Investment Company Act Release No. 35533 (Apr. 10, 2025) (Notice) and Investment Company Act Release No. 35576 (May 7, 2025) (Order); In the Matter of Nuveen Enhanced Floating Rate Income Fund, Nuveen Fund Advisors, LLC, Nuveen Securities, LLC, and Nuveen Asset Management, LLC, Investment Company Act Release No. 35081 (Notice) and Investment Company Act Release No. 35091 (Jan. 17, 2024) (Order).

[55] *See, e.g.,* In the Matter of Lord Abbett Opportunities Fund, Investment Company Act Release No. 35663 (July 1, 2025) (Notice) and Investment Company Act Release No. 35699 (Jul. 29, 2025) (Order).

[56] *See* Periodic Repurchases by Closed-End Management Investment Companies; Redemptions by Open-End Management Investment Companies and Registered Separate Accounts at Periodic Intervals or With Extended Payment, Investment Company Act Release No. 18869 (Jul. 28, 1992) [57 FR 34701 (Aug. 6, 1992)].

long as it is in monthly increments (*i.e.,* nine or fifteen months). The Commission declined to implement those suggestions, stating that shorter intervals (*e.g.,* one or two months) were not compatible with the notification requirement because a fund would need to send out a notification for a repurchase offer before it had completed the previous offer. At the time, interval funds represented a new type of regulatory structure. Market participants had limited experience operating this type of fund structure and investors had limited experience investing in or requesting repurchases from this type of fund. The industry and investors now have over thirty years of operational and practical experience with interval funds. Over that time, the Commission's views on monthly intervals have evolved as demonstrated by the Commission having approved exemptive relief permitting interval funds to offer monthly periodic intervals, subject to certain terms and conditions.

As a part of the 2019 Concept Release, the Commission requested public comment on whether the Commission should modify the periodic intervals in rule 23c–3.[57] In response, some commenters stated that, consistent with exemptive orders already granted to several funds, the Commission should amend rule 23c–3 to permit interval funds to have the option to select a monthly periodic interval.[58] Based on the Commission's current experience with interval funds offering monthly repurchases under exemptive orders, and to provide investors the benefits of additional liquidity opportunities, we are proposing to permit interval funds to offer repurchases on a monthly basis without the expense and delay of obtaining an exemptive order from the Commission under the Investment Company Act. This change would, like the proposed deferral of the first repurchase offer, enhance the flexibility of the interval fund structure. Interval funds that pursue strategies that permit more frequent liquidity could use this proposed flexibility to attract investors who seek more frequent liquidity opportunities than rule 23c–3 currently permits. As a result, this change could make interval funds more attractive to managers utilizing strategies conducive to monthly repurchases.

We are proposing amendments to multiple parts of rule 23c–3 to accommodate a monthly periodic interval option. First, we propose to amend the definition of ''periodic interval'' to include the option of a one-month interval.[59] The frequency of the periodic interval, including a monthly interval under the proposal, would remain subject to the fundamental policy requirements under the rule. If an existing interval fund changes its periodic interval from, for example, every three months to a monthly interval, the fund would be required to obtain majority shareholder approval because this would be an update to the fund's fundamental policy. The same process would be required under the current rule if the fund changed its periodic interval from, for example, every six months to every three months.

We are also proposing amendments to revise the timing requirements for notification to security holders to accommodate monthly repurchase intervals.[60] Currently under the rule, funds are required to send to security holders certain information no less than twenty-one and no more than forty-two days before each repurchase request deadline.[61] Funds that elect to have monthly repurchase intervals would need the flexibility to send out notification of a repurchase offer to shareholders closer to the repurchase request deadline than the rule currently allows to avoid overlap between payment for a repurchase and notification of the next month's repurchase offer. If a fund with a monthly repurchase interval has to wait until twenty-one days before the repurchase request deadline, at the latest, to send notification to shareholders, there would be very little time to complete the repurchase process (*i.e.,* determine NAV and provide payment to shareholders) before the cycle must begin again for the next month. Similarly, interval funds that currently have monthly repurchase intervals under the exemptive orders make notifications no less than seven but no more than fourteen days before the repurchase request deadline.[62] While this timing may be appropriate for shorter intervals, it may be abrupt for longer intervals where the liquidity opportunities are less frequent.

Weighing these considerations, we are proposing to set the range that an interval fund, regardless of interval length, can send the notification to no less than fourteen and no more than forty-two days before the repurchase request deadline. The minimum notification requirement is designed to ensure that shareholders receive meaningful, rather than merely formal, notice of a repurchase offer by affording sufficient time to evaluate the offer and make an informed decision about the repurchase. Shareholders need sufficient time to assess whether or not to submit a repurchase request, including but not limited to considering the current and future performance of the fund's portfolio, market conditions, and their own personal financial situation. A minimum of fourteen days should be a sufficient amount of time for shareholders to evaluate a repurchase offer regardless of the frequency of those offers. This would also be generally consistent with a recent exemptive order for tender offers of equity securities that applies to, among other entities, tender offer funds.[63] Separately, we are also proposing to update a cross reference to another part of the rule in this provision to reflect other proposed amendments.[64]

We also are proposing to amend the definition of ''repurchase payment deadline'' to require the repurchase payment deadline to occur at least one business day before notification of the next repurchase offer that is made pursuant to a fundamental policy is sent to security holders to ensure that the timing of monthly repurchases does not overlap.[65] The purpose of this amendment is to ensure interval funds follow an orderly repurchase process that does not lead to shareholder confusion. Under the proposed rule amendments, an interval fund would need to complete the repurchase process fully (*i.e.,* distribution of the repurchase notification to the repurchase payment deadline) before it starts the repurchase process of the next repurchase offer that is made pursuant to a fundamental policy. For example, a fund with a

[57] *See* 2019 Concept Release, *supra* note 5 at section IV.D (request for comment 116).

[58] *See, e.g.,* ICI Comment Letter; AIC Comment Letter; Comment Letter of the Institute for Portfolio Alternatives (Sep. 24, 2019) (''IPA Comment Letter''); Comment Letter of AngelList Advisors, LLC (Sep. 25, 2019) ''AngelList Comment Letter''); Comment Letter of Blackrock, Inc. (Sep. 24, 2019) (''Blackrock Comment Letter'').

[59] *See* proposed rule 23c–3(a)(1).

[60] *See* proposed rule 23c–3(b)(4)(i). The proposed amendments to this provision and paragraph (b)(4) generally also would apply to a non-interval fund making a discretionary offer under rule 23c–3(c). *See infra* section II.A.3.

[61] *See* rule 23c–3(b)(4)(i).

[62] *See, e.g.,* In the Matter of Lord Abbett Opportunities Fund, Investment Company Act Release No. 35663 (July 1, 2025) (Notice) and Investment Company Act Release No. 35699 (Jul. 29, 2025) (Order).

[63] *See* Exemptive Order for Tender Offers for Equity Securities (Apr. 16, 2026) (available at *https://www.sec.gov/files/rules/exorders/2026/exemptive-order-tender-offers-equity-securities-041626.pdf*) (permitting a tender offer for any class of equity security to remain open for a minimum offering period of ten business days subject to certain conditions).

[64] *See* proposed rule 23c–3(b)(4)(i)(D). *See infra* section II.A.3.

[65] *See* proposed rule 23c–3(a)(4).

monthly repurchase interval would not be permitted to notify shareholders of a repurchase offer for February until after the fund completes the repurchase process for January, including providing payment to shareholders for January repurchases. This approach helps ensure that shareholders who submitted a repurchase request for January have all the necessary information about their investment before deciding whether to submit requests for February. If a shareholder's repurchase request for January was fully satisfied, the shareholder may elect not to submit a request for February. Conversely, if the January request was only partially fulfilled, the shareholder may wish to submit an additional request for February.

This amendment would only affect funds offering monthly repurchases as there are typically several days, if not weeks or months, between repurchase cycles for interval funds that do not offer monthly periodic intervals. For a fund that offers monthly repurchases, the timing in between repurchase requests can be close depending on the exact days of a fund's repurchase process, though we anticipate that after a few rounds of monthly repurchase requests, both fund managers and shareholders would have a better understanding of the cadence and of the notification process. Like interval funds that select any periodic interval in the current rule, interval funds with a monthly periodic interval making a repurchase offer pursuant to a fundamental policy would be required to offer at least five percent and no more than 25 percent of the common stock outstanding on a repurchase request deadline.[66]

We are also proposing to amend the definition of ''repurchase payment deadline'' to require the repurchase payment deadline to occur no later than seven days after the repurchase pricing date applicable to such tender. This amendment would apply to all funds, not only funds with a monthly interval. Currently, the rule states that the repurchase payment deadline must occur seven days after the repurchase pricing date. The Commission has historically interpreted this provision to mean that the repurchase payment deadline must occur within seven days.[67] This amendment would align with that interpretation and provide interval funds with incrementally more flexibility to the extent that funds were waiting until the seventh day.

We request comment on the proposed changes to include a monthly periodic interval, including:

8. Should we, as proposed, permit funds to have a monthly periodic interval?

9. Would the introduction of a monthly interval structure provide benefits to current and prospective investors?

10. From the perspective of fund management, what strategic or operational rationale would support the adoption of a monthly repurchase schedule? What are the potential benefits and/or drawbacks for funds in establishing a monthly repurchase schedule from an operational or strategic perspective?

11. The rule currently requires that fund boards determine the amount of shares being repurchased in any given repurchase offer, and we are not proposing to change this requirement.[68] Given that many fund boards meet on a quarterly basis, how would interval fund boards make this determination on a monthly basis? How do interval fund boards that currently offer monthly repurchases pursuant to exemptive orders make this determination? Are such determinations made by a majority of directors who are not interested persons of the fund? Should the rule be amended to require that? Should we consider alternatives such as obtaining approval by written consent or permitting fund boards to determine the repurchase offer amounts for multiple intervals at once, rather than deciding before each repurchase cycle?

12. Should we consider different minimum and/or maximum repurchase offer amounts for monthly intervals? For example, should we lower the minimum repurchase offer amount for funds that offer monthly intervals to two percent, consistent with some exemptive orders? If so, consistent with those orders, should an adjustment be required such that the aggregate percentage of common shares subject to repurchase in any three-month period would not be less than five percent of the fund's common shares outstanding as of the third month's repurchase request deadline? Alternatively, should we increase the maximum repurchase offer for funds that offer monthly intervals to, for example, 30 or 40 percent?

13. Should we, as proposed, extend the range that a fund can send a notification of repurchase offer to no less than fourteen and no more than forty-two days before the repurchase request deadline? Does this provide sufficient time for funds to perform the necessary operational tasks? Does this provide sufficient time for investors to determine whether to request a repurchase of their shares? In particular, would a fourteen-day notice provide sufficient time for investors to determine whether to request a repurchase of their shares under an annual frequency? Are there alternative strategies or methodologies regarding notification timing and processes that we should consider?

14. If we further extend a range that a fund can send a notification of repurchase offer to no less than seven and no more than forty-two days before the repurchase request deadline to more closely align with the terms and conditions from the exemptive orders, what concerns (if any) would funds, shareholders, and potential investors have? Does this provide sufficient time for funds to perform the necessary operational tasks? Does this provide sufficient time for investors to receive offers and determine whether to sell their shares to the fund? In particular, would a seven-day notice provide sufficient time for investors to receive an offer and determine whether to sell their shares to the fund under an annual frequency? Should we consider only allowing funds with a monthly interval to send a notification of repurchase offer no less than seven days before the repurchase request deadline?

15. Is requiring at least one day before the repurchase payment deadline of the prior repurchase offer period and the start of the next repurchase offer period sufficient time to meet the operational needs of both funds and investors? What mechanisms should be implemented to minimize potential confusion for investors during this process?

16. Should we permit an interval fund to make repurchase offers at any interval chosen and disclosed by the fund, rather than limit a fund to offer repurchases at only the intervals specified in the rule? If so, should there be a maximum permitted periodic interval? Are there alternative structures or guidelines for determining period intervals that we should consider?

17. What other modifications to the repurchase process should we consider? What additional modifications to the process should be considered to further enhance operational efficiency and the overall investor experience of interval funds? Would evaluating alternative

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[66] *See* current rule 23c–3(a)(3).

[67] *See* 1993 Adopting Release at text preceding n.39 (stating that ''[a] fund relying on rule 23c–3 must pay repurchase proceeds to shareholders within seven days after the repurchase occurs; the definition of repurchase payment deadline in paragraph (a)(4) of the final rule requires that payment occur within seven days after the repurchase pricing date.'').

[68] Current rule 23c–3(a)(3).

interval frameworks, such as variable or event-driven periods, provide benefit to funds and investors?

18. Should the proposed amendment to the notification requirement apply to non-interval funds making discretionary repurchase offers under paragraph (c) as proposed? Are there particular aspects of the proposed amendment that should be modified to address circumstances associated with non-interval funds?

3. More Frequent Discretionary Repurchases

Rule 23c–3(c) permits regulated closed-end funds that are interval funds to make discretionary repurchase offers, that is, offers not made pursuant to a fundamental policy and made to all holders of common stock, once every two years measured from the date of the last discretionary repurchase offer. Regulated closed-end funds that are not interval funds are also permitted to offer discretionary repurchases under rule 23c–3(c). If a non-interval fund chooses to make a discretionary repurchase offer pursuant to this rule, it must comply with certain other provisions of rule 23c–3 that also apply to interval funds.[69] Interval funds making discretionary repurchases are also required to follow these same provisions, which are largely the same provisions they must follow when making periodic repurchase offers. We propose to permit these discretionary repurchases every year rather than every two years. The proposed rule is designed to provide interval funds with additional flexibility to offer repurchases more frequently outside of the periodic repurchase offers described in the fund's fundamental policy to accommodate, for example, event-driven liquidity events. Non-interval funds also would be provided with additional flexibility to offer to repurchase investors' shares more frequently using the discretionary repurchase provision.

The limitation of no more than one discretionary repurchase offer every two years in the current rule was intended, in part, to ensure that interval funds do not make discretionary offers as a means of circumventing the fund's fundamental policy. The limitation also aimed to address a concern that non-interval funds could effectively operate as interval funds without formally adopting fundamental policies. We do not view allowing interval funds to provide investors additional liquidity once a year, rather than once every two years, as circumventing a fund's fundamental policy, in large part, because at least half of a fund's repurchase offers would continue to be made pursuant to the fund's fundamental policy. Even in the case of an interval fund with an annual repurchase interval (most interval funds typically offer repurchases on a quarterly basis), the potential for more frequent repurchases would complement, rather than circumvent, the fund's fundamental policy. An interval fund's fundamental policy is intended to provide shareholders with a degree of predictability regarding periodic repurchase offers. The ability to offer discretionary repurchases, while at the fund's discretion, expands the toolkit available to the fund to address market events or unique circumstances. Together, these approaches support shareholders' access to liquidity.

Furthermore, we are not concerned that permitting non-interval funds the ability to offer discretionary repurchases once a year could allow these funds to effectively operate as interval funds without formally adopting fundamental policies. Non-interval regulated closed-end funds can currently repurchase via tender offers at intervals that match those permitted of interval funds without formally adopting fundamental policies.[70] The important distinction is whether the fund repurchase is required or discretionary. Shareholders who value mandatory periodic liquidity can invest in interval funds that have adopted fundamental policies to repurchase shares at certain intervals. This distinction, however, should not prevent all regulated closed-end funds from offering more frequent liquidity to their shareholders as providing increased flexibility regarding discretionary repurchases would benefit both interval funds and non-interval funds as well as shareholders. The added flexibility could allow fund managers to respond more effectively to unique market conditions and investor needs and support a more dynamic approach to liquidity management. Shareholders could benefit from the fund's ability to make strategic decisions regarding discretionary repurchases.

While we understand that these discretionary repurchases are infrequently used by interval funds or other regulated closed-end funds, in response to the 2019 Concept Release, commenters requested that the Commission provide additional flexibility for discretionary repurchases.[71] One commenter recommended that the Commission shorten the discretionary repurchase offer period to once every 367 days to allow managers more flexibility to align repurchase offers and management of the fund's assets. The commenter stated that limiting the discretionary repurchase offer to this frequency would accomplish the Commission's original goal of ensuring that interval funds adhere to their fundamental policies while also providing for additional flexibility to conduct discretionary repurchases.[72]

Providing interval funds incrementally more flexibility to offer investors liquidity would benefit investors seeking more liquidity than is available through the fund's periodic repurchase offers. In particular, affording interval funds a more timely mechanism for responding to idiosyncratic liquidity events, such as significant investor repurchase pressure or unanticipated changes in portfolio liquidity, on a timeline consistent with the nature of the event rather than the fund's fixed repurchase schedule would benefit shareholders by reducing the potential for mismatch between an interval fund's capacity to conduct repurchases and the potential exigent liquidity needs of shareholders. As discussed above, the additional flexibility would also benefit non-interval funds as they would similarly have more flexibility to offer investors liquidity through the provisions of this rule.

Shareholder repurchase requests can fluctuate considerably, driven by evolving market conditions, shifting investor sentiment, and changing liquidity needs. The enhanced flexibility introduced by the proposed amendment would allow interval funds and non-interval funds to offer liquidity more frequently, giving funds more opportunity to respond to shareholder

[69] *See* rule 23c–3(c). This provision states that a regulated closed-end fund, interval or non-interval, making a discretionary repurchase must comply with the requirements of paragraphs: (b)(1) (requiring a fund to repurchase stock at NAV), (b)(3) (providing that a fund cannot suspend or postpone a repurchase except under certain conditions), (b)(4) (providing notification requirements), (b)(5) (providing requirements for handling oversubscribed repurchases), (b)(6) (allowing for the withdrawing or modification of tenders at any time until the repurchase request deadline), (b)(7)(ii) (providing instructions for computation of NAV), (b)(8) (requiring the fund board to satisfy the fund governance standards), (b)(10)(i) (requiring funds to hold 100 percent of the repurchase offer amount in liquid assets), and (b)(10)(ii) (requiring the board to take appropriate action if the fund's assets fails to comply with the requirements of (b)(10)(i)).

[70] Even though non-interval regulated closed-end funds are not required to repurchase shares on a predetermined schedule, these funds could still offer to repurchase shares on a similar frequency as interval funds.

[71] *See, e.g.,* AIC Comment Letter; AngelList Comment Letter; ICI Comment Letter.

[72] *See* ICI Comment Letter.

needs without the concern of being limited by the current two-year waiting period.

We considered whether to limit this proposed amendment to interval funds, retaining the current requirement that a non-interval fund can make a discretionary repurchase offer under the rule only once every two years. If non-interval funds could make annual discretionary repurchase offers, as proposed, there could be a risk that investors would confuse such a fund with an interval fund that offers an annual periodic interval and would not appreciate that such a fund may, but is not *required* to, make annual repurchase offers. This risk appears remote, however, because such a fund would disclose that it will offer to repurchase investors' shares only at the discretion of the board of directors. Therefore, on balance, we believe the benefits to investors of the potential for greater liquidity opportunities justifies any potential risk that investors might confuse non-interval funds using the discretionary repurchase provision with interval funds.

In our view, permitting discretionary repurchases once every twelve months strikes the appropriate balance of offering sufficient flexibility for funds to manage liquidity and shareholder expectations, while maintaining safeguards that protect the interests of shareholders.

In addition, as discussed in the 1993 Adopting Release, the Commission interprets rule 23c–3 to give interval funds and non-interval funds the flexibility to offer a repurchase amount for discretionary repurchases that are not restricted to the same repurchase limits imposed on periodic repurchases.[73] In practice, this allows interval funds and non-interval funds to make a repurchase offer for more than 25 percent of their common stock in a discretionary repurchase offer. When making a discretionary repurchase offer, however, funds are required to comply with the rule's notification requirements which specify that the notification must include ''the repurchase offer amount.'' The rule defines that term to mean the amount of common stock that is the subject of the repurchase offer, but the definition also provides the repurchase amount shall not be less than five nor more than 25 percent of the fund's outstanding common stock.[74] This creates ambiguity regarding whether discretionary repurchases are subject to the same repurchase offer amount limitations as periodic repurchases, despite the Commission's clear interpretation of the rule to permit discretionary repurchases to offer amounts not subject to those limitations.

We are providing conforming amendments to the definition of repurchase offer amount to specify in the rule that discretionary repurchase offers are not subject to the requirement that offers be between five percent and 25 percent of the fund's common stock outstanding.[75] Similarly, we are proposing amendments to the definition of repurchase payment deadline to specify that discretionary repurchase offers are not subject to the requirement that a repurchase pricing deadline occur at least one business day before notification of the next repurchase offer is sent to shareholders.[76] This proposed amendment is designed to allow interval funds with monthly periodic intervals to be able to make discretionary repurchase offers to shareholders without violating the parameters that apply to the timing of a repurchase payment deadline.

Funds that choose to conduct discretionary repurchases under rule 23c–3, including non-interval funds, are required to comply with certain conditions of the rule when engaging in such repurchases. Rule 23c–3(c) currently includes a list of interval fund repurchase provisions that apply to discretionary repurchases, including discretionary repurchases by non-interval funds.[77] We are proposing edits to consolidate the cross references to paragraph (b)(10)(i) and (b)(10)(ii) into a single cross reference to paragraph (b)(10) to reflect the amendments being proposed to that paragraph.[78] As discussed in other sections of this release, we also are proposing amendments to certain of these other requirements, and these proposed amendments would therefore apply to interval funds and also to non-interval funds making discretionary repurchase offers under rule 23c–3.[79]

We request comment on the proposed changes to the frequency of discretionary repurchases, including:

19. Should we, as proposed, allow discretionary repurchase offers every twelve months? Is there a different frequency that would be more suitable for funds or shareholders? Should we differentiate between interval funds and other regulated closed-end funds for purposes of this amendment? For example, should we permit interval funds to make this repurchase every twelve months but limit repurchases by non-interval funds under this provision to the current every two years?

20. We understand that it is rare for interval funds or non-interval funds to make discretionary repurchases under this provision. To what extent is this provision being considered by managers of regulated closed-end funds currently? What benefits does it offer over a fund making an issuer tender offer? Should we consider removing the provision that permits discretionary repurchases under rule 23c–3 altogether?

21. Could permitting non-interval funds to offer a discretionary repurchase once every twelve months lead to confusion, with investors mistakenly believing these funds are operating as interval funds that offer annual periodic repurchases? If so, should we consider limiting the ability to make a discretionary repurchase offer no more often than once every twelve months to interval funds (which would mean that non-interval funds would need to make issuer tender offers instead if they seek to repurchase more often than every two years)?

22. Non-interval funds making discretionary repurchases under rule 23c–3(c) are required to comply with certain requirements that also apply to interval funds. We are proposing amendments in this release that would revise certain of those requirements. Should the proposed amendments to those requirements apply to non-interval funds or are there specific provisions that may require further

[73] 1993 Adopting Release, *supra* note 3 at text following n. 26 (stating ''[t]o the extent that a fund determines it is appropriate to make an offer to repurchase a higher amount, it may do so through a discretionary repurchase offer pursuant to paragraph (c). . . for up to 100 percent of a fund's common stock. . . .'').

[74] *See* current rule 23c–3(a)(3).

[75] *See* proposed rule 23c–3(a)(3).

[76] *See* proposed rule 23c–3(a)(4).

[77] *See* current rule 23c–3(c) (stating that a fund conducting a discretionary repurchase offer must comply ''with the requirements of paragraphs (b)(1), (3), (4), (5), (6), (7)(ii), (8), (10)(i), and (10)(ii) of [rule 23c–3]'').

[78] *See* proposed rule 23c–3(c) ((stating that a fund conducting a discretionary repurchase offer must comply ''with the requirements of paragraphs (b)(1), (3), (4), (5), (6), (7)(ii), (8), and (10) of [rule 23c–3]'').

[79] *See infra* section II.A.6 (discussing proposed amendments to paragraph (b)(1) of rule 23c–3 that would provide that a regulated fund cannot condition a repurchase offer upon the tender of any minimum amount of shares and to provide that, in addition to a repurchase fee, a regulated fund may deduct from the repurchase proceeds a deferred sales load, subject to conditions); *supra* section II.A.2 (discussing proposed amendments to paragraph (b)(4) of rule 23c–3 that would provide that a regulated fund must send a notice of a repurchase offer no less than fourteen, and no more than forty-two, days before a repurchase request deadline); *infra* section II.A.5 (discussing proposed amendments to clarify the oversubscribed repurchase requirement); *infra* section II.B (discussing proposed amendments to paragraph (b)(10) of rule 23c–3 that would provide a principles-based approach to the regulated fund's liquidity management).

consideration? Are there particular aspects of the proposed amendments that should be modified to address circumstances associated with non-interval funds?

23. Describe the circumstances under which a fund may conduct a discretionary repurchase offer. What processes are involved in deciding whether to make a discretionary repurchase offer and how much to offer to repurchase? Do funds have policies and procedures documenting the process?

24. Should we include a minimum and/or maximum repurchase offer amount on discretionary repurchase offers? For example, should we consider allowing funds to offer only an amount that is in the same range as the repurchase offer amount for periodic repurchases? Are there any conditions that we should consider including from a regulatory standpoint when a fund makes a discretionary repurchase offer?

25. Are there mechanisms we should consider including to ensure that shareholders can distinguish between periodic repurchases and discretionary repurchases? For instance, should we require disclosure designed to clearly differentiate between a periodic and discretionary repurchase in the notice sent to shareholders?

4. Repurchase Pricing Date

The ''repurchase pricing date'' is defined as the date on which an interval fund determines the NAV applicable to a repurchase of securities. We are proposing amendments designed to simplify the definition of repurchase pricing date and to remove the requirement in current rule 23c–3(b)(2)(i)(D) to include the maximum number of days between the repurchase request deadline and the repurchase pricing date in the fund's fundamental policy.[80]

The current rule requires that there be no more than fourteen days (or the next business day if the fourteenth day is not a business day) between the repurchase request deadline and the repurchase pricing date and that the maximum number of days between the repurchase request deadline and the repurchase pricing date be included in the fund's fundamental policy. The rule separately requires interval funds to notify shareholders of the repurchase request deadline and repurchase pricing date in the notification that is sent to all shareholders for each repurchase offer.[81] In addition, this notification must include information about the risk of fluctuation in NAV between the repurchase request deadline and the repurchase pricing date, and the possibility that the company may use an earlier repurchase pricing date pursuant to the rule.[82] This content notification requirement is sufficient to provide shareholders with adequate information about the repurchase pricing date and risks related to timing of the repurchase pricing date. Accordingly, we do not see the need or benefit to shareholders or the fund to require the maximum number of days between the repurchase request deadline and the next repurchase pricing date in the fund's fundamental policy.[83] As a result, a new interval fund, or existing fund that held a shareholder vote to remove this limitation from its fundamental policy, could change this timing for subsequent repurchase offers without the expense of a shareholder vote each time.[84]

The proposed amendment to remove the requirement that the maximum number of days be included in the interval fund's fundamental policy would not change the requirement that interval funds have a maximum of fourteen days between the repurchase request deadline and the repurchase pricing date. The proposed amendments to the repurchase pricing date definition would remove the reference to that requirement and otherwise contain editorial updates to enhance readability of the definition. We do not anticipate that these amendments would affect interval fund operations or the substance of information provided to shareholders in connection with repurchase notifications.

We request comment on the proposed changes to the repurchase pricing date, including:

26. Should we, as proposed, remove the requirement to include the maximum number of days between the repurchase request deadline and the repurchase pricing date in the fund's fundamental policy? Does this requirement currently provide benefit to funds or investors?

27. Should we make any other modifications as to which elements of an interval fund's repurchase policy should be included in a fundamental policy adopted under the rule? For example, are there elements of an interval fund's fundamental repurchase policy that could be determined by a majority of the board or a majority of the non-interested directors without adverse impact on investors in those funds?

28. The repurchase pricing date must be no later than fourteen days after the repurchase request deadline. Given that funds are also required to calculate the NAV of the fund's common stock daily during the five business days preceding the repurchase request deadline, is the fourteen day timeframe necessary or appropriate? Would a shorter period such as three, five, or seven days after the repurchase request deadline be more efficient, or are there considerations that warrant maintaining the current period?

29. Given advances in technology since 1993, and consistent with representations made in some requests for exemptive orders to permit monthly repurchases, should we instead require pricing of repurchases on the same day as investors must submit their repurchase requests, based on the values as of the market close that day? Do interval fund underlying investments permit this timing in all cases? If the deadline to determine the repurchase pricing date is shortened or eliminated, should rule 23c–3 be amended to provide a longer period to pay repurchase offer proceeds to account for the liquidity characteristics of underlying investments?

5. Amount of Securities Repurchased

When an interval fund initiates a repurchase offer, the notification to shareholders must specify the repurchase offer amount, the percentage of outstanding shares eligible for repurchase as determined by the board of directors of the fund.[85] Similarly, a fund making a discretionary repurchase offer must also include in its notification to shareholders the repurchase offer amount of the discretionary repurchase offer. When a fund is initiating an offer pursuant to its fundamental policy, the repurchase offer amount cannot be less than five percent or more than 25 percent of the common stock outstanding on the repurchase request deadline. If shareholders request to repurchase more shares than the repurchase offer amount (''oversubscribed repurchase'') for either periodic repurchase offers or discretionary repurchase offers, funds have the option to repurchase an additional amount of stock not to exceed two percent of common stock.[86] In cases of oversubscribed repurchases where the fund repurchases less than

[80] *See* proposed rule 23c–3(a)(5).

[81] *See* rule 23c–3(b)(4)(i)(D).

[82] *See id.*

[83] In response to the 2019 Concept Release, commenters supported making an interval fund's fundamental policy simpler. *See* ICI Comment Letter (asserting that the only items that should be included as a part of the fund's fundamental policy should be the fact that the fund will make repurchase offers, the minimum amount of repurchase amounts, and the interval periods).

[84] *See* sections 8(b)(3) and 13(a) of the Investment Company Act.

[85] *See* rule 23c–3(b)(4)(i)(C).

[86] *See* rule 23c–3(b)(5).

the amount requested by shareholders (*i.e.,* the amount of shares that shareholders requested is greater than the sum of the repurchase offer amount and the amount of any additional shares that a fund elects to repurchase, up to two percent of shares outstanding), the rule requires funds to repurchase shares on a pro rata basis, subject to limited exceptions.[87] The repurchase process for funds is designed to ensure transparency and fairness for all shareholders and this pro rata requirement is intended to prevent preferential treatment of any individual shareholder and to ensure that all shareholders have an equal opportunity to participate in the repurchase process.

We are proposing amendments to the oversubscribed repurchase provision to clarify this requirement.[88] A plain reading of the oversubscribed repurchase provision could lead to ambiguity or interpretive questions in circumstances where a fund is oversubscribed but shareholder tenders of common stock do not reach two percent over the repurchase offer amount (*e.g.,* an interval fund provides a repurchase offer amount of 10 percent of common stock and shareholders tender 11 percent). Specifically, the current rule states, ''[i]f the company determines not to repurchase more than the repurchase offer amount, or if security holders tender stock in an amount exceeding the repurchase offer amount plus two percent of the common stock outstanding on the repurchase request deadline, the company shall repurchase the shares tendered on a pro rata basis . . . .'' For an oversubscribed repurchase, this provision requires pro rata repurchases when (1) the fund decides not to repurchase more than the repurchase offer amount (*i.e.,* when the fund determines not to fulfill any of the oversubscribed repurchase amount), and (2) shareholder tenders exceed the repurchase amount plus two percent of common stock. The current rule does not address when a fund repurchases additional shares in an amount that is less than two percent of common stock outstanding.[89]

The proposed amendments would provide that when a fund repurchases less than 100 percent of the amount tendered by shareholders, the fund must repurchase the shares tendered on a pro rata basis in an amount equal to at least the repurchase offer amount, but not exceeding the repurchase offer amount plus up to two percent of the outstanding common stock as of the repurchase request deadline. The repurchase offer amount is the minimum amount that a fund must repurchase and the maximum amount that a fund can repurchase is the repurchase offer amount plus two percent of common stock outstanding. If a fund, for example, offers to repurchase five percent of outstanding common stock and shareholders request six percent, the fund could repurchase an additional one percent of common stock. If the fund elects to do so, the fund would be able to repurchase 100 percent of the amount tendered by shareholders; all shareholder requests would be satisfied and shares would not have to be distributed on a pro rata basis. The proposed amendments do not reflect a change in the Commission's interpretation of the oversubscribed repurchase process or impose any new substantive requirements. Rather, the amendments are intended to resolve a textual ambiguity in the existing rule provision that, while not a source of practical uncertainty, could, on a plain reading, support an interpretation inconsistent with the rule's established operation of the oversubscribed repurchase process.

We request comment on the proposed changes to the provision governing the amount of securities that may be repurchased, including:

30. What are the considerations and decision-making criteria that funds evaluate when determining whether to repurchase additional shares of common stock?

31. What are the perspectives of both funds and investors regarding the provision permitting funds to repurchase an additional two percent of common stock? Does this increased repurchase capacity provide meaningful benefits in terms of liquidity management, operational flexibility, and responsiveness to repurchase requests from investors? Should we adjust the amount of common stock that a fund can repurchase or remove the option altogether? Should we allow for additional repurchases beyond the two percent excess repurchase amount and discretionary repurchases provided for currently? For example, should we allow a fund to repurchase an additional five percent? Should we specify circumstances under which a fund can repurchase additional repurchases beyond two percent? For example, should we permit funds to have the ability to repurchase an excess amount of common stock beyond two percent so long as the amounts are set forth in the fund's fundamental policy? How would these types of approaches affect a fund's liquidity management?

32. Should we amend or eliminate the minimum and/or maximum repurchase offer amount as it relates to periodic repurchase offers? Should we lower the minimum repurchase offer to, for example, two percent? Should we raise the maximum repurchase offer to, for example, 30 percent? What would be the benefits and risks of amending or removing the minimum and/or maximum repurchase offer amounts? What additional factors should we consider? Should we consider exemptions or different approaches to the repurchase offer amount altogether? For instance, should we grant funds the ability to select any repurchase offer amount as long as it is set in their fundamental policy?

33. Should we consider amendments that would establish minimum and maximum repurchase offer amounts based on a fund's designated periodic interval that would generally be lower for more frequent periodic intervals (*e.g.,* monthly) and higher for less frequent periodic intervals (*e.g.,* annual)? If so, what should the minimum and maximum repurchase offer amount be for each periodic interval? For example, in the case of a fund with an annual repurchase interval, would it be prudent to require that such a fund offer to repurchase no less than 10 to 20 percent and no more than 40 to 50 percent of its outstanding common stock during each interval? In the case of a fund with a six month repurchase interval, would it be prudent to require that such a fund offer to repurchase no less than five to 10 percent and no more than 35 to 40 percent of its outstanding common stock during each interval? In the case of a fund with a three-month repurchase interval, would it be prudent to require that such a fund offer to repurchase no less than five to 10 percent and no more than 25 to 30 percent of its outstanding common stock during each interval? In the case of a fund with a one month repurchase interval, would it be prudent to require that such a fund offer to repurchase no less than two to five percent and no more than 15 to 20 percent of its outstanding common stock during each interval? How would this type of approach affect a fund's liquidity management?

[87] *See* rule 23c–3(b)(5)(i) (allowing an interval fund to first accept all shares tendered by small holders owning fewer than 100 shares in the aggregate before applying any proration to other tendering shareholders) and rule 23c–3(b)(5)(ii) (allowing an interval fund to permit shareholders who tender their entire position to elect, in cases where a repurchase offer is oversubscribed and pro rata allocation would otherwise apply, that the fund either repurchase all of their tendered shares or none of them).

[88] *See* proposed rule 23c–3(b)(5). The proposed amendments to this provision also would apply to a non-interval fund making a discretionary offer under rule 23c–3(c). *See supra* section II.A.3.

[89] *See* rule 23c–3(b)(5).

34. In early 2026, several interval funds saw a significant increase in investor requests to repurchase shares. In situations where the fund is fulfilling its stated obligations, but investor demand far surpasses the repurchase offer amount, what actions, if any, should be considered to be permissible in these scenarios that may not be under the proposed rule? For example, should we allow for exemptions to the maximum repurchase offer if the shareholder request is above a particular threshold? Should we allow funds to make ad hoc modifications to the repurchase offer amount during the repurchase process similar to how funds can make discretionary repurchases? To what extent would the proposed amendments permitting interval funds to conduct a discretionary purchase once a year, rather than once every two years, provide funds sufficient flexibility to address heighted investor demand for liquidity when the interval fund determines it is appropriate to do so? From an investor perspective, what are the advantages and disadvantages in allowing funds flexibility in this area? What conditions or amendments would be beneficial? Do investors understand the limits on mandated liquidity provided by interval funds? Should we require interval funds to provide additional disclosures on their liquidity features?

35. What additional processes should be explored to further promote fairness and equity throughout the repurchase process?

36. Rule 23c–3(b)(5)(i) allows a fund to repurchase all stock of a shareholder who owns an aggregate of less than one hundred shares and who tenders all of the shareholder's stock before prorating stock tendered by others. Has this exception been requested by shareholders or utilized by funds in practice, and if so, under what circumstances or operational contexts has its application occurred? Is the current odd-lot threshold still appropriate? Are there alternative approaches preferable to a fixed odd lot exemption?

37. Rule 23c–3(b)(5)(ii) allows a fund to permit shareholders who tender their entire position to elect, in cases where a repurchase offer is oversubscribed and pro rata allocation would otherwise apply, that the fund either repurchase all of their tendered shares or none of them. This provision was designed to ensure that electing shareholders would not be compelled to retain a residual position in a fund contrary to their repurchase intent. Has this exception been requested by shareholders or utilized by funds in practice, and if so, under what circumstances or operational contexts has its application occurred? Does this provide any meaningful advantages to interval funds or shareholders? Are there any potential concerns or drawbacks associated with eliminating this exception?

38. Are there other exceptions we should consider including or removing that relate to oversubscribed repurchases?

39. Should the proposed amendments to the oversubscribed repurchase requirements apply to non-interval funds? Are there particular aspects of the proposed amendments that should be modified to address circumstances associated with non-interval funds?

6. Deferred Sales Loads

We are proposing to permit interval funds [90] to deduct deferred sales loads from repurchase proceeds, provided the deferred sales load is effected in compliance with the provisions of 17 CFR 270.6c–10 (''rule 6c–10''), 270.11a–3 (''rule 11a–3''), and, to the extent the deferred sales load is waived, varied, or eliminated, 270.22d–1 (''rule 22d–1''). This change would put interval funds on the same footing as registered open-end funds, which may impose deferred sales loads subject to these same conditions, and permit broader distribution financing approaches for interval funds. This proposal also is generally consistent with exemptive relief routinely provided to multiple share class interval funds, except that we are proposing to allow all interval funds, and not just multiple share class interval funds, to deduct deferred sales loads.[91] The proposed conditions to deduct any deferred sales load—compliance with rules 6c–10, 11a–3, and 22d–1—are designed to promote transparency, fairness, and prevent excessive or unpredictable fees that may disadvantage shareholders.

Interval funds, unlike listed regulated closed-end funds, are continuously offered, and therefore seek exemptive relief to impose deferred sales loads to help finance the distribution of their shares. Interval funds require this relief to impose deferred sales charges because rule 23c–3 currently provides that the only amounts that may be deducted from repurchase proceeds are repurchase fees, up to two percent of the proceeds, that are payable to the interval fund and reasonably intended to compensate the fund for expenses directly related to the repurchase.[92]

Consistent with the multiple share class orders, the proposal would permit the deduction of deferred sales charges from repurchase proceeds subject to the condition that they meet the requirements registered open-end funds are subject to when they charge deferred sales loads. To charge a deferred sales load, an open-end fund must comply with rules 6c–10, 11a–3, and 22d–1. Rule 6c–10 permits registered open-end funds to impose deferred sales loads provided that (1) the amount of the deferred sales load does not exceed a specified percentage of the NAV or offering price at the time of purchase, (2) the terms of the deferred sales load are covered by FINRA rule 2341,[93] and (3) the same deferred sales load is generally imposed on all shareholders.[94] In some instances, interval funds may wish to make offers to securities holders to exchange one security for another wherein the interval fund may cause those securities holders to be charged a sales load on the acquired security, a repurchase fee,[95] or some combination of those fees. For registered open-end funds, rule 11a–3 sets forth conditions on how those fees may be charged, including a prohibition on the imposition of deferred sales loads on the exchanged security at the time of exchange. Rule 22d–1 permits the scheduled variations in or eliminations of sales loads by registered open-end funds, subject to certain conditions. The deferred sales load imposed by an interval fund would, under the proposal, need to meet the conditions of the particular applicable rule as if it

[90] The proposed amendments to this provision generally also would apply to a non-interval fund making a discretionary offer under rule 23c–3(c). *See supra* section II.A.3.

[91] *See, e.g.,* ARK Venture Fund, et al., Investment Company Act Release No. 35744 (Sep. 9, 2025) (Notice) and Investment Company Act Release No. 35787 (Nov. 17, 2025) (Order). Applicants may refer to early withdrawal charges, which are charges comparable to contingent deferred sales loads, rather than deferred sales charges directly. Early withdrawal charges are a form of a deferred sales load and thus could be charged under the proposed amendments.

[92] Rule 23c–3(b)(1). The proposed amendments to this provision also would apply to a non-interval fund making a discretionary offer under rule 23c–3(c). *See supra* section II.A.3.

[93] Rule 6c–10(a)(2) includes an outdated reference to NASD rule 2830 which was replaced by FINRA rule 2341.

[94] Rule 6c–10(a)(3) permits scheduled variations or eliminations of deferred sales loads to particular classes of shareholders or transactions, subject to the requirements of rule 22d–1. It also permits new variations that would waive or reduce the amount of a deferred sales load not yet paid.

[95] Rule 11a–3 governs, among other things, the imposition of redemption fees in the context of an offer to exchange securities. However, shares of regulated closed-end funds, including interval funds, are not redeemable and thus these funds do not charge redemption fees, though they may charge repurchase fees. The proposal would require that interval funds treat repurchases and repurchase fees as redemptions and redemption fees in complying with rule 11a–3.

were a registered open-end fund.[96] These open-end fund deferred sales loads rules are designed to address the conflicts of interest relative to the imposition of deferred sales loads and how to address the imposition of those loads when certain activities, such as exchange offers, occur. Because these conflicts would be present if interval funds were able to charge deferred sales loads, conditioning deferred sales loads on compliance with these rules would be appropriate.

When rule 23c–3 was first adopted, some commenters had suggested that interval funds should be able to impose deferred sales loads as some funds at the time that conducted repurchase offers periodically imposed such charges. Commenters further suggested that, if permitted to do so, interval funds should be permitted to waive or reduce such charges consistent with rule 22d–1. However, at that time, the Commission had proposed, but not yet adopted, rule 6c–10, which provided an exemption for registered open-end funds to impose deferred sales loads. The Commission stated that permitting interval funds to impose deferred sales loads might be appropriate after the Commission considered whether to adopt that rule.[97] In the interim, the Commission has both since adopted rule 6c–10 and provided exemptive orders to a number of multiple share class interval funds that permit the charging of deferred sales loads subject to certain conditions. We have not observed any developments in the way that funds charge these loads that would suggest that interval funds should not be permitted to charge these fees.

We request comment on the proposed amendment to permit interval funds to deduct deferred sales loads from repurchase proceeds.

40. Are there other requirements we should impose on deferred sales loads? Are there any considerations unique to interval funds that should influence our consideration of this issue?

41. Are there other fees that interval funds are not permitted to charge that would help modernize their structure? If so, what rule changes would be necessary to permit them?

42. Should we permit non-interval funds to deduct deferred sales loads from proceeds of discretionary repurchase offers, as proposed? Are there particular aspects of the proposed amendments that should be modified to address circumstances associated with such offers by non-interval funds?

B. Modification to the Interval Fund Liquidity Requirement During the Repurchase Offer Period

The rule currently requires an interval fund to hold, between the repurchase notification and the repurchase pricing date, at least 100 percent of the repurchase offer amount in assets that can be sold or disposed of in the ordinary course of business, at approximately the price at which the fund has valued the investment, within a period equal to the period between a repurchase request deadline and the repurchase payment deadline, or of assets that mature by the next repurchase payment deadline.[98] The rule also requires an interval fund's board to adopt written procedures reasonably designed to ensure that the fund's portfolio assets are sufficiently liquid so that the fund can comply with its fundamental policy on repurchases.[99] If an interval fund fails to comply with the liquidity requirement, the rule requires the board of directors to take actions as appropriate to ensure compliance.[100] We are proposing to amend the rule's liquidity provision by removing the requirement that a fund hold at least 100 percent of the repurchase offer amount in sufficiently liquid assets and replacing it with a more principles-based liquidity management provision that would require a fund to manage its portfolio's liquidity so that the fund can satisfy repurchase requests without requiring a sale or disposition of the fund's portfolio investments at a price that deviates significantly from the value of those investments.[101]

Requiring interval funds to maintain sufficient liquidity to satisfy shareholder repurchase requests is essential. Providing interval funds greater flexibility in managing their liquidity, however, would allow funds to optimize asset allocation, mitigate cash drag or a similar decrement in fund performance while still providing shareholders with reliable access to liquidity. The rule's current requirement that interval funds maintain liquid assets equal to the repurchase offer amount between the repurchase notification and the repurchase pricing date at times can present operational challenges as it obligates funds to hold a specified amount of liquid assets for a set period of time. The prescriptive nature of the current requirement compels funds to prioritize holding a greater portion of liquid assets than may be necessary. These assets could otherwise be allocated to potentially higher-yielding investments depending on the fund's investment strategy. Industry participants have noted that the requirement to hold this liquidity for the set period of time creates significant cash drag issues and focuses solely on the nature of the liquidity of the portfolio assets without taking into account the ability of a fund to create a multi-layered liquidity approach that includes not only a liquidity sleeve but the use of portfolio design that seeks to generate structured liquidity with committed credit facilities as a back-up. As a result, the current rigid requirements that do not allow for a multi-layered approach are cited by industry participants as a reason the interval fund structure is viewed as unworkable for certain strategies, as maintaining a mandated level of liquid assets can constrain the efficient deployment of capital in executing strategies that focus on less liquid assets.[102]

Furthermore, although the current rule specifies that the required liquidity amount of at least 100 percent of the repurchase offer amount need only be maintained during the repurchase offering period, interval funds report that, as a practical matter, they hold such liquidity on a continuous basis.[103] This dynamic may prevent interval funds from fully implementing their intended investment strategies as funds may over-allocate to and continuously hold more liquid assets than they would otherwise in executing a fund's intended investment strategy because of the requirement. This could subsequently have corresponding adverse effects on portfolio performance and investor returns by dampening the illiquidity premium investors are seeking by limiting exposure to higher yielding investments. One commenter noted that the liquidity requirement has

[96] *See* proposed rule 22c–3(b)(1)(ii). As rules 6c–10, 11a–3, and 22d–1 provide exemptions from provisions that interval funds are not generally subject to, we are not proposing to amend those rules to include interval funds. Rather, we are proposing to establish these requirements as a condition of relying on rule 23c–3.

[97] *See* 1993 Adopting Release, *supra* note 3 paragraph accompanying n.68.

[98] Rule 23c–3(b)(10)(i).

[99] Rule 23c–3(b)(10)(iii).

[100] Rule 23c–3(b)(10(ii).

[101] *See* Proposed Rule 23c–3(b)(10). The proposed amendments to this provision also would apply to a non-interval fund making a discretionary offer under rule 23c–3(c). *See supra* section II.A.3.

[102] *See* Dechert Comment Letter; Comment Letter from the American Bar Association (''ABA Comment Letter'').

[103] *See* ABA Comment Letter (stating that ''as a practical matter, many closed-end funds that seek to invest all or substantially all of their assets in illiquid securities cannot rely on Rule 23c–3 unless a portion of their assets remains invested in liquid securities, which affects these funds' ability to meet their investment objectives.'').

been a significant factor in deterring the formation of interval funds.[104]

We are proposing to remove the requirement that an interval fund hold, between the repurchase notification and the repurchase pricing date, at least 100 percent of the repurchase offer amount in assets that can be sold or disposed of in the ordinary course of business and replace it with a principles-based liquidity management provision that would require a fund to manage its portfolio's liquidity so that the fund can satisfy repurchase requests without requiring a sale or disposition of the fund's portfolio investments at a price that deviates significantly from the value of those investments.[105] Rule 38a–1 under the Investment Company Act requires a fund to adopt and implement, and the fund's board of directors to approve, written policies and procedures reasonably designed to prevent violation of the Federal securities laws by the fund.[106] Should we adopt the proposed amendments, regulated closed-end funds would need to follow the updated requirements of rule 23c–3 in order to avoid potential violations of the Federal securities laws when engaging in share repurchases.[107] Therefore, if this proposed amendment were adopted as proposed, an interval fund's policies and procedures adopted under rule 38a–1 would need to include policies and procedures reasonably designed to ensure that a fund seeking to rely on rule 23c–3 manages its portfolio's liquidity so that the fund can satisfy repurchase requests without requiring a sale or disposition of the fund's portfolio investments at a price that deviates significantly from the value of those investments in breach of this rule.

The principles-based framework under the proposed amendments would provide interval funds with the flexibility to tailor their liquidity management strategies to their unique circumstances and investment strategies. For instance, instead of maintaining a static pool of liquid assets sufficient to cover the entire repurchase offer amount, a fund could satisfy repurchases through a combination of liquidity sources, including investor inflows, portfolio cash flows from maturing loans and scheduled amortization, or targeted asset dispositions, backed up with a strategically paired bank facility if needed to bridge any remaining cash flow gaps (*e.g.,* where a fund has a committed bank line and reasonably anticipates distributions from portfolio securities or subscriptions can be used to repay the borrowing). As another example, an interval fund could maintain liquid assets equal to a given percentage of the repurchase offer amount at the time the fund notifies shareholders of an upcoming repurchase, and then determine whether to sell portfolio assets or use other sources of liquidity as needed such as distributions from portfolio securities or subscriptions after the fund knows the amount of shares investors ultimately have determined to tender for repurchase. The proposed amendments would better reflect the multi-layered liquidity management practices employed by portfolio managers and would allow funds to tailor their liquidity frameworks to the unique characteristics of their underlying strategies and implement policies and procedures to manage their liquidity sufficiently to meet repurchase obligations.

Demand for liquidity can fluctuate over time, with periods of heightened repurchase activity, in particular, in response to market events or uncertainty. It is important that an interval fund be able to manage its liquidity in order to meet its obligation to timely repurchase tendered shares without requiring a sale or disposition of the fund's portfolio investments at a price that deviates significantly from the value of those investments. The proposed amendments aim to preserve this function while allowing interval funds and their boards the flexibility to determine a suitable approach based on each fund's circumstances, rather than imposing rigid, prescriptive mandates that have the potential to negatively impact interval funds that pursue certain investment strategies and their investors.

In order for a fund's compliance policies and procedures to be reasonably designed to prevent non-compliance with the proposed amendments, they would need to be reasonably designed to ensure that the fund manages its portfolio's liquidity so that the fund can satisfy its repurchase requests without requiring a sale or disposition of the fund's portfolio investments at a price that deviates significantly from the value of those investments. To do so, the fund generally would need to consider, in addition to anticipated obligations to repurchase investor shares, other obligations the fund may have, such as obligations on any outstanding senior securities. Each fund operates under its own unique circumstances which also should be considered when developing its policies and procedures. For example, funds executing strategies with significant exposure to less liquid private market assets would need to include policies and procedures that anticipate and address issues inherent with those asset classes. Such policies and procedures might include, as relevant, monitoring and managing private equity portfolio company investments, valuation of illiquid and hard-to-value securities (including the use of third-party valuation agents and fair value methodologies), the management of liquidity risk and cash flow forecasting, the timing and process for calling and deploying capital commitments in underlying private funds, the handling of in-kind distributions or other non-cash proceeds received from portfolio investments, and the management of key-person events or other material developments affecting underlying portfolio companies or fund managers.

Inadequate liquidity management, along with insufficient policies and procedures, can increase the risk that a fund may need to sell less liquid assets that are not easily converted to cash at significantly reduced prices. ''Fire sales'' can lead to substantial losses for the fund and its investors, further destabilizing the fund's portfolio and harming remaining shareholders. Because we are proposing to restructure the current liquidity requirement provision, we are also proposing to remove the requirement in the rule that states if the fund fails to comply with that requirement, the board of directors shall cause the company to take such action as it deems appropriate to ensure compliance.[108] However, while the proposal would remove the direct requirement of board oversight from rule 23c–3(b)(10), the board of directors would continue to exercise oversight under rule 38a–1.

We request comment on the proposed changes to the interval fund liquidity framework, including:

43. Should we, as proposed, remove the requirement that funds hold at least 100 percent of the repurchase offer amount in assets that can be sold or

[104] *See* ABA Comment Letter (noting that tender offer funds are not subject to the rule's portfolio liquidity requirements, making the tender offer fund structure the preferred regulated closed-end fund vehicle for strategies investing in less liquid assets, such as private equity, notwithstanding that many fund sponsors indicate they would otherwise prefer the interval fund framework for certain other investor protection and regulatory benefits).

[105] *See* proposed rule 23c–3(b)(10).

[106] *See* rule 38a–1.

[107] For example, if it is not relying on rule 23c–3, a fund's repurchase offers would be issuer tender offers subject to the tender offer rules under the Exchange Act, such as 17 CFR 240.13e–4 (''Exchange Act rule 13e–4'') and 240.14e–1. *See* 1993 Adopting Release, *supra* note 3, at section I.

[108] *See* rule 23c–3(b)(10)(ii).

disposed of in the ordinary course of business, at approximately the price at which the fund has valued the investment until the repurchase pricing date and replace it with a requirement that a fund must manage its portfolio's liquidity so that the fund can satisfy repurchase requests without requiring a sale or disposition of the company's portfolio investments at a price that deviates significantly from the value of those investments? Would this increased flexibility in liquidity management allow funds to reduce cash drag or a similar decrement in fund performance while still ensuring that interval funds provide shareholders reliable access to liquidity? Would this increased flexibility in liquidity management improve the ability of funds to optimize asset allocation?

44. To what extent could funds benefit from the enhanced flexibility and adaptability offered by the proposed principles-based framework for liquidity management? How might such an approach allow funds to more effectively respond to evolving market conditions and unique operational challenges, compared to the current more prescriptive liquidity requirement? What are the drawbacks to the proposed principles-based framework for liquidity management for interval funds? What are the benefits and drawbacks to investors?

45. To what extent does the current liquidity framework impede the establishment of new interval funds and create challenges for existing interval funds? Does the current liquidity framework act as a barrier to the creation of new interval funds, as suggested by commenters in 2019, or has the growth since then mitigated the need for this change in some way?

46. What challenges or issues currently facing funds could be improved or resolved by implementing the proposed principles-based framework?

47. What potential concerns might shareholders or potential investors have about the elimination of an express, prescriptive liquidity requirement, and what strategies or mechanisms could be implemented to effectively address or mitigate those concerns?

48. What mechanisms or strategies could a fund include in its policies and procedures to ensure its ability to meet repurchase offers under the proposed amendments?

49. Should the proposed liquidity amendments apply to non-interval funds making a discretionary repurchase under paragraph (c)? Are there particular aspects of the proposed amendments that should be modified to address circumstances associated with non-interval funds?

C. Other Proposed Amendments to the Interval Fund Framework

1. Grandparent Clause

When the Commission adopted rule 23c–3 in 1993, certain regulated closed-end funds were already making periodic repurchase offers to their shareholders.[109] Accordingly, the rule included a ''grandparent clause'' to accommodate these funds.[110] The provision permits funds that were already making periodic repurchase offers for their shares before May 14, 1993 to treat their existing repurchase practices as a fundamental policy for purposes of the rule. The 1993 Adopting Release reasoned that since shareholders were already aware of a fund's repurchase practices, there was no need to require a shareholder vote, provided the fund's board adopts a resolution stating its repurchase policies, including specifying its intervals, which conform to the frequency of the fund's prior repurchase offers. We are proposing to remove the grandparent clause in rule 23c–3(b)(2)(iii). Given the significant amount of time that has elapsed since the provision's adoption, we believe it is highly unlikely that any fund continues to rely on, or has a continuing need to rely on, this provision. Accordingly, to the extent that no existing fund continues to rely on this provision, retaining the grandparent clause in the rule would serve no meaningful regulatory purpose. We do not expect the removal of this provision to have a practical impact on interval funds. Rather the provision's removal would be appropriate and consistent with our broader objective of maintaining a clear, streamlined, and modernized regulatory framework for interval funds.

We request comment on the proposed removal of the grandparent clause, including:

50. Are there any funds that continue to rely on this provision?

51. What potential concerns should we consider if we proceed with finalizing this amendment as proposed?

2. Form N–23c–3

Reports on Form N–23c–3 are required to be submitted by registered closed-end investment companies or BDCs that make repurchase offers pursuant to Rule 23c–3. These reports must be filed with the Commission within three business days after sending notification to shareholders of a repurchase offer.[111] We are proposing amendments to eliminate certain outdated requirements in rule 23c–3 regarding the specific procedures a fund must follow when submitting Form N–23c–3 and are proposing amendments to Form N–23c–3.

Rule 23c–3 currently requires an interval fund (and a non-interval fund making discretionary repurchases) to file Form N–23c–3 along with three copies of the repurchase offer notification with the Commission within three business days of sending the notification to shareholders, and, as written, requires compliance with the requirements for registration statements and reports under 17 CFR 270.8b–12 (''rule 8b–12'').[112] Part 232 of Title 17 of the Code of Federal Regulations (''Regulation S–T'') governs the electronic submission of documents filed or otherwise submitted to the Commission and controls for an electronic format document in the manner and respects provided in the regulation.[113] In 2022, the Commission amended 17 CFR 232.101 to provide that, among other filings, documents filed with the Commission under section 23(c) of the Investment Company Act must be made on the Electronic Data Gathering, Analysis, and Retrieval system (''EDGAR'') as required by the EDGAR Filer Manual, as defined in 17 CFR 232.11, and that, notwithstanding 17 CFR 232.104, the documents will be considered as officially filed with or furnished to, as applicable, the Commission.[114] These provisions supersede the stated filing requirements in rule 23c–3 and the proposed amendments to rule 23c–3 are intended to remove those redundant and/or outdated provisions.[115] We are also proposing to remove the language in Form N–23c–3 that states that the form shall be filed in triplicate with the Commission.

For similar reasons relating to outdated provisions, we are also proposing to remove from Form N–23c–3 the language that states that at least one copy of the form must be manually signed. Instruction 2 of Form N–23c–3

[109] *See supra* section I.A and paragraph accompanying footnote 15.

[110] Rule 23c–3(b)(2)(iii).

[111] Rule 23c–3(b)(4)(ii)

[112] Rule 8b–12 dictates the requirements for paper, printing, and language for investment company registration statements and reports.

[113] 17 CFR 232.10(a).

[114] Electronic Submission of Applications for Orders under the Advisers Act and the Investment Company Act, Confidential Treatment Requests for Filings on Form 13F, and Form ADV–NR; Amendments to Form 13F, Investment Company Act Release No. 34635 (Jun. 23, 2022) [87 FR 38943 (Jun. 30, 2022)], *https://www.sec.gov/files/rules/final/2022/34-95148.pdf.*

[115] *See* proposed rule 23c–3(b)(4)(ii).

currently states that one of the three copies shall be manually signed while the other copies may have facsimile or typed signatures. In 2020, the Commission adopted amendments to 17 CFR 232.302 and the EDGAR Filer Manual to permit the use of electronic signatures in signature authentication documents required under Regulation S–T in connection with electronic filings on EDGAR that are required to be signed.[116] The signature provisions of Regulation S–T supersede the language of Form N–23c–3, and the proposed amendment is intended to remove the outdated manual signature requirement.

We request comment on the proposed changes, including:

52. Should we finalize these amendments as proposed?

53. Should we consider any additional updates or revisions to Form N–23c–3?

54. Should the proposed amendments to these requirements apply to non-interval funds as proposed? Are there particular aspects of the proposed amendments that should be modified to address circumstances associated with non-interval funds?

D. Expansion of Multiple Share Class Offerings to Regulated Closed-End Funds

We are proposing to amend exemptive rules 18f–3 and 17d–3 under the Investment Company Act to permit regulated closed-end funds to issue multiple classes of shares under conditions similar to those available to registered open-end funds. Currently, many regulated closed-end funds issue multiple classes of shares under Commission exemptive orders. Based on the Commission's experience with these exemptive orders, multi-class structures have demonstrated value by providing enhanced flexibility to structure and finance the distribution of these funds. Multi-class structures provide investors with the flexibility to select the purchasing method most suited to their individual circumstance and allow sponsors of registered investment companies to attract larger asset bases. This asset growth permits the fund to spread fixed costs over more shares, allows investors to qualify for breakpoint discounts in advisory fees, and otherwise enables the fund to experience economies of scale, potentially resulting in lower fees and expenses for investors. We are proposing to extend these benefits to all closed-end funds rather than requiring funds to seek individualized exemptive orders. Further, we are proposing amendments to Form N–2 to require disclosures about multiple share class offerings.

Allowing regulated closed-end funds to issue multiple classes of shares would establish a standardized framework that would eliminate the cost and delay associated with individual exemptive applications. The exemptive conditions in the proposed rule amendments are based on the investor protection conditions the Commission has developed through its exemptive practice with multi-class structures over decades. The proposed disclosures help to inform investors of the complexity of these structures and the differences in costs. Accordingly, the proposed amendments would simplify and modernize the regulatory framework related to regulated closed-end fund multi-class issuance, while maintaining appropriate investor protections and safeguards.

Most investment companies today are sold through multiple distribution channels, including both direct sales by the funds and sales through intermediaries, such as investment advisers and broker-dealers. The multi-class structure has become common for investment companies because it allows them to offer share classes with distribution and servicing fee structures to match each of these channels. These structures may benefit both shareholders and fund sponsors. For example, they may increase investor choice, result in efficiencies in the distribution of regulated closed-end fund shares, and allow fund sponsors to tailor products more closely to different investor markets. They may also enable funds to attract larger asset bases, permitting them to spread fixed costs over more shares, qualify for discounts in advisory fees, avoid the need to set up more costly structures, and otherwise experience economies of scale, lowering fees and expenses. The Commission has long allowed regulated closed-end funds to issue multiple classes of shares, subject to certain conditions, pursuant to individual exemptive orders. Indeed, shortly after the Commission promulgated rule 18f–3 in 1995 to allow registered open-end funds to issue multiple classes of shares representing interests in the same portfolio, continuously offered regulated closed-end funds began to apply for and receive exemptive orders to issue multiple classes of shares. The Commission has continued to issue such exemptive orders and has recognized the flexibility multi-class structures have provided in distributing regulated closed-end funds. This proposal is an effort to expand the benefits of multi-class structures and achieve efficiency for registrants and Commission staff by codifying into rule and Form N–2 the conditions implemented during years of now routine Commission exemptive orders in this area.

The issuance of multiple classes of shares by a regulated closed-end fund is restricted under section 18 of the Investment Company Act. Most significantly, offering shares through classes with different fee structures and distribution arrangements may result in the issuance of a ''senior security'' in violation of section 18(a)(2) of the Investment Company Act. If a regulated closed-end fund were to issue more than one class of such senior security, the arrangement would also violate section 18(c) of the Investment Company Act, which prohibits a regulated closed-end fund from issuing more than one class of senior security that is a stock. In addition, the differential voting rights that commonly accompany multi-class structures, such as class-specific votes on distribution plans, may conflict with section 18(i) of the Investment Company Act, which requires that each share of a registered investment company carry equal voting rights. These section 18 prohibitions are made applicable to BDCs by section 61(a) of the Investment Company Act. Separately, to the extent that a multi-class structure involves arrangements under which a regulated closed-end fund pays distribution costs out of fund assets to an affiliate, such arrangements may implicate section 17(d) of the Investment Company Act, which restricts joint enterprises between a fund and its affiliated persons (or their affiliated persons), and rule 17d–1 thereunder, which requires Commission approval for such arrangements absent an applicable exemption.

The proposed amendments would extend to regulated closed-end funds the same multi-class relief currently available to registered open-end funds, subject to conditions adapted to reflect the structural characteristics of regulated closed-end funds and consistent with the relief the Commission has provided regulated closed-end funds via individual exemptive orders.

1. Rule 18f–3

Rule 18f–3 permits registered open-end funds to issue multiple classes of voting stock representing interests in the same portfolio provided that certain conditions are satisfied. The amendments to rule 18f–3 would require any regulated closed-end fund

[116] Electronic Signatures in Regulation S–T Rule 302, Investment Company Act Release No. 34096 (Nov. 17, 2020) [85 FR 78224 (Dec. 4, 2020)].

relying on the amended rule to meet the current requirements in the rule for registered open-end funds. Specifically, such regulated closed-end funds would be required to adopt a written plan approved by the board of directors, including a majority of directors who are not interested persons of the fund, setting forth the separate arrangements and expense allocations applicable to each class, including any differences in distribution arrangements, shareholder services, or fee structures. The written plan could be amended only upon board approval, and the board would be required to find that any material amendment to the written plan is in the best interests of each class of shareholders and the company as a whole. These board approval and oversight requirements are designed to address potential conflicts of interest among classes.[117]

As with registered open-end funds under the current rule, the proposed amendments also would impose conditions governing the allocation of expenses across share classes and the mechanics of any conversion or exchange features of shares of regulated closed-end funds. With respect to expense allocation, each class would be required to bear only those expenses directly attributable to that class, while all other fund-wide expenses,[118] including advisory fees and other portfolio-level costs, would be allocated among classes on the basis of relative net assets or another reasonable and equitable basis.[119] No class would be permitted to bear the distribution or service fees attributable to another class.[120] This proposed requirement is designed to prevent cross-subsidization among classes at the expense of shareholders who do not benefit from the relevant distribution or servicing arrangements. Moreover, matters that affect a particular class, such as approval of a class-specific distribution plan, would need to be submitted for approval solely by shareholders of that class,[121] while matters affecting the fund generally would be voted on by all shareholders voting together.[122]

In addition to applying these existing requirements for registered open-end funds, we are proposing a number of conditions specific to regulated closed-end funds that are generally consistent with the conditions of the exemptive orders currently issued to such funds and the terms and conditions in the associated applications. First, the regulated closed-end fund's common stock would be required to be offered on a continuous basis.[123] Rule 18f–3 is designed, in part, to give funds flexibility in tailoring many aspects of their multiple class structures, particularly their distribution arrangements.[124] If a closed-end fund is not continuously offering its shares, however, then the fund is not engaged in the distribution activities rule 18f–3 seeks to facilitate. Accordingly, the exception provided by the rule would be limited to those funds for which it is necessary. This requirement is also consistent with the types of regulated closed-end funds that have received exemptive orders to date.

Second, if the regulated closed-end fund offers to sell its common stock at a price other than the current NAV of such stock, the same offer would be required to be made to all classes of common stock.[125] Section 23(b) of the Investment Company Act generally prohibits regulated closed-end funds from selling their common stock at a price below the current net asset value, exclusive of any distribution commissions or discounts, but does permit such sales under certain circumstances.[126] However, Congress did not anticipate that regulated closed-end multi-class structures would make such sales even as permitted under section 23(b) as these structures are not permissible under the statute. Our routine exemptive orders also do not contemplate below-NAV offers, as the orders find that repurchase offers will not discriminate against any holders of classes of securities. If a regulated closed-end fund were to make a below-NAV offer to specific classes of common stock, it would result in dilution for those classes that were not given the offer. Similarly, our routine exemptive orders do not contemplate offers to sell common stock above NAV, as such purchases would result in dilution to new shareholders purchasing above NAV. Therefore, such offers should be made to all classes.

If a regulated closed-end fund imposes an asset-based distribution or service fee, that fee would be required to be charged under a written plan which, along with any agreements with any person relating to the plan's implementation, must comply with 17 CFR 270.12b–1 (''rule 12b–1'') as if the fund were a registered open-end fund.[127] This requirement is designed to help ensure that any distribution or service fee arrangement associated with a multiple share class structure is fair to all classes and reflects similar requirements that apply to registered open-end funds currently relying on rule 18f–3. The proposed amendments would permit the incorporation of this rule 12b–1 plan into the plan approved by the board pursuant to rule 18f–3(d).[128]

Rule 12b–1, adopted by the Commission in 1980, was designed to address concerns that registered open-end funds were financing distribution costs through fund assets without adequate board oversight.[129] The rule permits a registered open-end fund to use its assets to finance distribution activities, but only pursuant to a written plan approved by the fund's board, including its independent directors. Rule 12b–1 prescribes the substantive requirements of such plans, including provisions governing the duration and continuity of the plan, reporting obligations to the board, the circumstances under which the plan must be terminated, and record-keeping requirements.[130] Applying these requirements to regulated closed-end funds that impose asset-based distribution fees is appropriate because the investor protection concerns that animated the adoption of rule 12b–1, principally the potential for conflicts of interest and inadequate oversight when a fund finances its own distribution, are

[117] *See* Exemption for Open-End Management Investment Companies Issuing Multiple Classes of Shares; Disclosure by Multiple Class and Master-Feeder Funds, Investment Company Act Release No. 19955 (Dec. 15, 1993) [58 FR 68074 (Dec. 23, 1993)]. Consistent with the current rule, a regulated closed-end fund's board would be required to meet the fund governance standards of 17 CFR 270. 0–1.

[118] Fundwide expenses are defined as those expenses of the company not allocated to a particular class under rule 18f–3(a)(1). *See* rule 18f–3(c)(2)(ii).

[119] *See* rule 18f–3(c)(2)(iii)–(iv).

[120] *See* rule 18f–3(a)(1)(i)–(iii).

[121] *See* rule 18f–3(a)(2)–(3).

[122] *See* rule 18f–3(a)(4).

[123] *See* proposed rule 18f–3(g)(1).

[124] *See* Exemption for Open-End Management Investment Companies Issuing Multiple Classes of Shares; Disclosure by Multiple Class and Master-Feeder Funds; Class Voting on Distribution Plans, Investment Company Act Release No. 20915 (Feb. 23, 1995) [60 FR 11876 (Mar. 2, 1995)] (''Rule 18f–3 Adopting Release'').

[125] *See* proposed rule 18f–3(g)(2).

[126] Specifically, the Investment Company Act permits the sale by a fund below NAV (1) in connection with an offering to the holders of one or more classes of its capital stock; (2) with the consent of a majority of its common stockholders; (3) upon conversion of a convertible security in accordance with its terms; (4) upon the exercise of certain warrants; or (5) under such other circumstances as the Commission may permit by rules and regulations or orders for the protection of investors. *See* 15 U.S.C. 80a–23(b).

[127] *See* proposed rule 18f–3(g)(3).

[128] *See id.*

[129] Bearing of Distribution Expenses by Mutual Funds, Investment Company Act Release No. 11414 (Oct. 28, 1980); [45 FR 73898 (Nov. 7, 1980)] (''Rule 12b–1 Adopting Release'').

[130] Rule 12b–1(b) and (f).

equally present when a regulated closed-end fund employs a similar fee structure. Requiring regulated closed-end funds offering multiple share classes to comply with rule 12b–1 would also give closed-end fund shareholders the same protections that apply to registered open-end fund shareholders paying distribution fees under existing 12b–1 plans.[131]

The proposal would also require that the registered closed-end fund's common stock not be listed, offered, or traded on a secondary market.[132] The exemptive orders have excluded regulated closed-end funds that have share classes continuously offered directly to investors if they also have share classes that are listed on an exchange or otherwise traded on a secondary market. Such additional classes may raise novel issues, such as, for example, shareholders of the different classes being provided different pricing and liquidity opportunities that could in turn raise questions as to the relative fairness of the structure that would need further consideration. To the extent a regulated closed-end fund seeks to offer such a multiple share class arrangement, such fund could request this relief though our exemptive application process, and the Commission would assess all relevant policy considerations in the context of the facts and circumstances of each particular applicant.

The proposed amendments also would require any offer to repurchase common stock to be equally made to holders of all classes of common stock.[133] For example, a regulated closed-end fund offering to repurchase five percent of its outstanding shares could not limit that offer to any particular common class or classes or limit the ability to which any common class participates in the offer. Similarly, an offer of repurchases in kind to one common class and repurchases in cash to another would not be considered to be made equally to all common classes given the difference in the nature of the form of payment to shareholders. Our exemptive orders do not contemplate any such differences, as the orders find that proposed repurchases will not unfairly discriminate against any holders of the class or classes of securities to be purchased. Accordingly, the proposed amendments would require that repurchase offers must be made equally to all classes of common stock.

In addition, the percentage taken up and paid for in any repurchase offer would be required to be allocated on a fund, not class, basis.[134] In particular, for purposes of determining whether the shareholders have tendered more than the repurchase offer amount, and for performing pro rata calculations with respect to any oversubscribed redemption offer, a fund must make calculations on a fund, not class, basis.[135] For example, should a regulated closed-end fund offer to repurchase five percent of outstanding shares, the percentage calculation would be based on the fund's total outstanding shares rather than the outstanding shares of a particular class. This helps to ensure that repurchase offers made by the fund are equitable to all classes. It would be unfair, for example, to allow a closed-end fund selectively to repurchase only certain classes of common stock, particularly given that the fund's assets as a whole would be used to pay for the repurchased shares.

The last proposed condition for regulated closed-end funds that plan to rely on rule 18f–3 is that any exchange offer involving a class of a regulated closed-end fund's common stock would be required to be made in a manner that complies with rule 11a–3 as if the fund were a registered open-end fund.[136] Further, if it is an interval fund, shares of the interval fund that are exchanged for shares of other companies would be required to be included as part of the ''repurchase offer amount'' for purposes of rule 23c–3.[137] This provision is designed to prevent the inducement of fund shareholders to exchange their shares for those of a different fund solely for the purpose of exacting additional sales charges by placing conditions on any sales load, repurchase fee, administrative fee, or combinations of those fees, charged in connection with the exchange. [138] For example, rule 11a–3 requires the uniform application of any administrative or redemption fee,[139] including any waivers of those fees, and that any sales load charged with respect to the security being acquired is generally a percentage that is no greater than the excess, if any, of the rate of the sales load applicable to that security in the absence of an exchange over the sum of the rates of all sales loads previously paid on the exchanged security. As discussed above,[140] rule 11a–3 is designed to regulate the charging of sales loads in connection with exchange offers in an equitable manner and currently applies to registered open-end funds. Requiring closed-end funds to comply with the rule in connection with exchanges as a condition of reliance on rule 18f–3 would extend these protections to investors in the closed-end funds. For interval funds, inclusion of the shares of the company to be exchanged as part of the repurchase offer amount would ensure that when an exchange offer involves the repurchase of interval fund shares, the amount repurchased does not exceed the limitations on the amount repurchased (*e.g.,* five percent) under rule 23c–3(a)(3).

We are not proposing to require a regulated closed-end fund's sales and service charges to comply with certain FINRA distribution fee rules as a condition to relying on rule 18f–3 because the question of whether a regulated closed-end fund's distribution expenses are excessive is a concern that is not limited to multiple share class funds. Currently, the exemptive orders that permit multiple share class regulated closed-end funds are based on applicants' representations that any sales and service charges will comply with either FINRA rule 2341 (in the case of registered closed-end funds) or FINRA rule 2310 (in the case of BDCs, with the conditions requiring that BDCs that privately offer their shares apply that rule as if the fund were conducting a public offering). These rules, among other things, set caps on the fees and charges that distribution participants can charge to investors. These rules, by their terms, apply only to the activities of FINRA members in connection with securities of interval funds (rule 2341) and BDCs engaged in public offerings (rule 2310). Rule 18f–3 is designed to

[131] Regulated closed-end funds are not otherwise subject to section 12(b) of the Investment Company Act.

[132] *See* proposed rule 18f–3(g)(4).

[133] *See* proposed rule 18f–3(g)(5).

[134] *See id.*

[135] *See also* rule 23c–3(b)(5) and Exchange Act rule 13e–4(f)(3).

[136] *See* proposed rule 18f–3(g)(6).

[137] *See id.*

[138] Specifically, rule 11a–3 governs sales loads and other charges that may be imposed on an exchange between funds within the same fund group, and is intended to help ensure that shareholders receive credit for all sales charges incurred on a particular purchase of fund shares and are protected from the sales practice abuse of switching, *i.e.,* the practice of inducing shareholders of one fund to exchange their shares for those of a different fund solely for the purpose of exacting additional sales charges. *See* Offers of Exchange Involving Registered Open-End Investment Companies, Investment Company Act Release No. 17097 (Aug. 3, 1989) [54 FR 35182 (Aug. 24, 1989)] (''Rule 11a–3 Adopting Release'').

[139] Consistent with the approach to interval funds charging deferred sales loads, the proposal would require that regulated closed-end funds treat repurchases and repurchase fees in exchange offers as if they were redemptions and redemption fees under rule 11a–3(b)(2)(i). *See supra* footnote 95.

[140] *See supra* section II.A.6.

ensure that a fund's expenses are borne equitably across a fund's classes. The expense allocation and whether it is in the best interest of each class individually and the company as a whole must be considered by boards prior to approving multiple share class plans under rule 18f–3(d). Consistent limitations on distribution fees charged by funds more generally go beyond the scope of the proposal and are covered by other regulations, including FINRA rules.

We request comment on the proposed expansion of rule 18f–3 to permit regulated closed-end funds with multiple share class structures.

55. The proposal would subject regulated closed-end funds seeking a multiple share class structure to, among other things, the existing requirements of rule 18f–3, which were designed for registered open-end funds. Are there any changes that should be made to those existing provisions as they would apply to regulated closed-end funds?

56. Are there other regulated closed-end fund requirements that we should consider in permitting multiple share class structures?

57. Should we permit multiple share class structures for regulated closed-end funds that are not offered on a continuous basis? Under what circumstances might such a regulated closed-end fund seek to issue multiple classes?

58. Are there any provisions in the current exemptive orders we are seeking to codify that pose practical limitations we should be aware of?

59. Recently, the Commission provided exemptive relief that would permit, under certain conditions, a multiple-class regulated closed-end fund to list classes of its common stock on an exchange and trade on a secondary market using distributed ledger technology.[141] Consistent with previous individual exemptive orders, we are proposing that, for a regulated closed-end fund to issue multiple classes of shares under the proposed rule, its common stock must not be listed, offered, or traded on a secondary market because such an arrangement may raise novel issues that may be more appropriately considered as part our exemptive application process as discussed above. We request comment, however, on whether there are conditions we should consider that would permit regulated closed-end funds to issue a class of common shares that is traded on a secondary market in a manner that avoids unfair treatment among the fund's shareholders. Are such issues ripe for broad-based consideration as part of a rule or should we explore them in the exemptive application process before wide-spread adoption?

60. How would regulated closed-end funds that have a multiple share class structure close a class or fund? In the staff's experience, regulated closed-end funds rarely liquidate classes, and when open-end funds liquidate classes, they generally do so by share class conversions or mergers that would not be prohibited by the conditions in rule 18f–3. Are there, however, any provisions in the proposal that would impede the orderly wind-down of a multiple share class regulated closed-end fund or a class of the fund? For example, would the requirement that any offer to repurchase common stock be made equally to all common classes and the percentage taken up and paid for be allocated on a company basis interfere with the liquidation of a class of a regulated closed-end fund? Do commenters anticipate that a regulated closed-end fund may seek to liquidate a class via a repurchase offer to shareholders of that class and, if so, should we revise the proposed amendment to permit this?

61. The proposed requirement for repurchase amounts to include fund shares exchanged for other companies would apply only to interval funds. Rule 23c–3(c) permits all regulated closed-end funds to engage in discretionary repurchase offers. Should the proposed requirement also apply to non-interval funds making exchange offers as part of a discretionary repurchase offer under rule 23c–3(c)?

2. Rule 17d–3

We also are proposing to amend rule 17d–3 to extend the rule, which currently only applies to registered open-end funds, to multiple share class regulated closed-end funds, permitting greater flexibility in distribution agreements by those funds. The proposed amendments would permit an affiliated person of, or principal underwriter for, the fund, or an affiliated person of the affiliate or principal underwriter, to enter into a written agreement to permit the fund to make payments in connection with the distribution of its shares.[142]

Rule 12b–1 allows a registered open-end fund to finance distribution with fund assets subject to conditions enumerated in the rule, many of which are intended to address the conflicts of interest between the fund and its investment adviser when a fund bears its own distribution expenses. Rule 17d–3, adopted in conjunction with rule 12b–1, provides an exemption from section 17(d) and rule 17d–1 to permit certain affiliates of open-end funds to enter into rule 12b–1 distribution arrangements with the funds.[143] Rule 17d–3 currently applies only to affiliates of open-end funds. Currently, the exemptive orders that permit multiple share class regulated closed-end funds that impose asset-based distribution and service fees in a manner analogous to rule 12b–1 fees effectively extend relief like that provided in rule 17d–3 to permit such distribution arrangements. They do so by providing an exemption from section 17(d) and rule 17d–1 to permit asset-based distribution and service fees to the extent such fees would be a joint transaction in violation of those provisions. This exemption is conditioned on the regulated arrangement meeting certain conditions, including complying with rule 17d–3 (including its requirement that the distribution agreement complies with rule 12b–1) as if the fund were a registered open-end fund. Rule 17d–3 works in tandem with rule 12b–1 to the extent rule 12b–1 plans implicate a joint transaction and, as we are proposing to require compliance with rule 12b–1 as a condition of the exemption for multiple share class regulated closed-end funds in the proposed amendments to rule 18f–3, we are proposing to also extend rule 17d–3 to these arrangements to the extent such relief is needed.[144]

We are proposing to extend the existing requirements of rule 17d–3 that apply to such arrangements with registered open-end funds to similar arrangements with multiple share class regulated closed-end funds. This would require multiple share class regulated closed-end funds relying on rule 17d–3 to adopt an agreement that (1) is made in compliance with rule 12b–1 and (2) does not permit joint sharing of distribution costs with other registered

[141] *See* In the Matter of ARK Venture Fund and ARK Investment Management LLC, Investment Company Act Release No. 36308 (Aug. 24, 2026) (Notice) and Investment Company Act Release No. 36333 (Sep. 21, 2026) (Order).

[142] *See* proposed rule 17d–3.

[143] Bearing of Distribution Expenses by Mutual Funds, Investment Company Act Release No. 10862 (Sep. 7, 1979) [44 FR 54014 (Sep. 17, 1979)]; *see also* Rule 12b–1 Adopting Release. Rule 17d–3 permits an affiliated person of, or a principal underwriter for, an open-end fund and an affiliated person of such a person or principal underwriter to enter into distribution agreements and make payments thereunder notwithstanding section 17(d) and rule 17d–1, subject to the conditions in the rule. This rule prevents such distribution arrangements from otherwise constituting a violative joint transaction.

[144] *See* Bearing of Distribution Expenses by Mutual Funds, Investment Company Act Release No. 10862 (Sep. 7, 1979) [44 FR 54014 (Sep. 17, 1979)].

management investment companies that are affiliates (or affiliates of affiliates) of the fund.[145] Further, we propose to extend this prohibition on joint sharing of distribution costs to arrangements with BDCs given that they would also rely on the rule. These requirements draw upon our past experience and are designed to address potential conflicts of interest attendant to joint transactions.

We request comment on the extension of rule 17d–3 to arrangements with multiple share class regulated closed-end funds.

62. To what extent do multiple share class regulated closed-end funds seek to impose asset-based distribution and service fees?

63. Are there other requirements specific to multiple share class regulated closed-end funds that we should consider?

64. Rule 12b–1 does not apply to closed-end funds, and thus rule 17d–3 does not apply to closed-end funds. Nevertheless, is there a reason to limit this relief (as proposed) to multiple share class closed-end funds, consistent with the routine exemptive orders? Should we allow any closed-end fund to rely on the rule, provided it complies with the rule's conditions (which conditions include compliance with rule 12b–1)? Do distribution payments made by a single class closed-end fund differ from those made by a multiple share class closed-end fund for purposes of section 17(d) and rule 17d–1?

[145] *See also* 12b–1 Adopting Release.

3. Disclosures and Reporting

We are proposing to amend Form N–2 to require enhanced disclosures regarding multiple share class structures similar to those currently required for registered open-end funds, as well as other enhancements, such as expense disclosure in shareholder reports. In particular, we are proposing to require detailed disclosures regarding multiple share class structures in the plan of distribution section of Form N–2 and instructions on how to present multiple share class information in a way that would be easier to follow. The proposed disclosure requirements would help ensure that information presented to prospective investors in multiple class closed-end funds is comparable across multiple class closed-end funds and consistent with corollary disclosure required of multiple class open-end funds. We are also proposing to extend the existing open-end fund reporting on Form N–CEN regarding multiple share class information to regulated closed-end funds to the extent applicable. These changes would help investors better understand the multiple share class and fee structures that would be permitted under the proposal.

Form N–2 is the form used by regulated closed-end funds to file registration statements with the Commission pursuant to the Investment Company Act, the Securities Act, or both. Currently, Form N–2 does not meaningfully provide for the disclosure of multiple share class structures.[146] Conversely, Form N–1A, which is used by registered open-end funds, requires significant disclosure relating to multiple share class structures, including instructions on how to present those classes in disclosure items. Currently, the exemptive orders that permit multiple share class regulated closed-end funds require such funds to provide disclosure similar to that provided in Form N–1A in their registration statements and shareholder reports. The proposal would standardize this disclosure by requiring certain disclosures in Form N–2 registration statements for multiple share class regulated closed-end funds. These specific additions and changes to Form N–2 would require enhanced disclosure about these structures that would help investors to better understand the multiple share class fee structures. The proposal would also add an expense example in the shareholder reports of all regulated closed-end funds that file Form N–2 that would help investors understand the fees charged by these funds in light of the expanded fee types that would be permitted under the proposal. Table 2 highlights the proposed changes to Form N–2:

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[146] The only multiple share class-specific disclosure currently in Form N–2 is an instruction that the registrant can select which class to include in the line graph comparing initial and subsequent account values at the end of each of the most recently completed fiscal years of the fund required in the registrant's annual report. *See* Item 24.4.g.(2)(A)2. of Form N–2. We are not proposing to amend this item.

Table 2: Proposed Form N-2 Amendments and Applicable Form N-1A Corollaries.

Form N-2 Item	Description	Entities Affected	Proposed Amendments	Form N-1A Corollary (if applicable)
General Instruction 1 for Parts A and B	Organization of form	Multiple class funds[1]	Provide instructions as to how to organize the first four disclosure items of Form N-2	General Instruction C.3.(c)(ii)
Item 1.c	Short description of securities being offered	Multiple class funds	Describe securities separately for each class	N/A
Item 1.g	Table of price of shares to the public	Multiple class funds	Require a column for each class	N/A
Item 3	Fee table and synopsis	All Form N-2 filers[2]	Add repurchase and exchange fees as types of other transaction fees in the table and a legend that explains that the fee table does not include all expenses, such as brokerage commissions, that may be charged and that there may be sales charge discounts	Item 3
Item 3	Fee table and synopsis	Multiple class funds	Provide instructions on how to present multiple share class funds in the fee table	Item 3, General Instruction 1.(d)
Item 3	Fee table and synopsis	All Form N-2 filers	Increase the hypothetical investment amount in the expense example from $1,000 to $10,000.	Item 3
Item 5	Plan of distribution	Multiple class funds and master-feeder funds[3]	Add narrative disclosure about these types of structures, including discussion of sales loads and rule 12b-1 fees	Item 12
Item 20.1.c	Investment advisory and other services	Multiple class funds	Add disclosure about the methods of allocation and payment of advisory fees for each class	Item 19(a)(3)
Item 24.4.g.(2)(B)	Average annual total returns over set periods	Multiple class funds and master-feeder funds	Require information separately for each class	Item 27A(d)(2) Instruction 13

Item 24.6	Annual/semiannual shareholder reports	Registered closed-end management companies	Provide an expense example for each fund or class	Item 27A(c)
Item 24.10	Annual reports	BDCs	Add same info as proposed for Item 24.6 for these filers	N/A

[1] "Multiple class funds" would be defined as those Form N-2 filers that have more than one class of shares that represent interests in the same portfolio of securities under rule 18f-3. This definition is the same as that used in Form N-1A.

[2] All registered closed-end management companies must use Form N-2 to file registration statements under the Investment Company Act and/or Securities Act and BDCs use Form N-2 to file registration statements under the Securities Act.

[3] Form N-2 filers with two-tiered arrangements in which one or more Registrants (each a "Feeder Fund") hold shares of a single Fund ("Master Fund") in accordance with section 12(d)(1)(E) (collectively, "Master-Feeder Funds").

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(a) General Instructions for Parts A and B

We are proposing to amend General Instruction 1 to Parts A and B regarding presentation of information generally. The amended instruction would define a ''multiple class fund'' for purposes of the form as a registrant that has more than one class of shares that represent interests in the same portfolio of securities under rule 18f–3. The instruction would permit funds to present the information called for by Items 1 through 4 of the form separately by class or integrate the information for multiple classes, provided that the order of information is as required in the form. The fund would be required to identify clearly the relevant classes at the beginning of this information. Items 1 through 4 require disclosure of key information about the closed-end fund that may vary by share class, including the fund's fee table. These instructions are consistent with those in Form N–1A.[147]

(b) Outside Front Cover (Item 1)

We are proposing to amend Item 1 of Form N–2, the outside front cover, in two ways. First, we propose to include an instruction that would, if the registrant is a multiple class fund, require a description of each class of securities offered and inclusion of a cross-reference to Item 5, plan of distribution, where the share classes are discussed in more detail and indicating as such. Further, we propose to include an instruction, in Item 1.g., the requirement to provide, in tabular form, the price to the public, sales load, and proceeds to the registrant or other persons of the securities being registered to be offered for cash. This instruction would state that for multiple class funds the table must include a column for each class of securities and provide information in each row for each class.[148]

(c) Fee Table and Synopsis (Item 3)

We are proposing to amend Item 3, the fee table and synopsis, of Form N–2 in four primary ways. First, for all filers, we propose to require a legend stating that there may be additional fees not accounted for in the fee table and potential fee discounts and that there is more information about the discounts that is provided elsewhere in the prospectus.[149] This disclosure would be helpful for investors in all regulated closed-end funds and therefore we propose requiring it in the registration statements of all such funds.

Second, we are further proposing to amend Item 3 to provide an instruction, Instruction 3A, on how to present information in the fee table and synopsis for closed-end multiple class funds when multiple classes are offered in the same prospectus. These disclosures are intended to inform investors about the differences between the investment options offered in the prospectus. This instruction would require that if a prospectus includes multiple classes of funds, the prospectus must have separate responses for each class. This instruction would further require additional captions as appropriate to describe how fees operate in the classes offered consistent with related requirements in Form N–1A. The purpose of this requirement is to ensure that disclosures being made that are specific to a multiple share class closed-end fund but are not typically disclosed by regulated closed-end funds are disclosed in the same way as open-end funds to enhance comparability. For example, regulated closed-end funds that have not received multi-class exemptive relief do not normally disclose rule 12b–1 fees as a line item in Item 3 as they are not typically subject to that rule. However, under the proposal, multiple share class closed-end funds would be required to comply with rule 12b–1 as if they were registered open-end management companies. Thus, this instruction would

[147] *See* General Instruction C.3(c)(ii) of Form N–1A.

[148] *See* proposed Instruction 7 to Item 1.g of Form N–2.

[149] Specifically, the legend would state:

Fees and Expenses of the Fund.

This table describes the fees and expenses that you may pay if you buy, hold, and sell shares of the Registrant. *You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and examples below.* You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least $ [ ] in [name of fund family] funds. More information about these and other discounts is available from your financial intermediary and in [identify section heading and page number] of the Registrant's prospectus and [identify section heading and page number] of the Registrant's statement of additional information.

require multiple share class closed-end funds to disclose all distribution or other expenses incurred during the most recent fiscal year under a rule 12b–1 plan, under the caption ''Distribution [and/or Service] (12b–1) Fees,'' and include, under an additional appropriate caption or a subcaption of ''Other Expenses,'' disclosure of the amount of any distribution or similar expenses deducted from the fund's assets other than pursuant to a rule 12b–1 plan, as is required in Form N–1A.[150] This requirement would also apply to fee waivers, expense reimbursements, and any other additional captions appropriate to describe each class's fees.[151] This disclosure is consistent with disclosures provided by regulated closed-end funds as a condition of their multiple share class exemptive relief.

Proposed Instruction 3A of Item 3 also would include language to more closely conform to the corresponding instructions in Form N–1A regarding the treatment of master-feeder funds. Specifically, the proposed instruction would require a feeder fund to reflect the aggregate expenses of the feeder fund and the master fund in a single fee table using the captions provided in Form N–2 and, as appropriate, any additional captions consistent with related requirements of Form N–1A.[152] The fund would also be required to include a footnote to the fee table disclosing that the fee table and expense example reflect the aggregate expenses of both the feeder fund and the master fund. In connection with this amendment, we propose to remove current Instruction 10.h of Item 3 of Form N–2, which directs a feeder fund to reflect the aggregate expenses of the feeder fund and the master fund under the ''acquired fund fees and expenses'' caption of the fee table. Removal of Instruction 10.h, along with proposed instruction 3A, are designed to be consistent with funds' current practices and with the analogous requirements in Form N–1A for open-end funds. In addition, the proposed revisions would help avoid the potential misimpression that can result from the current language in Form N–2 that all of a master-feeder funds' expenses—rather than only the acquired fund fees and expenses—should be aggregated under the acquired fund fees and expenses caption in the fee table.

Third, the instructions to the fee table in Item 3 of Form N–2 currently provide that transaction fees other than those expressly called for on the form should be added with a separate caption and list the maximum amount or the basis of the fee.[153] We are proposing that Instruction 5 includes, as an example of such transaction fees, any repurchase fees charged for the repurchase of the registrant's shares or exchange fees charged for any exchange or transfer of interest because the proposed amendments to rules 23c–3 and 18f–3 would allow greater flexibility to charge these fees that often arise in multiple share class structures.[154] We propose to require this of all Form N–2 filers in the event that these fees come up in other types of fund structures as they are important for investors to understand.

Lastly, the proposal would amend the expense example in Item 3 of Form N–2. The expense example currently illustrates the cumulative amount of fund expenses over one, three, five, and ten years, based on a hypothetical $1,000 investment and an assumed annual return of 5%. In 1998, the Commission amended Form N–1A to revise this hypothetical investment amount from $1,000 to $10,000.[155] We are proposing corresponding amendments to the expense example in Form N–2 to similarly increase the hypothetical investment amount from $1,000 to $10,000, consistent with the analogous disclosure in Form N–1A and the expense example we are proposing to require in closed-end funds' shareholder reports and BDCs' annual reports. The Commission made this change to Form N–1A in recognition that the typical fund investment was increasing in size. A $10,000 investment amount similarly may provide a more representative example than the $1,000 investment amount currently used for the expense example in Item 3 of Form N–2.

(d) Plan of Distribution (Item 5)

Item 5 of Form N–2, plan of distribution, would be amended to require narrative disclosures describing multiple share class and master-feeder structures.[156] This and certain other proposed disclosure requirements would address both closed-end multi-class funds and closed-end master-feeder funds because both arrangements involve shareholders with direct or indirect interest in the same underlying portfolio bearing different distribution costs.[157] These disclosures would mirror those required by Item 12(c) of Form N–1A, and are designed to help investors understand the details of a multiple share class or master-feeder structure, and, in particular, the sales loads and 12b–1 fees being charged and how they differ between the classes offered, given the confusion investors have historically had about these issues.[158] Specifically, such funds would be required to describe the main features of their structures. They would also be required to provide information about sales loads for each class. Specifically, this information must include:

- A description of any sales loads, including deferred sales loads,[159] as well as a table illustrating front-end loads (including any breakpoints) as a percentage of both the offering price and the net amount invested.[160] This description must state that the term ''offering price'' includes any front-end sales load [161] and include, if applicable, disclosure that sales loads are imposed on shares or amounts representing shares, that are purchased with reinvested dividends or other distributions,[162] and a discussion of how deferred sales loads are imposed and calculated.[163]

- A brief description of any arrangements that result in breakpoints in, or elimination of, sales loads, including identifying each class of individuals or transactions to which the arrangements apply [164] and a summary of shareholder eligibility requirements.[165] This description must also state each different breakpoint as a percentage of both the offering price and the net amount invested and point to any additional information in the

[150] *See* Instruction 3(b) of Item 3 of Form N–1A.

[151] *See, e.g.,* Instruction 3(e) of Item 3 of Form N–1A.

[152] *See* proposed Instruction 3A of Item 3 of Form N–2; *cf.* Instruction 1(d)(i) of Item 3 of Form N–1A. Proposed Instruction 3A includes the definitions of the terms ''Master-Feeder Fund,'' ''Feeder Fund,'' and ''Master Fund'' from current Instruction 10.h.

[153] *See* Instruction 5 to Item 3 of Form N–2.

[154] *See* proposed Instruction 5 to Item 3 of Form N–2; *see also supra* section II.D.2.

[155] *See* Registration Form Used by Open-End Management Investment Companies, Investment Company Act Release No. 23064 (Mar. 13, 1998) [63 FR 13916 (Mar. 23, 1998)].

[156] *See* proposed Item 5.11 of Form N–2.

[157] *See* Rule 18f–3 Adopting Release (stating that master-feeder funds are functionally similar to multiple share class funds).

[158] *See id.*

[159] Consistent with the discussion above, ''deferred sales loads'' for purposes of Form N–2 would include any early withdrawal charge paid to the distributor by shareholders. *See supra* footnote 96.

[160] *See* proposed Item 5.11.2.a of Form N–2.

[161] *See* proposed Instruction 1 to Item 5.11.2.a of Form N–2.

[162] *See* proposed Instruction 2 to Item 5.11.2.a of Form N–2.

[163] *See* proposed Instruction 3 to Item 5.11.2.a of Form N–2.

[164] *See* proposed Item 5.11.2.b of Form N–2.

[165] *See* proposed Instruction 1 to Item 5.11.2.b of Form N–2.

statement of additional information about sales load breakpoints.[166]

• A description of applicable methods used to value accounts to determine if sales load breakpoints are met, including methods such as historical cost, net amount invested, and offering price.[167]

• A statement, if applicable, that it may be necessary for the shareholder to inform the registrant or financial intermediaries at the time of purchase of other accounts with holdings eligible to be aggregated to meet sales load breakpoints with a description of the information from the shareholder that would be required. This would require a description of any information or records necessary for shareholders to provide in order to verify eligibility.[168] This would also require a statement that a shareholder should retain any records necessary to substantiate historical costs if that is the method by which breakpoints will be determined.[169]

• A statement of whether this sales load information is available free on the registrant's website at a specified address, including links to this information.[170]

The Item 5 amendments also would require that, if a multiple class fund has adopted a rule 12b–1 plan, the fund state the amount of distribution fee payable by each class under the plan and provide disclosure to the effect that (1) the registrant has adopted a rule 12b–1 plan that allows the registrant to pay distribution fees for the sale and distribution of its shares and (2) because those fees are paid out of the registrant's assets on an ongoing basis, over time these fees will increase the cost of the shareholder's investment and could cost more than other sales charges.[171] If the multiple class fund offers in the prospectus shares that provide for mandatory or automatic conversions or exchanges from one class to another, the Item 5 amendments would require the fund to provide the sales load and rule 12b–1 disclosure required in this Item for both the shares being offered and the class into which the shares may be converted or exchanged.[172] Finally, the amendments to Item 5 would require a feeder fund that has the ability to change the master fund in which it invests to describe briefly the circumstances under which this could happen.[173]

(e) Investment Advisory and Other Services (Item 20)

Item 20 of Form N–2 calls for disclosures relating to investment advisory and other services, including disclosures relating to the method of computing the advisory fee payable by the registrant. We propose to amend this item to require multiple class regulated closed-end funds to describe the methods of allocation and payment of advisory fees for each class.[174] This would help investors understand how these fees would be borne by the class they are investing in, and mirrors disclosures required in Item 19(a)(3) of Form N–1A.

(f) Shareholder Reports (Item 24)

Consistent with the exemptive orders, we also are proposing to require disclosures in regulated closed-end fund shareholder reports. Currently, registered closed-end management companies must include a table in the management's discussion of fund performance section of their annual reports that show the fund's average annual total returns for the one, five, and ten year periods as of the end of the last day of the most recent fiscal year.[175] We propose to add an instruction that would require this information for each class separately if the report covers more than one class of a multiple class fund or for each feeder fund if the report covers more than one feeder fund that invests in the same master fund.[176]

For all regulated closed-end funds that file registration statements on Form N–2, we would require a table in shareholder reports outlining the expenses of an ongoing $10,000 investment in the fund during the reporting period.[177] For registered closed-end management companies this would be required both in their semi-annual and annual reports, and for BDCs this would be required in their annual reports only. While this disclosure currently is required under multiple share class exemptive orders, we are proposing to require all regulated closed-end funds to provide additional information about closed-end fund expenses. Expanding this requirement would prevent disparities in the level of expense disclosure between multiple class and single class closed-end funds, which would otherwise be unclear to investors. This disclosure would also be consistent with the requirement for registered open-end funds to provide this disclosure regardless of whether the fund has multiple classes.[178] Moreover, the disclosure would provide investors in listed regulated closed-end funds, who currently do not receive any expense disclosures outside of the initial prospectus, better information about the costs of their investment.[179]

Consistent with registered open-end fund shareholder reports,[180] this table would require registrants to identify the fund or class, expenses paid on a $10,000 investment, and the expenses as a percentage of a $10,000 investment during the reporting period (that is, the expense ratio).[181] For multiple class funds, each class would be required to be on a different line. The instructions for the presentation and computation of these items, such as how to address extraordinary expenses, would be the same as that currently required of registered open-end funds.[182]

(g) Form N–CEN

Lastly, we are proposing a change to Form N–CEN, the annual report for registered investment companies, to provide for multiple share class registered closed-end management companies. Specifically, we are proposing to amend Item C.2 by removing ''open-end'' from the form, which calls for information about the number of share classes a fund has issued, how many new classes were issued during the reporting period, how many classes were terminated during the reporting period, and other identification information including the full name of the class.[183] Currently, this

[166] *See* proposed Item 5.11.2.b of Form N–2.

[167] *See* proposed Item 5.11.2.c of Form N–2.

[168] *See* proposed Item 5.11.2.d.(i) of Form N–2.

[169] *See* proposed Item 5.11.2.d.(ii) of Form N–2.

[170] *See* proposed Item 5.11.2.e of Form N–2.

[171] *See* proposed Item 5.11.3 of Form N–2. If the registrant pays service fees under its rule 12b–1 plan, it would be required to modify this disclosure to reflect the payment of those fees. ''Service fees'' would have the same meaning as that term is defined in FINRA rule 2341(b)(9). *See* proposed Instruction to Item 5.11.3 of Form N–2.

[172] *See* proposed Item 5.11.4 of Form N–2.

[173] *See* proposed Item 5.11.5 of Form N–2.

[174] *See* proposed Item 20.1.c.4 of Form N–2.

[175] Item 24.4.g.(2)(B) of Form N–2.

[176] *See* proposed Item 24.4.g.(2)(B) of Form N–2.

[177] *See* proposed Item 24.6.g of Form N–2.

[178] *See* Item 27A(c) of Form N–1A.

[179] Typically listed regulated closed-end funds only sell shares when they first launch, in contrast to unlisted regulated closed-end funds that engage in continuous distributions. Thus listed regulated closed-end funds do not need to keep a registration statement continuously effective.

[180] *See* Item 27A(c) of Form N–1A.

[181] *See* proposed Item 24.6.g of Form N–2.

[182] *See* proposed Instructions 1–2 to Item 24.6.g of Form N–2.

[183] *See* proposed Item C.2 of Form N–CEN. We are not proposing to require registered closed-end funds to obtain a class identification number and therefore are not proposing to require that they report that element of Item C.2. A class identification number appears particularly helpful in identifying relevant disclosure for open-end funds, which can operate as series trusts (where a single trust offers multiple series, each its own fund) and where each series, in turn, may issue multiple classes of shares. Regulated closed-end funds are not permitted to operate as series trusts and class identification numbers do not seem necessary for investors efficiently to find relevant disclosure.

information is only required of registered open-end funds. This information would help the Commission and staff better understand the utilization of multiple share classes by registered closed-end funds and how they change over time.

(h) Request for Comment Regarding Disclosures

We request comment on the proposed amendments to Forms N–2 and N–CEN to provide for multiple share class disclosures and other enhancements.

65. Should we tailor these disclosures in any way further to account for regulated closed-end fund structures?

66. Should more information be provided on any of these items? For example, should we include line items in the Item 3 fee table specifically for repurchase fees and exchange fees as shareholder transaction expenses, rather than identifying those as other transaction fees?

67. Should we, as proposed, increase the Item 3 fee table example hypothetical investment amount from $1,000 to $10,000, consistent with the corresponding disclosure for open-end funds in Form N–1A?

68. Should we, as proposed, remove Instruction 10.h of Item 3 in Form N–2? Would the removal of this instruction, in conjunction with the other proposed amendments to Item 3 instructions, better reflect current practices of fee and expense disclosure for master-feeder fund structures?

69. Should we require the proposed $10,000 sample expense example in shareholder reports? Can investors effectively understand regulated closed-end fund fees by virtue of the expense example already provided in Item 3 of the prospectus? Should we, for example, only require the shareholder report expense example in the case of regulated closed-end funds that are not offered on a continuous basis? Should we require the shareholder report example at the same cadence for all regulated closed-end funds, or permit BDCs to report this information annually only as proposed?

70. Are there other disclosures or reporting items that would be helpful to investors in consideration of the multiple class structures that would be permitted under the proposal?

E. Proposed Rescission of Exemptive Orders

The Commission has authority under the Investment Company Act to amend or rescind our orders when necessary or appropriate to the exercise of the powers conferred elsewhere in the Investment Company Act.[184] The Commission has granted exemptive relief in two distinct areas addressed in this release, specifically (1) permitting interval funds to offer monthly repurchases under rule 23c–3 and (2) permitting regulated closed-end funds to issue multiple share classes. We are proposing to rescind all but one of the exemptive orders that cover these areas as the proposed amendments, if adopted, would render those orders moot, superseded, and inconsistent with the proposed amendments.[185] We are not proposing to rescind one recent exemptive order relating to regulated closed-end funds issuing multiple share classes, as discussed in more detail below.

The relief provided by the orders permitting interval funds to make repurchase offers on a monthly basis is generally consistent with the proposed amendments to permit interval funds to offer monthly intervals, with certain differences relating to shareholder notification and the repurchase offer amount. Further, as discussed above,[186] the exemptive orders providing for multiple share class structures also grant an exemption for interval funds from current rule 23c–3 to charge deferred sales loads subject to certain conditions. While the proposed amendments to rule 23c–3 would permit monthly repurchases and deferred sales charges, the proposed amendments would differ in some ways from these orders.

In particular, at least one fund with a monthly repurchase interval has been permitted to make a repurchase offer for an amount of two percent on a monthly basis.[187] As a condition of this relief, the fund also had to ensure that it offers to repurchase no less than five percent of the aggregate number of its common shares outstanding as of the third month's repurchase request deadline. Under the proposed amendments, interval funds would be required to make a repurchase offer in an amount of no less than five percent and no more than 25 percent. Therefore interval funds with a monthly interval that currently offers a minimum of two percent a month would have to start offering at minimum five percent a month under the proposed amendments.

We believe that it would be appropriate to rescind these orders notwithstanding this difference as this would result in a more consistent interval fund framework. We request comment above as to whether a two percent minimum would be appropriate in the final rule.

The proposed amendments would be less restrictive than the monthly exemptive orders in other ways. For example, the current exemptive orders for monthly repurchases allow funds to notify investors at least seven days and no more than fourteen days before the repurchase request deadline.[188] Under our proposal, funds would be required to provide notification no less than fourteen days and no more than forty-two days prior to the deadline. These funds may have to send notification earlier, but this amendment would, in some cases, provide investors in these funds more time to decide whether to submit a repurchase request. For funds that currently send notifications on the earliest permitted day under the order, fourteen days in advance, there may be no change to investors if the fund elects to submit at the latest possible time of fourteen days in advance under the proposal. Other investors in funds with a monthly interval would benefit from additional time under the proposal. Additionally, some funds' orders were conditioned on a requirement that the payment for repurchased common shares occur at least five business days before notification of the next repurchase offer is sent to shareholders, but under the proposal such payment would be required no later than one business day before notification of the

[184] *See* section 38(a) of the Investment Company Act; *see also* Exchange-Traded Funds, Investment Company Act Release No. 33646 (Sep. 25, 2019) [84 FR 57162 (Oct. 24, 2019)].

[185] A number of these exemptive orders contain a condition stating that the relief would expire on the effective date of any Commission rule that provides the same relief as the order. *See, e.g.,* In the Matter of Ares Core Infrastructure Fund, et al., Investment Company Act Release No. 35494 (Mar. 12, 2025) (Notice) and Investment Company Act Release No. 35523 (Apr. 8, 2025) (Order) (conditioning BDC multiple share class relief on it expiring on the effective date of any Commission rule under the Investment Company Act that provides relief permitting BDCs to offer multiple classes of the type described in the application).

[186] *See supra* sections I.B and II.A.6.

[187] *See, e.g.,* In the Matter of Lord Abbett Opportunities Fund, Investment Company Act Release No. 35663 (July 1, 2025) (Notice) and Investment Company Act Release No. 35699 (Jul. 29, 2025) (Order) (permitted fund to offer to repurchase two percent of common stock outstanding under a monthly periodic interval).

[188] *See, e.g.,* In the Matter of Optimize Growth Equity Fund, Optimize Premium Yield Fund and Optimize Wealth Management Inc., Investment Company Act Release No. 35533 (Apr. 10, 2025) (Notice) and Investment Company Act Release No. 35576 (May 7, 2025) (Order); In the Matter of Nuveen Enhanced Floating Rate Income Fund, Nuveen Fund Advisors, LLC, Nuveen Securities, LLC, and Nuveen Asset Management, LLC, Investment Company Act Release No. 35081 (Notice) and Investment Company Act Release No. 35091 (Jan. 17, 2024) (Order) (permitted funds to send notification to shareholders no less than seven days and no more than fourteen days before the repurchase request deadline).

next repurchase offer. This could result in monthly interval funds having more time to make the payment for repurchased shares than under the current exemptive orders. This, in turn, could provide funds more time to obtain the cash needed to make those payments, providing more flexibility to those funds. For both of these changes, the proposal is designed to establish a generally consistent framework that could be applied across interval funds. As discussed in section II.A.2 above, the notification provisions in the proposed rule are designed to provide shareholders sufficient time to assess a repurchase offer while also providing notification timing requirements that are suitable for monthly, quarterly, semi-annual, and annual intervals. Certain conditions in the exemptive orders permitting monthly intervals, such as the minimum notification timing contained in the exemptive relief, would likely not be suitable for investors of interval funds with a longer periodic interval such as annual. We have requested comment on whether we should consider including or amending those conditions.

Further, as discussed above,[189] the Commission has issued numerous exemptive orders that permit regulated closed-end funds to have multiple share classes notwithstanding the provisions of sections 18, 17(d), and 61(a) of the Investment Company Act, as well as rule 17d–1. When requesting an exemption, applicants represent how their share classes will be structured and the legal requirements with which the applicants will comply under the requested exemptive order. The proposed amendments would contain many of these representations, such as compliance with rules 18f–3 and 12b–1, but would exclude the requirement to comply with FINRA rules regarding sales fees. Although the conditions in the proposal differ in certain respects from the exemptive orders, they are designed to address the statutory concerns underlying the provisions from which the proposed rule would grant exemptions necessary for regulated funds to issue multiple classes of shares. In particular, as discussed above, the question of whether a regulated closed-end fund's distribution expenses are excessive is a concern that is not limited to multiple share class funds, and consistent limitations on distribution fees charged by funds more generally go beyond the scope of the proposal and are covered by other regulations, including those FINRA rules.[190] As a result, we propose to rescind these orders regardless of this inconsistency.

The proposal also contains requirements that (1) the fund offer its common stock on a continuous basis, (2) any offer made other than at NAV be made to all classes of common stock, (3) the fund's common stock not be listed, offered, or traded on a secondary market, and (4) any offer to repurchase common stock be made to all classes and the percentage taken up and paid for in any repurchase offer be allocated on a fund, not class, basis. Because the exemptive orders provide that any offer to repurchase be made in a manner that does not discriminate against any holder of the class or classes of securities to be purchased, these activities would violate the terms of the exemptive orders. Accordingly, these proposed restrictions are consistent with the terms of the exemptive orders.

We recently issued an order that would permit multiple share class structures that include classes that trade on a securities exchange and in tokenized format using distributed ledger technology.[191] We do not plan to rescind this order upon any future adoption of this proposal even if the proposed amendments were adopted as there are no other funds with multiple share class orders that trade on an exchange and in a tokenized format. Therefore, it may be appropriate for regulated closed-end funds seeking to utilize unique structures such as this to continue to request relief from the Commission through our exemptive application process, and for the Commission to continue to make facts-and-circumstances-based determinations regarding whether such relief is appropriate for any particular applicant.

We request comment on our proposal to rescind existing exemptive relief, including:

71. Should we, as proposed, rescind these exemptive orders? Should we allow funds that have been granted relief to continue operating under the conditions specified in the orders if the conditions differ from the rule? If commenters would urge the Commission to leave any of the exemptive orders in place, please identify the order and explain why the order would continue to be necessary or appropriate and otherwise consistent with the standards underlying the exemptions it provides after the Commission has adopted rules of general applicability.

72. What conditions from the exemptive orders should we consider including, including in amended form, or excluding in the final rules? For instance, should we allow interval funds that make monthly repurchase offers to have a repurchase offer amount not less than two percent of the common shares outstanding? What, if any, additional conditions should we consider including if funds elect to operate under a monthly periodic interval?

73. Section 11(d)(1) of the Exchange Act generally prohibits certain broker-dealers from extending or maintaining credit (or arranging such) to or for a customer on certain securities that are new issues if the broker-dealer participated as member of the selling syndicate or group within 30 days prior to the transaction.[192] Should the Commission provide these broker-dealers an exemption from these restrictions regarding interval fund securities, consistent with the Commission's approach to other types of continuously offered securities in the past? [193] If the Commission were to grant such exemptions, what conditions, if any, should the Commission consider as part of granting the relief? For example, should the Commission grant such exemptions subject to the same conditions as those provided in prior continuously offered securities exemptions? Should the Commission include other conditions in any such relief?

F. Effective and Compliance Dates

We propose to provide a compliance period after the effective date of the proposed amendments. Specifically, we are proposing a one-year compliance period after the effective date of the amendments to give affected funds sufficient time to comply with the proposed changes and associated disclosure and reporting requirements,

[189] *See supra* sections I.B and II.D.

[190] *See supra* section II.D.1.

[191] *See* In the Matter of ARK Venture Fund and ARK Investment Management LLC, Investment Company Act Release No. 36308 (Aug. 24, 2026) (Notice) and Investment Company Act Release No. 36333 (Sep. 21, 2026) (Order).

[192] *See* 15 U.S.C. 78k(d)(1).

[193] For example, the Commission has granted conditional exemptions from Exchange Act Section 11(d)(1) to broker-dealers transacting in securities issued by registered open-end investment companies or unit investment trusts, exchange traded funds (''ETFs''), and multi-share class ETFs. *See* Exchange Act Rule 11d1–2; Order Granting a Conditional Exemption from Exchange Act Section 11(d)(1) and Exchange Act Rules 10b–10, 15c1–5, 15c1–6, and 14e–5 for Certain Exchange Traded Funds, Exchange Act Release No. 87110 (Sep. 25, 2019); Order Under Section 36 of the Securities Exchange Act of 1934 (the ''Exchange Act'') Granting Conditional Exemptive Relief from Rules 10b–10, 14e–5, and Section 11(d)(1) of the Exchange Act for Multi-Class ETFs, Exchange Act Release No. 105028 (Mar. 17, 2026).

if adopted. Should an affected fund choose to utilize the proposed amendments after their effectiveness but before the end of the compliance period, as discussed in more detail below such fund would be required to comply with all applicable rule requirements.

Following the one-year compliance period, funds would be required to comply with the new disclosure and reporting requirements in Form N–2, Form N–CEN, and Form N–23c–3 as needed. For example, any initial registration statements or post-effective amendments filed on Form N–2 on or after the first day after the end of that compliance period would be required to comply with the amendments to that form. Also, to the extent that we ultimately rescind the exemptive orders relating to the proposed amendments, we also propose a one-year period after the effective date, that is, the compliance date of these amendments, if adopted, before we rescind that exemptive relief to give the parties to those orders time to bring their operations into conformity with the proposed requirements.

After the effective date, a fund may choose to voluntarily comply with the rules in advance of the compliance date. However, consistent with prior practice, if a fund chooses to comply early, the fund would be required to fully adhere to all applicable requirements of the proposed amendments, in particular the disclosures proposed to be required when relying on amended rule 18f–3.[194] Thus, a fund seeking to rely on the rule 18f–3 amendments to issue multiple classes of common stock must also provide the disclosures that would be required in Form N–2.

We request comment on the proposed compliance and effective dates, including the following:

74. Is the proposed one year compliance period appropriate? Is a longer or shorter period necessary to allow funds to comply with one or more of these particular amendments? If so, which proposed amendments, and what would be an appropriate compliance date?

75. Should we provide a longer compliance period for smaller funds? If so, what should this be? For example, should we provide smaller entities with a compliance period of 18 or 24 months? Is a longer or shorter period necessary to allow smaller funds to comply with one or more of these particular amendments? If so, which proposed amendments, and what would be an appropriate compliance date? How should we define a ''smaller fund'' for this purpose? For example, should a smaller fund be defined as a registered fund that, together with other investment companies in the same family of investment companies, have net assets of less than $10 billion as of the end of the most recent fiscal year? [195] Should we consider a different threshold amount such as $1 billion?

76. Should we permit interval funds that are still in the ramp up period as of the effective date of these amendments the option to use the extended ramp up period? If so, should we consider starting the two-year period at the effective date of the fund's registration statement or the date of the shareholder vote adopting the fundamental policy prescribing the fund's intervals, or should we consider other alternatives such as two years from the effective date of these amendments? How would an extended ramp up period impact shareholders of these funds?

77. Should we, as proposed, rescind the relevant exemptive orders as of the compliance date of these amendments? Should we consider providing a longer transition time for funds relying on exemptive orders? For example, should we provide those funds a compliance period of 18 months?

III. Economic Analysis

A. Introduction

The Commission is mindful of the economic effects, including the costs and benefits, of the proposed amendments. Section 2(c) of the Investment Company Act provides that, when the Commission is engaging in rulemaking under the Act and is required to consider or determine whether an action is consistent with the public interest, the Commission shall also consider whether the action will promote efficiency, competition, and capital formation, in addition to the protection of investors.[196] The analysis below addresses the likely economic effects of the proposed amendments, including the anticipated and estimated benefits and costs of the amendments and their likely effects on efficiency, competition, and capital formation.[197] The Commission also discusses the potential economic effects of certain alternatives to the approaches taken in this proposal.

The Commission is proposing amendments that would:

1. Provide interval funds with greater flexibility regarding the timing of their repurchases, including by permitting a fund to defer its first repurchase offer for up to two years following registration or after a shareholder vote first adopting a fundamental policy that specifies the periodic intervals, adding a one-month periodic interval to the existing options (along with a corresponding amendment to the timing requirements for notifying security holders to accommodate this option), and permitting discretionary repurchases once every twelve months rather than once every two years; [198]

2. Simplify the definition of repurchase pricing date and remove the requirement to include the maximum number of days between the repurchase request deadline and the repurchase pricing date in the fund's fundamental policy; [199]

3. Address ambiguity regarding interval funds' obligations when repurchase offers are oversubscribed [200] and amend the repurchase offer amount definition to specify that the range of permissible amounts applies to periodic repurchases; [201]

4. Permit interval funds (and other regulated closed-end funds making discretionary repurchase offers) to deduct deferred sales loads from repurchase proceeds subject to certain conditions; [202]

5. Remove the requirement that an interval fund must hold 100 percent of its repurchase offer amount in liquid assets for the duration of the repurchase offer period and instead require that the fund manage its portfolio liquidity so that the fund can satisfy repurchase requests without requiring a sale or

[194] *See, e.g.,* Good Faith Determinations of Fair Value, Investment Company Act Release No. 34128 (Dec. 3, 2020) [86 FR 748 (Jan. 6, 2021)] at section II.G.

[195] The Commission has proposed using a $10 billion threshold to identify investment companies that are ''small entities.'' *See* Amendments to the ''Small Business'' and ''Small Organization'' Definitions for Investment Companies and Investment Advisers for Purposes of the Regulatory Flexibility Act, Investment Company Act Release No. 35864 (Jan. 7, 2026) [91 FR 1107 (Jan. 12, 2026)].

[196] 15 U.S.C. 80a–2(c).

[197] In a separate release, the Commission is proposing amendments to the qualified client definition in rule 205–3 under the Investment Advisers Act of 1940. Investment Adviser Performance-Based Compensation Modernization, Investment Advisers Act Release No. 7022 (Sep. 30, 2026) (''Performance-Based Compensation Modernization Proposal''). Among other changes, the proposed amendments would expand the ability of investment advisers to charge performance-based compensation to registered investment companies and BDCs, subject to certain conditions. We anticipate that the costs of any interacting effects between these proposals would be minimal, if adopted. *See also infra* footnote 355.

[198] *See supra* sections II.A.1–3.

[199] *See supra* section II.A.4.

[200] *See supra* section II.A.5.

[201] *See supra* section II.A.3.

[202] *See supra* section II.A.6.

disposition of investments at prices that deviate significantly from the value of those investments; [203]

6. Extend the exemptive rule allowing open-end funds to issue multiple classes of shares to regulated closed-end funds; [204]

7. Require enhanced disclosures and reporting regarding multiple share class and master-feeder structures similar to those currently required for registered open-end funds; require an expense example in the shareholder reports of all regulated closed-end funds that file Form N–2; add a fees-and-expenses legend to the Form N–2 fee table for all regulated closed-end funds that file Form N–2; and extend related existing open-end fund reporting on Form N–CEN regarding multiple share classes to registered closed-end funds; [205] and

8. Modify certain minor, inconsistent, outdated, or unused provisions of rule 23c–3, including the grandparent clause and superseded Form N–23c–3 filing procedures.[206]

The Commission is proposing these amendments to modernize a regulatory framework whose requirements were originally calibrated to market conditions that have since changed and that contains elements that, based on our experience with interval funds since, inefficiently constrain the operations of interval funds to the detriment of investors. Rule 23c–3 originated as a tailored response to a specific market need. In the late 1980s and early 1990s, a class of continuously offered regulated closed-end funds known as ''prime rate funds'' invested primarily in bank loans and other credit assets.[207] These funds relied on periodic tender offers conducted under the Exchange Act as the sole source of shareholder liquidity.[208] Because that tender offer framework was operationally cumbersome and costly for funds making regular, frequent repurchases at NAV, the Commission adopted rule 23c–3 to provide a less burdensome and more predictable mechanism for offering periodic liquidity while maintaining core investor protections.[209]

The interval fund vehicle is now used at scale for a substantially broader and less liquid range of private-market strategies, such as direct lending, private equity secondaries, and infrastructure.[210] The number and net assets of interval funds have grown by approximately 407 percent and 545 percent, respectively, since 2016.[211] In its modern application, the economic value of the vehicle results from the combination of exposure to less liquid assets and the periodic liquidity it provides to its investors.[212] Specifically, by committing capital for longer, investors can potentially obtain higher returns via an illiquidity premium. At the same time, the interval structure provides intermittent, predetermined opportunities for investors to access a portion of their invested capital, positioning interval funds between daily-redeemable open-end funds and more restrictive vehicles such as tender offer funds or private equity funds. Interval fund investors thus accept a longer and less frequent liquidity schedule in exchange for the return potential of illiquid strategies, and the interval fund's utility depends on aligning the timing and amount of promised liquidity with the horizon over which the fund's underlying assets generate cash.

The economic case for modernizing rule 23c–3 rests on two distinct rationales. First, certain of the rule's requirements are inefficient in design, independent of the fund's strategies. In particular, rule 23c–3 requires that an interval fund hold 100 percent of the amount of its repurchase offers in liquid assets for the duration of the repurchase offer period, regardless of how many shares are ultimately tendered by shareholders. This requirement generates cash drag that lowers fund returns by constraining the allocation of assets to potentially higher-yielding investments during the repurchase offer period. The proposed replacement of this prescriptive requirement with the principles-based liquidity management framework would remove this inefficiency while preserving the objective the requirement was intended to serve.[213] In doing so, the proposed amendments would not eliminate the objective served by the current liquidity requirement (*i.e.,* that a fund be able to meet its repurchase obligations without disadvantaging remaining shareholders) but instead would pursue that objective through the proposed principles-based standard requiring the fund to manage its portfolio's liquidity so the fund can satisfy repurchase requests without requiring a sale or disposition of investments at prices that deviate significantly from the value of those investments. The economic analysis below considers both the benefits of this recalibration and the costs and risks that may arise if the proposed principles-based standard provides less predictable investor protection than the current prescriptive requirement in some circumstances, such as during periods of deteriorating market conditions and elevated repurchase demand.

Second, several of the rule's constraints have impeded efficient interval fund operation as market practices have changed. Both the limited time that a fund can defer its first repurchase offer and the quarterly minimum repurchase interval did not meaningfully constrain the funds that relied on rule 23c–3 when it was first adopted, as continuously offered closed-end funds investing in long-dated private assets were uncommon and there was no known market demand for shorter intervals. Under current market practices, however, this framework constrains the ability of new interval funds to ''ramp up'' operations and season their portfolio before starting the repurchase process. This framework also constrains the ability of these funds to meet investor demand for a periodic interval shorter than quarterly without individualized exemptive relief. Consistent with the Commission's view that its regulatory framework should adapt to changing regulatory and market conditions to remain effective,[214] the proposed amendments that would permit a deferral period of up to two years and permit monthly repurchases are directed at addressing these operational inefficiencies.[215]

The proposed amendments to rule 18f–3 reflect a similar calibration. When rule 18f–3 was adopted in 1995, multiple share class structures were

[203] *See supra* section II.B.

[204] *See supra* sections II.D.1 and II.D.2.

[205] *See supra* section II.D.3.

[206] *See supra* section II.C. Specifically, the Commission is proposing to remove the language in Form N–23c–3 that states that the form shall be filed in triplicate with the Commission, along with the instruction stating that one of the three copies shall be manually signed while the other copies may have facsimile or typed signatures.

[207] *See supra* section I.A.1.

[208] *Id.*

[209] *Id.*

[210] *See* Ken Burdon et al., *A Close Look at the Evolving Interval Fund Space,* Law360 (Dec. 2, 2025), *available at https://www.law360.com/articles/2415008/a-close-look-at-the-evolving-interval-fund-space.*

[211] Credit-oriented strategies constitute the largest segment of the interval fund market, representing approximately 55% of aggregate interval fund net assets. *See supra* section I.A.3.

[212] Interval funds make periodic repurchase offers which may range from 5% to 25% of shares outstanding. *See* rule 23c–3(a)(3). Repurchase requests that exceed the repurchase offer (plus up to an additional 2% that the fund is permitted to offer) are repurchased on a pro-rated basis. *See* rule 23c–3(b)(5).

[213] *See infra* section III.C.2.

[214] *See supra* section I.A.3.

[215] The proposed amendments permitting monthly periodic intervals and deferred sales loads in interval funds share this second economic rationale, as do the proposed amendments to rules 18f–3 and 17d–3 for regulated closed-end funds whose shares are offered on a continuous basis and are not exchange-listed.

principally an open-end fund practice, and the rule provided exemptive relief that was routinely given to open-end funds at the time.[216] As a result, rule 18f–3 is available only to registered open-end funds. A regulated closed-end fund that seeks to offer multiple share classes must apply for and obtain individualized exemptive relief from the Commission. Today, unlisted regulated closed-end funds that continuously offer their shares are common: the Commission has issued approximately 230 substantially similar exemptive orders permitting these funds to offer multiple share classes,[217] representing substantial inefficiencies for these funds. The current framework presents a hurdle for regulated closed-end funds that is not present for their open-end counterparts to benefit from the efficiencies that a multi-share class fund can gain; namely, a single fund can distribute its shares across a broader range of investor markets and distribution channels without incurring unnecessary fixed costs for each segment, allowing the fund to better achieve economies of scale.[218]

Lastly, the proposed disclosure and reporting amendments are designed to reinforce investor protections and to help investors understand the multiple share class structures that the proposal would permit.[219] Because Form N–2 does not currently provide meaningfully for the disclosure of multiple share class structures, the proposal would add instructions and require narrative disclosure similar to corresponding requirements of Form N–1A used by registered open-end funds. The proposal would also require enhanced disclosures regarding master-feeder structures that function similarly to multiple share class structures. It would further require funds to provide investors with enhanced disclosures regarding the expenses of all regulated closed-end funds. The proposal would also extend existing Form N–CEN reporting regarding the number and other identification information of a fund's share classes to registered closed-end funds, among other changes.[220] Standardizing this information across funds and classes would lower search and comparison costs for investors as well as improve the ability of the Commission and its staff to effectively monitor for compliance.

Many of the benefits and costs discussed below are difficult to quantify. In some cases, data needed to quantify these economic effects are not currently available and the Commission does not have information or data that would allow such quantification. For example, the Commission is unable to quantify the growth in the number of interval funds that may result from the proposed amendments. While the Commission has attempted to quantify economic effects where possible, much of the discussion of economic effects is qualitative in nature. Accordingly, the Commission seeks comment on all aspects of the economic analysis, especially any data or information that would enable a quantification of the proposal's economic effects.[221]

B. Economic Baseline

The baseline against which the benefits, costs, and the effects on efficiency, competition, and capital formation of the proposed amendments are measured consists of the current state of the market, market participants' current practices, and the current regulatory framework.[222]

1. Regulatory Baseline

Interval Funds. Interval funds are closed-end funds that offer investors liquidity via periodic repurchase offers at NAV as permitted by rule 23c–3 under the Investment Company Act. These periodic repurchases occur every three, six, or twelve months [223] pursuant to a fund's fundamental policy, which may be modified only by shareholder vote.[224] Certain interval funds have obtained exemptive relief from the Commission to offer monthly liquidity to shareholders.[225] These repurchases must follow a prescribed timeline under rule 23c–3, with notifications disclosing basic terms of the repurchase offer provided at least twenty-one but no more than forty-two days before the shareholder repurchase request deadline.[226] The repurchase pricing date, on which the fund determines the NAV applicable to the repurchase, must occur no later than fourteen days following this deadline.[227] The fund's elected maximum window following the repurchase request deadline is also a matter of its fundamental policy and may be less than fourteen days.[228] The repurchase payment deadline is seven days after the repurchase pricing date applicable to such tender.[229] Interval funds must start the repurchase process with an initial repurchase request deadline no later than two periodic intervals after the effective date of the fund's registration statement or the date of the shareholder vote adopting the fund's fundamental policy.[230]

Repurchase offers may be for any amount ranging from five to 25 percent of outstanding fund shares as of the repurchase request deadline.[231] The repurchase offer amount is determined by the fund's directors prior to each repurchase offer.[232] If repurchase requests exceed the amount of the repurchase offer, the fund may repurchase up to an additional two percent of its outstanding shares as of the repurchase request deadline. If the fund opts not to repurchase any additional common stock or if the amount of the requests exceeds the offer amount by more than two percent of the outstanding shares, the fund must

[216] *See supra* section I.B.

[217] *Id.*

[218] *See infra* section III.C.4.a.

[219] The proposed amendments would also require additional disclosure regarding master-feeder structures. *See infra* section III.C.4.c.

[220] *See supra* section II.D.3.

[221] *See infra* section III.F.

[222] *See, e.g., Nasdaq* v. *SEC,* 34 F.4th 1105, 1111–14 (D.C. Cir. 2022). This approach also follows SEC staff guidance on economic analysis for rulemaking. *See* SEC Staff, *Current Guidance on Economic Analysis in SEC Rulemaking* (Mar. 16, 2012), *available at https://www.sec.gov/divisions/riskfin/rsfi_guidance_econ_analy_secrulemaking.pdf* (''The economic consequences of proposed rules (potential costs and benefits including effects on efficiency, competition, and capital formation) should be measured against a baseline, which is the best assessment of how the world would look in the absence of the proposed action.''); *id.* at 7 (''The baseline includes both the economic attributes of the relevant market and the existing regulatory structure.'').

[223] Rule 23c–3(a)(1).

[224] Rule 23c–3(b)(2)(iii) includes a grandparent clause permitting funds that were already making periodic repurchase offers for their shares before May 14, 1993, to treat their existing repurchase practices as a fundamental policy for purposes of the rule. We do not believe that any interval fund continues to rely on this provision. *See supra* section II.C.1.

[225] *See infra* section III.B.3.

[226] The terms that must be disclosed in the repurchase offer notification include: the existence of the repurchase offer; any repurchase fees; the repurchase offer amount; the dates of the repurchase request deadline, repurchase pricing date, and repurchase payment deadline, and the possibility of use of an earlier repurchase pricing date; the risk of fluctuation in NAV between the repurchase request deadline and the repurchase pricing date; the procedures for requesting repurchase and the right to withdraw or modify repurchase requests until the repurchase request deadline; the procedures for pro rata repurchases; the circumstances in which a fund might suspend or postpone a repurchase offer; NAV within the preceding seven days and information about means for shareholders to learn NAV thereafter; and market price information, if the fund's shares are traded in a secondary market. *See* rule 23c–3(b)(4)(i)(A)–(I).

[227] *See* rule 23c–3(a)(5).

[228] *See* rule 23c–3(b)(2)(i)(D). In practice, interval funds generally state the maximum allowable window of fourteen days in their fundamental policies.

[229] *See* rule 23c–3(a)(4).

[230] Rule 23c–3(a)(7).

[231] *See* rule 23c–3(a)(3). As discussed above, the 1993 Adopting Release characterizes this range as applying to periodic repurchase offers and not to discretionary repurchase offers. *See supra* footnote 73 and accompanying text.

[232] *See* rule 23c–3(a)(3).

conduct its repurchases on a prorated basis,[233] with narrow exceptions.[234]

An interval fund makes periodic repurchase offers at the intervals stated in its fundamental policy. However, an interval fund may defer its initial repurchase request deadline up to (but no later than) two intervals following the effective date of its registration statement (*e.g.,* six months for a three-month interval fund). Thereafter, an interval fund may suspend or postpone a repurchase offer only in exceptional circumstances and only pursuant to a vote of a majority of the directors, including a majority of the directors who are not interested persons of the company.[235] Aside from its periodic repurchase offers, an interval fund may conduct repurchases on a discretionary basis, which may be made for up to 100 percent of the fund's common stock, at most once every two years.[236]

Interval funds are required to file Form N–23c–3 in connection with their periodic repurchase offers, and regulated closed-end funds that conduct discretionary repurchases pursuant to rule 23c–3(c) must file Form N–23c–3 in connection with such discretionary repurchases.[237] In particular, rule 23c–3(b)(4)(ii) requires an interval fund to file Form N–23c–3 along with three copies of its repurchase offer notification with the Commission within three business days of sending the notification to its shareholders. As written, it also requires compliance with the formatting requirements for registration statements and reports under rule 8b–12. Each of these requirements is superseded by the amendments to rule 101 of Regulation S–T that were adopted in 2022.[238] The amendments to rule 101 provide that, among other filings, documents filed with the Commission under section 23(c) of the Investment Company Act must be made on EDGAR and that the documents will be considered as officially filed with or furnished to, as applicable, the Commission.[239] Additionally, amendments to Regulation S–T adopted in 2020 supersede the requirement in Instruction 2 of Form N–23c–3, which states that one of the three copies of the repurchase offer notification should be manually signed while the other copies may have facsimile or typed signatures.[240] The amendments permit the use of electronic signatures in signature authentication documents required under Regulation S–T in connection with electronic filings on EDGAR that are required to be signed.[241]

While interval funds are not subject to portfolio liquidity requirements in general, they must hold sufficiently liquid portfolios during repurchase windows to satisfy investor repurchase requests. Specifically, from the time of the fund's repurchase offer until the repurchase pricing date, the interval fund must have at least 100 percent of the repurchase offer amount held in assets that can be sold or disposed of in the ordinary course of business, at approximately the price at which the fund has valued the investment, within the period between a repurchase request deadline and the repurchase payment deadline, or in assets that mature before the next repurchase payment deadline.[242] The fund's board is responsible for ensuring that this liquidity requirement is met.[243]

Separately, interval funds are not permitted to charge deferred sales loads absent an exemptive order because rule 23c–3(b)(1) permits only deductions from repurchase proceeds that are intended to compensate for expenses directly related to the repurchase.[244] This language rules out deferred sales loads in interval funds, as such fees are charged in relation to the distribution and promotion of the fund's shares and do not relate directly to repurchases. The Commission has granted exemptive relief for several interval funds to charge deferred sales loads.[245] These exemptive orders are typically conditioned on the fund's compliance with rules 6c–10,[246] 11a–1, 11a–3, and 22d–1, which govern deferred sales loads for registered open-end funds.[247]

Regulated Closed-End Fund Share Classes. Under the current regulatory framework, there is no exemptive rule permitting regulated closed-end funds to issue multiple classes of shares. Specifically, Section 18 of the Investment Company Act restricts the ability of investment companies to issue any class of senior security,[248] which includes any stock of a class having priority over any other class as to the distribution of assets or payment of dividends.[249] Rule 18f–3, which allows open-end funds to issue multiple security classes notwithstanding this restriction, was adopted in 1995 to offer formal exemptive relief that was routinely provided to open-end funds at the time. Open-end funds relying on rule 18f–3 are also subject to rule 12b–1, which permits open-end funds to finance distribution from fund assets pursuant to a written plan approved by the fund's board containing specific provisions.[250] However, rules 12b–1 and 18f–3 do not apply to regulated closed-end funds. As a result, regulated closed-end funds that seek to issue multiple share classes must currently submit applications for exemptive relief to the Commission.[251] In most cases, the

[233] *See* rule 23c–3(b)(5). While as written, this rule does not require that funds opting to repurchase more than 0% but no greater than 2% of its outstanding shares in excess of the purchase offer amount repurchase these shares pro rata, industry practice has been to execute any repurchases that exceed the offer amount pro rata.

[234] *See* rule 23c–3(b)(5)(i)–(ii). The Commission understands that the exception in paragraph (b)(5)(ii) of the rule is not used by interval funds.

[235] *See* rule 23c–3(b)(3)(i).

[236] *See* rule 23c–3(c).

[237] A regulated closed-end fund that conducts these discretionary repurchase offers must comply with several of the requirements that apply to periodic repurchase offers, including the requirement in paragraph (b)(4) that the fund notify shareholders ahead of each repurchase request deadline. *See supra* footnote 69.

[238] Electronic Submission of Applications for Orders Under the Advisers Act and the Investment Company Act, Confidential Treatment Requests for Filings on Form 13F, and Form ADV–NR; Amendments to Form 13F, Investment Company Act Release No. 34635 (Jun. 23, 2022) [87 FR 38943 (Jun. 30, 2022)].

[239] *Id.*

[240] Electronic Signatures in Regulation S–T Rule 302, Investment Company Act Release No. 34096 (Nov. 17, 2020) [85 FR 78224 (Dec. 4, 2020)].

[241] *Id.*

[242] *See* rule 23c–3(b)(10)(i).

[243] *See* rule 23c–3(b)(10)(ii)–(iii).

[244] In 2020, the Commission adopted amendments to rule 0–5 putting in place a system to review routine exemptive applications more quickly. Under the amended rule, if applications for exemptive relief are substantially identical to at least two other applications that have been approved in the prior three years, a notice of application will be issued within 45 days from the date of filing. *See* Amendments to Procedures with Respect to Applications Under the Investment Company Act of 1940, Investment Company Act Release No. 33921 (July 6, 2020) [85 FR 57089 (Sep. 15, 2020)].

[245] This exemptive relief has been granted in tandem with relief for closed-end funds to issue multiple classes of shares. *See supra* footnote 91 and accompanying text. For the purposes of this economic analysis, we assume that the Commission would continue to grant these exemptive orders with substantially identical terms and conditions as it has in the past if the proposed amendments were not adopted.

[246] Rule 6c–10 currently contains an outdated reference to NASD rule 2830 rather than to its successor rule, FINRA rule 2341. *See* rule 6c–10(a)(2).

[247] *See supra* section II.A.6.

[248] *See* 15 U.S.C. 80a–18(f) and 15 U.S.C. 80a–18(a), prohibiting senior security issuance for open-end and closed-end registered investment companies, respectively. *See also supra* section II.D.

[249] 15 U.S.C. 80a–18(g).

[250] These provisions address the amounts and purposes of the distribution charges, along with procedures for the board's ongoing review of the plan's continued appropriateness. *See supra* section II.D.1

[251] Additionally, as regulated closed-end funds are not subject to rule 12b–1, they are not generally restricted from financing distributions from fund assets absent an exemptive order requiring adherence to 12b–1 as a condition. *See supra* footnote 131 and accompanying text.

conditions for exemptive relief have been broadly similar, generally requiring that a regulated closed-end fund adhere to the conditions of rule 18f–3 and certain disclosure requirements of Form N–1A as if it were an open-end fund.

Joint Enterprises. Section 17(d) and rule 17d–1 of the Investment Company Act prohibit joint enterprises between a registered investment company and its affiliated persons absent an exemptive order from the Commission. Rule 17d–3 exempts affiliated persons of open-end funds from this prohibition to the extent necessary to permit distribution financing arrangements complying with rule 12b–1.[252] However, regulated closed-end funds cannot rely on rule 17d–3 and thus must apply for exemptive relief to enter into distribution arrangements with affiliated persons. Such exemptive relief is usually conditioned on the regulated closed-end fund adhering to rule 17d–3 as if it were applicable to regulated closed-end funds.[253]

Closed-End Fund Disclosures. Form N–2 is the registration statement form used by regulated closed-end funds. Specifically:

- Item 1 requires a description of the title, amount, and brief description of the securities offering, along with a table presenting its price, sales load and proceeds to the registrant.
- Item 3 requires a fee table and synopsis.
- Item 5 requires disclosure about a fund's plan of distribution.
- Item 20 requires disclosure relating to investment advisory and other services including the method of computing the advisory fee.
- Item 24 prescribes disclosures in shareholder reports. Regulated closed-end funds are currently required to include a table in the management's discussion of fund performance section of Form N–2 that shows average annual total returns for the one-, five-, and ten-year periods as of the end of the most recent fiscal year.

Form N–CEN. Form N–CEN is the annual report for registered investment companies (other than face amount certificate companies). Specifically, Item C.2 calls for information from open-end funds about the number of share classes a fund has authorized, how many new classes were added during the reporting period, how many classes were terminated during the reporting period, and other identification information including the full name of the class.

2. Affected Parties

The proposed amendments would amend various rules that apply to regulated closed-end funds, including traditional (exchange-listed) closed-end funds, interval and tender offer funds, and BDCs. Investors in these funds, as well as the funds' advisers, would also be affected.

Interval Funds. The proposed amendments to rule 23c–3 would primarily affect interval funds and their investors, advisers, and boards of directors. As of December 2025, there were 139 interval funds registered with the Commission reporting $101 billion in net assets under management.[254] Interval funds have seen consistent growth in recent years, with net assets under management increasing by over $80 billion (405 percent) since 2016. Over the same period, the number of interval funds increased by 111 funds (396 percent).[255] As of December 2025, 76 interval funds operated under exemptive relief orders permitting them to charge deferred sales loads.[256] These orders also include relief for these interval funds to offer multiple share classes conditional on adhering to rules 12b–1 and 11a–3 as if they were open-end funds.

Regulated Closed-End Funds. The proposed amendments to Investment Company Act rules 18f–3 and 17d–3 would affect regulated closed-end funds that seek to issue multiple share classes. These amendments would apply to all regulated closed-end funds, including traditional closed-end funds, BDCs, interval funds, and tender offer funds. The proposed amendments to rule 23c–3 would also affect regulated closed-end funds to the extent they rely on its discretionary repurchase provision.[257] As of year-end 2025, there were 884 regulated closed-end funds (706 registered closed-end funds and 178 BDCs) with net assets of $710 billion ($430 billion + $280 billion, respectively). In aggregate, regulated closed-end funds have been growing steadily since 2016, with net assets increasing by $403 billion (30 percent) and the number of funds increasing by 276 (45 percent).[258] Of these regulated closed-end funds, 76 interval funds, 59 tender offer funds, and 33 BDCs operate under exemptive orders that permit them to issue multiple share classes as of the December 2025. Table 3 provides further detail on counts and net assets of registered closed-end funds by type.

Table 3: Counts and Net Assets of Registered Closed-end Funds

	All Registered Closed-end Funds	Interval Funds	Tender Offer Funds	Traded Closed-end Funds
Count	706	139	174	393
Net Assets ($ billions)	428	101	100	227

[252] 15 U.S.C. 80a–17(d).

[253] *See supra* section II.D. Regulated closed-end funds frequently request exemptive relief from the affiliated distributor prohibition and the multi-class prohibitions simultaneously.

[254] Calculations for 2025 are derived from Form N–CEN filings to the Commission. *See* Form N–CEN Item C.3.

[255] For interval fund statistics for 2016 see *Interval Fund Market Keeps Setting New Records,* Interval Fund Tracker (Feb. 14, 2023), *available at https://intervalfundtracker.com/2023/02/14/interval-fund-market-keeps-setting-new-records/.*

[256] This calculation is based on N–CEN filings, Item B.15. *See infra* section III.B.3 Table 8 for growth in exemptive relief orders over time by closed-end fund type.

[257] Proposed rule 23c–3(c).

[258] These percent changes are calculated relative to 2016 net asset levels of $311 billion ($262 billion in registered closed-end funds plus $49 billion in BDCs) across 608 regulated closed-end funds (530 registered closed-end funds plus 78 BDCs).

The proposed amendments would also modify several items on Form N–2 for regulated closed-end funds to provide disclosures regarding their multi-share class and master-feeder structures. Table 4 provides details on counts and net assets for registered closed-end feeder funds in master-feeder structures.

Table 4: Counts and Net Assets of Registered Closed-end Master-Feeder Structures

	All Feeders	All Masters	Interval Feeders	Interval Masters	Tender Offer Feeders	Tender Offer Masters
Count	23	21	2	2	21	19
Net Assets ($ billions)	10.35	21.15	0.05	0.29	10.29	20.86

Advisers to Regulated Closed-End Funds. The proposed amendments would affect registered investment advisers to regulated closed-end funds. As of December 2025, there were 224 advisers advising registered closed-end funds, with the median closed-end fund adviser advising $0.7 billion in closed-end fund assets.[259] There were 132 advisers advising BDCs as of the same date. For registered investment advisers that advise at least one closed-end fund (BDC), the median percentage of regulatory assets under management attributable to closed-end funds (BDCs) is 14 (67) percent. Across all registered advisers, closed-end fund net (total) assets account for 0.3 (0.4) percent of regulatory assets under management.[260]

Investors in Regulated Closed-End Funds. The proposed amendments would indirectly affect regulated closed-end funds' investors. In 2025, there were approximately 4.4 million U.S. households that owned regulated closed-end funds.[261]

Principal Underwriters and Other Affiliates. The proposed amendments to Rule 17d–3 would affect affiliated persons and principal underwriters for closed-end funds with multiple classes of shares, as well as affiliated persons of such persons or underwriters.

3. Market Practices

Interval Funds. Most interval funds offer quarterly repurchases. As of December 2025, 89 percent of interval funds representing 94 percent of interval fund net assets under management were quarterly interval funds. Table 5 presents the counts and net assets of interval funds by repurchase frequency.[262]

[259] Number of advisers is calculated from Form N–CEN filings as of Dec. 2025. Total asset values are taken from Form N–PORT filings, and include only advisers that were reported on both Form N–CEN and Form ADV.

[260] Calculated as of Dec. 2025 from Form ADV filings.

[261] Inv. Co. Inst., 2025 ICI Factbook, Figure 7.1, *available at https://www.ici.org/system/files/2026-04/2026-factbook.pdf.* ICI's definition of closed-end funds includes traditional (listed) closed-end funds, interval funds, tender offer funds, and BDCs.

[262] Since 2000, there have been 12 exemptive orders permitting interval funds to offer monthly repurchases, including 8 such exemptive orders over the five years ending July 2026. This figure is obtained by counting Investment Company Act notices and orders with category ''Interval Fund'' and type ''Investment Company Act Order'' whose order indicates relief to offer monthly repurchases was granted. *See Investment Company Act Notices and Orders,* SEC, *available at https://www.sec.gov/rules-regulations/investment-company-act-notices-orders.* Over that same period, we have identified 7 interval funds that have made monthly repurchase offers as evidenced by Form N–23c–3 filings.

Table 5: Number and Size of Interval Funds by Repurchase Frequency

	Monthly (By exemptive order)	Quarterly	Semi-annual	Annual	N/A[a]
Count	3	124	3	0	9
Net Assets ($ billions)	0.43	97.89	2.12	0	0.74
Amount Repurchased in Calendar Year 2025 ($ billions)[b]	0.04	15.21	0.25	0	0.01

[a] Interval funds that have not filed Form N-23c-3 as of December 2025 are not categorized by repurchase frequency and are assigned to the "N/A" category.
[b] Repurchases are taken from Form N-CSR filings for each of the 139 interval funds in calendar year 2025. For filings in which the fund reports the amounts repurchased as a percentage instead of a dollar amount, the dollar amount is computed as the repurchase percentage expressed as a fraction times the fund's prior month-end total net assets from the fund's N-PORT filing for the month before the repurchase date. Repurchase amounts could not be inferred for two out of 139 interval funds in calendar year 2025 and are assumed to be zero for the purpose of these calculations.

Interval funds have limited flexibility to modify from their periodic repurchase timing and supplement their repurchase obligations by deferring their first repurchase or offering a discretionary repurchase,[263] respectively. Similarly, they may purchase up to two percent of outstanding common stock in addition to the repurchase offer amount to meet excess investor repurchase requests. Table 6 presents estimates of the percentage and number of interval funds by repurchase frequency that have deferred their first repurchase offer.

Table 6: Repurchase Patterns by Repurchase Frequency

	Monthly (By exemptive order)	Quarterly	Semi-annual	Annual	N/A[b]
Percentage (Counts) Deferring First Repurchase[a]	0 percent (0 total)	59 percent (64 total)	33 percent (1 total)	0 percent (0 total)	22 percent (2 total)

[a] Deferrals are inferred for each of the 139 interval funds registered with the Commission as of December 2025 from the elapsed time between each fund's effective date and its first repurchase offer from its Form N-23C-3 filings. Gaps between 1.5 and 2.5 periodic intervals are classified as deferring the first repurchase offer. Gaps of less than 1.5 periodic intervals are classified as having no deferral. Funds with a gap greater than 2.5 periodic intervals are treated as unreliable and excluded from the numerator and denominator for each frequency.
[b] Interval funds that have not filed Form N-23c-3 as of December 2025 are not categorized by repurchase frequency and are assigned to the "N/A" category.

Rule 23c–3(b)(10) requires interval funds to hold 100 percent of the repurchase offer amount in liquid assets throughout the duration of the repurchase offer period.[264] In practice, most interval funds maintain relatively constant liquidity buffers.[265] Table 7 presents statistics for the fraction of net assets held in liquid assets (cash and

[263] We understand that discretionary repurchase offers made pursuant to rule 23c–3(c) are infrequently used by interval funds or other regulated closed-end funds.

[264] *See supra* section III.B.1.

[265] *See* ABA Comment Letter.

short-term investments such as money market funds and other cash management vehicles) for quarterly interval funds throughout periodic interval.[266] The median liquidity buffer varies between five and six percent of fund net assets as measured during each fund's three month-end non-public Form N–PORT filings, which exceeds the median offer amount of five percent of net assets. The mean liquidity buffer is similarly stable at around five percent. The second row of the table demonstrates that the gap between an interval fund's offer amount and the amount of liquid assets is relatively stable. We note that these statistics are calculated over a period in which approximately 87 percent of fund-quarters resulted in net subscriptions rather than net repurchases.

Table 7: Liquidity Across the Repurchase Cycle For Quarterly Interval Funds, 2020-2026

Measure (% of NAV)[a]		2 Months Before (At Month-End)[d]	Month-End Before Repurchase Request Deadline	Month-End After Repurchase Request Deadline
Liquid Assets[b]	Median	5.48	5.93	5.20
	Mean	5.13	5.56	4.98
Next Offer Amount Minus Liquid Buffer[c]	Median	0.42	0.04	0.81
	Mean	3.10	2.63	3.16

[a] These measures are calculated based on all Form N-23C-3 filings and adjacent Form N-PORT filings from 124 quarterly interval funds over a total of 1,674 repurchase offer cycles. Net assets are taken from Form N-PORT Item B.1.
[b] Cash and short-term investment vehicles (STIV). Cash is taken from Form N-PORT Item B.2 (cash and cash equivalents not reported in Parts C and D). STIV refers to short-term investment vehicles used in Form N-PORT Item C.4, which include money market funds, liquidity pools, or other cash management vehicles.
[c] This measure is calculated as the offer amount in a Form N-23C-3 filing minus the interval fund's liquid buffer as a percentage of its net assets derived from the Form N-PORT filing indicated in the corresponding column.
[d] Statistics are calculated from non-public Form N-PORT filings, which are end-of-month snapshots. The columns in Table 7 are anchored to these filings.

Multi-class Distribution. Multi-class structures are commonly used by both open-end and regulated closed-end funds to distribute their shares across a broader range of investor markets and distribution channels while taking advantage of economies of scale that accompany centralized administrative costs spread across a larger pool of investor capital. These structures enable investor access to a shared portfolio via available channels (such as an advisory platform or an employer-sponsored defined contribution retirement plan). They also provide investors with options regarding their payment of promotional and distribution fees. For instance, open-end and closed-end registered management investment companies offer share classes with front-end sales loads (often reduced at particular investment level breakpoints), back-end loads imposed upon repurchase (which may decline with the length of the investment), ongoing distribution or service fees, or combinations of these fees.[267] Funds may also offer classes of shares that are accessed via advisory platforms in which distribution expenses are covered by a fee the investor pays to the platform. However, closed-end funds are not permitted to issue multiple classes of shares without obtaining exemptive relief from the Commission.[268] As traditional closed-end funds raise capital only once in an IPO and are exchange-traded thereafter, this relief has not proven necessary for these funds. However, interval funds, tender offer funds, and unlisted BDCs have sought exemptive relief to issue multiple share classes corresponding to their ongoing distribution channels. Over five years ending July 2026, there have been 152 exemptive orders permitting regulated closed-end funds

[266] This measure of liquidity is likely more restrictive than the standard used in rule 23c–3(b)(10), which includes assets that can be sold or disposed of in the ordinary course of business, at approximately the price at which the company has valued the investment, within a period equal to the period between a repurchase request deadline and the repurchase payment deadline, or of assets that mature by the next repurchase payment deadline. However, we analyze cash and short-term investments as they can be measured more consistently across interval funds using Form N–PORT data and are likely to overlap with a significant fraction of the assets that interval funds hold during repurchase offer periods to satisfy their rule 23c–3(b)(10) obligations.

[267] Sales loads and 12b–1 fees have become less common in recent decades in registered open-end funds as intermediaries are increasingly compensated through asset-based fees paid directly to intermediaries by investors. In 2025, 92% of total gross long-term mutual fund sales were in funds or classes with no sales load or 12b–1 fees, up from 46% in 2000. *See* Inv. Co. Inst., Trends in the Expenses and Fees of Funds 2025 at 5, *available at https://www.ici.org/system/files/2026-03/per32-01.pdf.*

[268] *See supra* sections II.D and III.B.1.

to offer multiple share classes.[269] The number of regulated closed-end funds with multi-class exemptive relief has steadily grown in recent years, as shown in Table 8.

Table 8: Historical Incidence of Multi-class Relief by Regulated Closed-End Fund Type

Year	Interval Fund	Tender Offer Fund	Unlisted BDC
2020	23	18	7
2021	29	16	8
2022	40	22	15
2023	54	33	20
2024	66	42	24
2025	76	59	33

Recent Repurchase Pressure. In early 2026, multiple non-traded BDCs and registered closed-end funds, including several interval funds, experienced increased investor demand to repurchase shares.[270] However, this repurchase pressure has largely affected non-traded BDCs. For the five non-traded BDCs that capped and prorated repurchase requests in the first quarter of 2026, there were approximately $6.9 billion in honored repurchase requests (about half the requested amount) versus approximately $4.9 billion in capital inflows.[271] By contrast, interval funds experienced net inflows during the same period, with aggregate net assets up 2.2 percent from the prior quarter.[272] BDCs that do not offer periodic repurchases pursuant to rule 23c–3(b) often have greater flexibility than interval funds regarding their repurchases,[273] for instance by purchasing excess shares tendered by investors or by suspending repurchases. Several BDCs exercised the flexibility to purchase excess shares to meet investor repurchase requests beyond the initially offered amounts.[274]

[269] This figure is obtained by counting Investment Company Act notices and orders with category ''Multi-Class'' and type ''Investment Company Act Order.'' *See Investment Company Act Notices and Orders,* SEC, *available at https://www.sec.gov/rules-regulations/investment-company-act-notices-orders.*

[270] *See, e.g.,* AnnaMaria Andriotis & Peter Rudegeair *The Wealthy Investors That Powered Private Credit Are Rushing for the Exits,* Wall St. J., (Apr. 2, 2026), *available at https://www.wsj.com /finance/investing/the-wealthy-investors-that-powered-private-credit-are-rushing-for-the-exits-7a3db81e;* Eric Platt, *Investors Sought to Pull $20bn From Private Credit Funds in First Quarter,* Fin. Times (Apr. 9, 2026), *available at https://www.ft.com/content/3513f9df-18dd-4ea4-ae20-3523988c106c?syn-25a6b1a6=1* (''Executives across the industry have taken different strategies as redemption requests have swelled. Some, including Blackstone and Oaktree, have honored withdrawals even when they have surpassed a 5 per cent threshold that would allow them to restrict outflows. Others, such as BlackRock's HPS Investment Partners, Apollo, Ares, Blue Owl and Morgan Stanley, have limited redemptions, arguing that the caps protect investors choosing to remain in the funds and prevent any fire sale of assets.''); *Non-Listed Closed-End Fund Market Reaches $261 Billion as Private Equity and Venture Capital Strategies Lead Performance,* Robert A. Stanger Inv. Banking (July 16, 2026), *available at https://www.rastanger.com/news/non-listed-closed-end-fund-market-reaches-261-billion-as-private-equity-and-venture-capital-strategies-lead-performance* (noting that across the 25 largest credit interval funds by aggregate NAV, net redemptions equaled approximately 5% of the corresponding NAV basis for the most recently reported quarters).

[271] *See Quarterly Redemptions Exceed Fundraising for the First Time in Non-Listed BDC Market,* Robert A. Stanger Inv. Banking (May 14, 2026), *https://www.rastanger.com/news/quarterly-redemptions-exceed-fundraising-for-the-first-time-in-non-listed-bdc-market.*

[272] *See Non-Listed Closed-End Fund Market Reaches $261 Billion as Private Equity and Venture Capital Strategies Lead Performance,* Robert A. Stanger Inv. Banking (July 16, 2026), *available at https://www.rastanger.com/news/non-listed-closed-end-fund-market-reaches-261-billion-as-private-equity-and-venture-capital-strategies-lead-performance.*

[273] Issuer tender offers made pursuant to rule 13e–4 may be amended to increase or decrease the number of shares sought subject to specific notice and timing conditions. *See* rule 13e–4(b) and 14e–1(b).

[274] *See, e.g.,* Eric Platt, *Investors Sought to Pull $20bn From Private Credit Funds in First Quarter,* Fin. Times (Apr. 9, 2026), *available at https://www.ft.com/content/3513f9df-18dd-4ea4-ae20-3523988c106c?syn-25a6b1a6=1* (noting some sponsors have honored investor requests to tender shares beyond what was offered by their funds, while others have opted to limit repurchases). Additionally, one non-traded BDC permanently suspended quarterly repurchases, opting instead to return investors' capital in episodic payments. *See* Antoine Gara & Eric Platt, *Blue Owl Permanently Halts Redemptions at Private Credit Fund Aimed at Retail Investors,* Fin. Times (Feb. 18, 2026), *available at https://www.ft.com/content/b2f299f6-2a82-4a43-bcbf-86cac3937550?syn-25a6b1a6=1.*

C. Benefits and Costs

1. Enhancing Flexibility in the Repurchase Requirements

The proposed amendments include several modifications to rule 23c–3 to provide interval funds with greater flexibility regarding the timing of their repurchases. These modifications would: (1) allow an interval fund to defer its first repurchase offer for up to two years following the effective date of the fund's initial registration or after a shareholder vote first adopting a fundamental policy specifying the fund's periodic interval, whichever is later; (2) allow interval funds to have monthly repurchase intervals and implement changes regarding share repurchase notification timing and the span between successive intervals to accommodate monthly frequency; (3) permit annual discretionary repurchases; [275] (4) remove the requirement for interval funds to include in their fundamental policy the maximum number of days between the repurchase request deadline and the repurchase pricing date; [276] and (5) amend the repurchase offer amount definition to specify that the limitation on the permissible amounts ranging from five to 25 percent of common stock outstanding applies only to purchases made pursuant to a fundamental policy.[277] In addition, the proposed amendments would streamline the rule governing oversubscribed repurchase requests.[278] Lastly, the proposed amendments would allow interval funds to deduct deferred sales loads from repurchase proceeds subject to certain conditions.[279]

(a) Deferral of the First Repurchase Offer

Benefits. Allowing interval funds to defer their first repurchase offer for up to two years would provide more flexibility for interval funds to deploy investor capital. As the current rules allow for the first repurchase offer to be deferred following the interval fund's launch for up to two periodic intervals, the effective ramp up period is six months for funds with quarterly intervals, one year for funds with six-month intervals, and two years for funds with annual intervals. The proposed amendments would therefore offer three-month interval funds an additional 18 months, six-month interval funds an additional 12 months, and 12-month interval funds no additional time to defer their initial repurchase. A new interval fund with a monthly interval would receive an additional 22 months.[280]

With a longer ramp up period, fund advisers would have additional flexibility to select investments before offering liquidity to investors. In particular, advisers would have additional time to structure fund portfolios to have expected liquidity characteristics that align with a fund's eventual liquidity needs. For instance, an interval fund could make or purchase loans with staggered repayments of interest or principal at a frequency corresponding to the fund's repurchase offer frequency. In this way, interval funds would be better prepared to ensure that portfolio liquidity events are matched with repurchase offers, limiting the chances that they would have to resort to forced asset sales at unfavorable prices or credit facility draws to meet repurchase requests.[281] More generally, the additional time that would be permitted by the proposed amendments would benefit fund investors to the extent it allows fund advisers to better select the fund's initial portfolio investments. Advisers may use the additional time this amendment would provide to select positions with investors' initial capital more deliberately. For instance, advisers may be better able to take advantage of market dislocations to enter into portfolio positions at more favorable prices.

Additionally, the ability to further delay offering liquidity to investors would allow initial investments to benefit from any illiquidity premium that could result from committing investor capital for longer periods. For instance, a fund that makes or invests in loans to businesses may achieve higher yields on loans with longer terms than those with shorter terms, potentially layering successive loans so that repayments coincide with investor repurchase periods. The proposed amendments may also allow sufficient incubation time for strategies such as direct private equity or venture capital investments that may otherwise be infeasible.[282] For instance, a monthly, quarterly or semi-annual interval fund may be able to stagger positions over the proposed two-year repurchase deferral period so that investments have up to two years to realize cash flows to meet investor repurchases.[283] This benefit would be mitigated to the extent that such strategies are more difficult to implement in funds with repurchase intervals that are shorter than one year. Additionally, trends in private equity and venture capital markets have lengthened the time it takes to exit such investments.[284] These trends could also limit the feasibility of direct private equity or venture capital investments by interval funds, even under the proposed extension to the deferral period.

Finally, allowing interval funds additional time before they must make initial repurchase offers could better enable fund sponsors to match investors' preferences for initial liquidity following fund launch. While some investors may prefer to have the option to submit share repurchase requests soon after an interval fund's launch, others may be willing to accept a longer initial wait time. The additional flexibility afforded by this amendment could better match investors that are willing to forgo initial liquidity in exchange for higher expected returns with interval funds with investment strategies requiring longer incubation periods. The proposed amendments would better allow interval fund sponsors to accommodate the demand of investors that are willing to defer initial liquidity to capture higher fund yields via new fund launches.

[275] In addition to this substantive change, we are proposing ministerial updates to rule 23c–3(c) that would rephrase, in the affirmative, that an interval fund making a discretionary repurchase offer is required to comply with all provisions of rule 23c–3(b) aside from paragraphs (b)(2), (9), and (11). *See supra* section II.A.3. As we are not proposing substantive amendments to this list of provisions, we anticipate the benefits would be limited to improving the clarity of the rule text. We do not anticipate any costs would result from this ministerial update.

[276] *See supra* section II.A.4.

[277] *See supra* section II.A.3.

[278] *See supra* section II.A.5.

[279] Interval funds charging deferred sales loads would need to comply with rules 6c–10, 11a–1, 11a–3, and (as applicable) 22d–1. *See supra* section II.A.6.

[280] The proposed amendments would also allow for monthly repurchases. *See supra* section II.A.2. Under current rule 23c–3(a)(7), an interval fund's first repurchase request deadline must occur no later than two periodic intervals after the effective date of the registration statement for its common stock or after a shareholder vote adopting the fundamental policy specifying its periodic interval, whichever is later. Thus, the additional deferral time that would be afforded by the proposed amendments is two years minus two times the length of the periodic interval. Existing interval funds that have already made their initial repurchase offer to shareholders would not be affected by the proposed two-year initial repurchase deferral.

[281] *See supra* section II.A.1.

[282] Private equity and venture capital funds typically have a longer investment period (*e.g.,* three to five years) before returning capital to investors. *See supra* section II.A.1.

[283] Relative to the current rule, the proposed amendments do not offer annual interval funds additional time to defer their initial repurchases. There currently are no interval funds that make repurchase offers annually. *See supra* section III.B.2.

[284] *See, e.g.,* Maria Armental, *The PE Paradox: Volatility Fuels New Deals as Old Assets Sit Frozen in Portfolios,* Wall St. J. (May 13, 2026), *available at https://www.wsj.com/pro/private-equity/the-pe-paradox-volatility-fuels-new-deals-as-old-assets-sit-frozen-in-portfolios-f6b408c1?mod=article_inline.*

Costs. There may be costs to interval fund investors that invest in a fund prior to the first repurchase offer period to the degree they unexpectedly desire liquidity from the fund prior to its initial repurchase offer. Investor liquidity needs may change over extended periods such as the two-year initial deferral period that would be permitted by the proposed amendments, and the likelihood of such liquidity needs is higher over a two-year deferral period relative to the two-month, six-month, or one-year deferral periods presently permitted for interval funds.[285] There may also be costs to interval fund investors if they are unable to make repurchase requests as quickly as they anticipated when initially purchasing fund shares. For instance, changing circumstances at the fund following its initial disclosures (and subsequent purchase of its shares by investors) could lead an interval fund to defer its first repurchase offer more than anticipated.[286] In this circumstance, a maximum two-year deferral period presents a greater risk that investors would need to wait longer than they expected to submit repurchase requests. However, closed-end funds, including interval funds, disclose to investors, among other things, that investment in the fund may not be suitable for investors who may need the money they invest in a specified timeframe on the front cover page of the prospectus. They also must disclose the principal risk factors associated with investment in their fund.[287] Thus, we expect minimal risk that investors in closed-end funds would be unaware that their investments in these funds are illiquid in nature.

We do not anticipate that the proposed amendment modifying the maximum length of time that an interval fund's first repurchase offer can be deferred would result in direct costs to funds or their advisers. This is because the proposed amendment would provide optionality to funds rather than mandate a longer ramp up period. Fund advisers that prefer to start repurchase offers after one interval without further delay would continue to have that option. They would similarly be permitted to delay an interval fund's initial offering by a period of time that is longer than two period intervals (except in the case of annual interval funds) but not longer than two years. To the extent that interval funds would increase their direct or indirect investments in private equity or other illiquid assets, it may be more difficult for them to exit positions as needed or otherwise access liquidity to meet investor repurchase requests. This risk could be higher due to the proposed amendments that would replace the prescriptive liquidity requirements during periodic repurchase offers with the proposed principles-based framework,[288] particularly to the extent that interval funds satisfy the current requirements by holding a permanent liquidity buffer outside of repurchase offer windows for operational convenience. Specifically, if funds deploy additional investor capital in illiquid assets during the proposed extended deferral period that would otherwise have been held back to cover eventual repurchase offers to satisfy the current liquidity requirements, some funds may find that their anticipated liquidity sources are thinner than expected when investors make repurchase requests. However, this risk would likely be low during ordinary market conditions because an interval fund would be required to ensure that its portfolio assets are sufficiently liquid to satisfy repurchase requests without requiring a sale or disposition of the fund's portfolio investments at a price that deviates significantly from the value of those investments.[289] Fund advisers also have incentives to meet investor repurchase requests without negatively affecting the fund's value, which would further mitigate this risk.[290]

(b) Monthly Repurchase Intervals

Benefits. The proposed amendments would add monthly intervals to the set of permissible repurchase frequencies for interval funds. Investors and fund advisers would benefit from this proposed amendment to the extent that reducing the regulatory frictions to launch monthly interval funds would result in additional monthly interval funds. Specifically, investors would benefit by having a broader array of semi-liquid funds offering more frequent repurchases to choose from. A monthly interval may be preferable to longer intervals for investors who are accustomed to daily liquidity offered by mutual funds or ETFs. Additionally, monthly liquidity may offer fund advisers advantages in planning for investor repurchase requests because more frequent intervals could allow for individual investor repurchase requests to occur closer to their liquidity needs, reducing the risk that investors concentrate their repurchase requests into a single, longer interval. In this way, monthly intervals could better enable funds to smooth investor repurchases.

Managing an interval fund that offers monthly liquidity events to investors may require a different mix of portfolio assets relative to a fund that offers quarterly, semi-annual, or annual liquidity. Specifically, such funds may demand shorter-term debt or investments that include monthly cash flows, such as shares of certain bond funds or investments tied to rental income or a monthly amortization schedule. To the extent that the proposed amendments would increase the number of monthly interval funds, demand for such underlying investments by monthly interval funds could increase, which in turn may make it easier for those issuers to raise capital.[291]

Moreover, interval funds currently may only make monthly repurchases if they have applied for and obtained exemptive relief. New monthly interval funds would thus benefit from reduced regulatory frictions associated with launching a monthly interval fund. In particular, by making monthly intervals available by rule, new monthly interval funds and their advisers would save the legal and compliance costs associated with applying for exemptive relief.[292] Investors in new monthly interval funds would also benefit to the extent these cost savings are reflected in lower fund fees, though any such savings are one-time in nature and small relative to the size of a typical interval fund.[293] While we are unable to assess how many funds would opt to be monthly interval funds under the proposed amendments, there

[285] These lengths are two times the monthly, quarterly, and semi-annual intervals. While annual interval funds would receive no additional deferral time under the proposed amendments, there are currently no annual interval funds. *See supra* section III.B.3.

[286] While a fund would likely need to file a post-effective prospectus amendment in this case, the updated disclosures would inform investors planning to purchase new or additional shares in the interval fund and would not mitigate any illiquidity that was not anticipated by investors that purchased fund shares prior to the prospectus amendments.

[287] *See* Item 8.3.a of Form N–2.

[288] *See infra* section III.C.2.

[289] *See* proposed rule 23c–3(b)(10).

[290] As discussed *infra* section III.C.2, these adviser incentives may be less effective during periods of sustained repurchase pressure when it may be more difficult to balance the interests of shareholders making repurchase requests and those that do not do so.

[291] *See also infra* section III.D.

[292] As discussed in *infra* section III.C.4.a), we estimate an application for exemptive relief typically costs approximately $15,480. *See infra* footnote 365.

[293] As of December 2025, 139 interval funds collectively held net assets of $101 billion, implying an average interval fund held approximately $727 million in net assets. *See supra* section III.B.2.

exists some degree of investor demand for monthly interval funds.

Two modifications to interval timing would accommodate the proposed addition of monthly intervals to rule 23c–3. First, the amendments would decrease from twenty-one to fourteen days the minimum required notice period for interval funds to inform investors ahead of an upcoming repurchase request deadline.[294] This change would facilitate monthly interval funds' completion of their repurchase cycle within one month.[295] While the current rule's timing requirements associated with each periodic repurchase can be satisfied within each calendar month, shortening the minimum required shareholder notification period by seven days would benefit funds by enabling a less restrictive timeline for the NAV calculation and the repurchase payment. In addition to easing operational challenges that could otherwise result from an abbreviated NAV calculation and repayment schedule, shortening the minimum required shareholder notification period would allow for more time between the repurchase payment deadline and the shareholder notification ahead of the subsequent interval. This would benefit fund investors by reducing the chance of investor confusion that may occur from notifications sent closely following the end of the prior interval.

Second, the proposed amendments would modify the timing requirements in the ''repurchase payment deadline'' definition. Specifically, the revised definition would require the repurchase payment deadline to occur (1) no later than seven days after the repurchase pricing date applicable to such tender, and (2) at least one business day before notification of the next repurchase offer that is made pursuant to fundamental policy is sent to security holders.[296] Adding ''no later than'' to this definition would specify that payment to shareholders must occur at most seven days following the applicable repurchase pricing date rather than on the seventh day.[297] To the extent that some interval funds make these payments exactly seven days following repurchase pricing dates under the current language, but would pay shareholders more quickly under the proposed amendments, shareholders would benefit.[298] The second change would ensure that the timing of monthly repurchases does not overlap, which would in turn help reduce confusion to investors. For instance, if a monthly interval fund were to notify its shareholders forty-two days ahead of a repurchase request deadline, determine its NAV fourteen days later, and pay its shareholders seven days later, the period from notification to repurchase payment would exceed two times the length of the interval. In this case, notification for a repurchase request deadline would be sent before the prior interval's repurchase request deadline had passed. Beyond preventing confusion to investors that could result from overlapping intervals, this amendment would ensure that investors in monthly interval funds can observe the outcome of one repurchase cycle before they begin to evaluate the next. For instance, investors in monthly interval funds could determine whether their prior repurchase request was met in full or met pro-rata.

Lastly, relative to some of the existing exemptive orders permitting monthly repurchase offers, the proposed rule would require higher minimum monthly repurchase offers and a longer minimum period between when investors would first receive notification of an upcoming repurchase offer and the repurchase request deadline. Specifically, at least one interval fund has been granted exemptive relief to make monthly repurchase offers of at least two percent,[299] while the proposed amendments would require repurchase offers made pursuant to a fundamental policy to be a minimum of five percent for all interval funds.[300] The proposed amendments would benefit investors in such monthly interval funds to the extent these investors value the possibility of liquidating more of their shares over a shorter period. Additionally, existing exemptive relief for monthly interval funds permits notification to investors at least seven days and no more than fourteen days prior to the repurchase request deadline,[301] while the proposed amendments would require such notification be made no less than fourteen and no more than forty-two days prior to the repurchase request deadline.[302] Here, the proposed amendments would benefit investors in monthly interval funds to the extent funds currently give less than the minimum fourteen days notice.

Costs. Existing interval funds with exemptive relief to conduct monthly repurchases would face costs associated with coming into compliance with rule 23c–3 as proposed to the extent that the terms and conditions of their exemptive orders differ from those in the proposed amendments. There is at least one fund whose exemptive relief to offer monthly repurchases allows such offers to be at least two percent on a monthly basis.[303] As the proposed amendments would require interval funds to make a repurchase offer in an amount of no less than five percent,[304] an interval fund that currently offers less than five percent a month would need to increase their repurchase offer amount. Doing so may require changes to these funds' liquidity management to the extent necessary to satisfy potentially higher repurchase requests without needing to sell or dispose of fund investments at prices that would deviate significantly from the value of those investments.[305] Additionally, interval funds that have obtained exemptive relief to make monthly repurchase offers currently are permitted to notify shareholders no less than seven days and no more than fourteen days prior to each share repurchase request deadline.[306] These funds would bear the costs associated with modifying their notification schedules so that notifications occur no less than fourteen days and no more than forty-two days prior to each repurchase request deadline.[307] Such costs could include, for example, rescheduling board meetings approving periodic repurchase offers earlier to accommodate this longer notification window. Moreover, some monthly interval funds may find it necessary to shorten the windows between repurchase request deadlines and repurchase pricing dates or between repurchase pricing dates and repurchase payment deadlines to maintain a buffer in between intervals. Such funds would bear any administrative costs associated

[294] *See* rule 23c–3(b)(4)(i), which requires funds to send shareholder notifications twenty-one to forty-two days before the repurchase deadline.

[295] This range of permissible notice lengths would apply uniformly to interval funds. While interval funds with quarterly, semi-annual or annual intervals may also offer notification fourteen days ahead of their repurchase request deadlines, this option's operational advantage would likely apply primarily to monthly interval funds.

[296] *See* proposed rule 23c–3(a)(4).

[297] Repurchase payment deadline is defined as the date by which an investment company must pay securities holders for any stock repurchased and is specified to occur seven days following the applicable pricing date for a tender. *See* rule 23c–3(a)(4).

[298] Certain interval funds indicate in their marketing documents that repurchases occur in fewer than seven days following their repurchase pricing dates, while others indicate the regulatory deadline.

[299] *See supra* footnote 187.

[300] *See* proposed rule 23c–3(a)(3).

[301] *See supra* section II.E.

[302] *See* proposed rule 23c–3(b)(4)(i).

[303] *See supra* footnote 187.

[304] *See* rule 23c–3(a)(3).

[305] *See supra* section II.B.

[306] *See supra* section II.E.

[307] *See supra* footnote 309.

with these changes, including the costs of striking the NAV and remitting payment to shareholders under a tighter deadline. All costs could affect interval fund shareholders to the extent these costs are paid by the funds rather than the adviser.

The proposed amendments would also revise the definition of the repurchase payment deadline to require this deadline to occur (1) no later than seven days after the repurchase pricing date applicable to such tender, and (2) at least one business day before notification of the next repurchase offer that is made pursuant to fundamental policy is sent to security holders.[308] The first requirement could result in costs to interval funds to the extent that some interval funds make these payments exactly seven days following repurchase pricing dates under the current language, but would pay shareholders more quickly under the proposed amendments. In this case, these funds could bear administrative costs associated with the quicker repayment. The second requirement that payment occur at least one business day before the repurchase offer notification for the next repurchase offer is sent to shareholders could also result in costs for interval funds. While this requirement would apply to interval funds of any repurchase frequency, it would be most relevant to monthly interval funds as the required length of time between repurchase offer notification and repurchase payment deadline is the largest in proportion to the length of their period interval. This would effectively constrain the length of the windows between shareholder notification, the repurchase request deadline, the repurchase pricing date, and the repurchase payment deadline to collectively account for at most one month minus one business day. However, interval funds likely would ensure their intervals did not overlap even in the absence of this proposed requirement to prevent possible confusion to shareholders if the notice ahead of an upcoming interval were to arrive before proceeds from the prior interval were paid.

Lastly, certain costs from the proposed amendments would result from changes in the total number of monthly interval funds. For instance, existing funds that do not currently have exemptive relief for a monthly interval frequency that choose to switch to monthly intervals would bear the costs associated with this choice, including the costs of holding a vote to obtain shareholder approval to modify the periodic intervals in their fundamental policy.[309] Additionally, if the number of monthly interval funds were to increase substantially, there may be greater scope for a mismatch between available investor liquidity and portfolio liquidity relative to funds with longer intervals. For instance, in periods when investor interest in interval funds is growing, fund managers may have limited incentive to preserve portfolio liquidity and may compete for investor capital by reaching for yield in less liquid investments. If investor interest were to reverse and portfolio liquidity were insufficient to meet repurchase requests, sustained pressure from unmet repurchase requests could accumulate more quickly in monthly interval funds than in funds offering less frequent liquidity to investors [310] because the length of the repurchase period relative to the length of the interval is highest in these funds, which may make these periods and their outcomes more noticeable to investors.[311] More frequent and successive periods with unmet repurchases may in turn prompt investors to submit larger repurchase requests than they otherwise would in anticipation of their requests being met pro-rata.

However, as registered management investment companies, interval funds are required to report their monthly portfolio holdings to the Commission quarterly on Form N–PORT, with the most recent month's holdings each quarter being made publicly available.[312] To the extent that these disclosures reassure investors that the fund's portfolio is well-positioned to handle pressure from sustained repurchases, it may mitigate this concern. While BDCs (which may also make periodic repurchase offers subject to rule 23c–3) do not report on Form N–PORT, they must report a schedule of investments quarterly on their 10–Q reports.[313] To the extent that these quarterly reports similarly help to reassure BDC investors that a fund's portfolio is positioned to meet sustained repurchases, it would mitigate the risk that investors strategically submit large repurchase requests.

(c) More Frequent Discretionary Repurchases

Benefits. The proposed amendments would allow funds to make discretionary repurchases yearly rather than every two years as is currently permitted. This could benefit investors upon the occurrence of unanticipated liquidity events affecting the fund's portfolio to the extent the fund elects to offer a discretionary repurchase.[314] For instance, a fund may choose to make a discretionary repurchase offer in conjunction with rebalancing its portfolio in between intervals. To the degree a fund has sufficient liquidity, a discretionary repurchase offer could also serve as a safety valve if a fund experiences unusually large repurchase pressure that the fund chooses to address in between its intervallic repurchases. Such instances could benefit investors by increasing their confidence that their funds' portfolios have sufficient liquidity to navigate fluctuations in investor liquidity demand or other extraneous circumstances. As a result, investors may have reduced incentive to strategically request a larger repurchase than they require in anticipation of the fund pro-rating repurchases. Advisers may in turn benefit if this increased confidence results in increased ability to raise additional investor capital at later dates.

In addition, the Commission is proposing amendments to the definition of repurchase offer amount to specify in the rule that discretionary repurchase offers are not subject to the requirement that offers be between five percent and 25 percent of the fund's common stock outstanding.[315] Currently, rule 23c–3 defines repurchase offer amount to be the amount of common stock that is the subject of the repurchase offer, while also stating that the repurchase offer

[308] *See* proposed rule 23c–3(a)(4).

[309] *See* rule 23c–3(b)(2).

[310] When fund shares are more liquid than underlying assets, adverse performance and persistent outflows are associated with funds disproportionately selling off less-liquid holdings, amplifying price pressure and fire-sale risk. Mechanisms that temporarily restrict redemptions or repurchases may mitigate these dynamics by reducing investors' first-mover advantage and by slowing liquidation. *See* Qi Chen et al., *Payoff Complementarities and Financial Fragility: Evidence from Mutual Fund Outflows,* 97 J. Fin. Econ. 239 (2010); Yiming Ma et al., *Mutual Fund Liquidity Transformation and Reverse Flight to Liquidity,* 35 Rev. Fin. Stud. 4674 (2022).

[311] For instance, an investor whose request was prorated may receive her payment as little as one business day before she receives notification of the next periodic repurchase offer and make a subsequent request for any liquidity that was unmet from the prior periodic repurchase period.

[312] *See* rule 30b1–9.

[313] *See* 17 CFR 210.6–10.

[314] Rule 23c–3(c) permits all registered closed-end funds and BDCs, not solely interval funds, to make discretionary repurchase offers subject to complying with certain other provisions of rule 23c–3 that also apply to interval funds. *See supra* section II.A.3. The benefits and costs discussed in this sub-section apply in principle to all registered closed-end funds that make such offers unless stated otherwise. We understand that these discretionary repurchases are infrequently used by interval funds or other regulated closed-end funds. *See supra* section III.B.3.

[315] *See* proposed rule 23c–3(a)(3).

amount shall not be less than five or more than 25 percent of the fund's outstanding common stock.[316] However, the Commission interprets rule 23c–3 to give interval funds and non-interval funds the flexibility to offer a repurchase amount for discretionary repurchases that is not restricted by the same repurchase limits imposed on periodic repurchases.[317] Thus, under the baseline, there is ambiguity regarding whether discretionary repurchases are subject to this range.[318] The proposed amendments to rule 23c–3 would resolve that ambiguity, which would allow both interval funds and regulated closed-end funds that are not interval funds the flexibility to make discretionary repurchase offers for any amount at the proposed annual frequency. In practice, the benefits of this change would likely be limited to relatively small cost savings for funds.[319]

Costs. The costs of permitting funds to make discretionary repurchase offers every year rather than every two years would likely be modest. For interval funds, this amendment could result in a fund offering more frequent liquidity than required by its fundamental policy. For instance, an interval fund that offers regular semi-annual repurchases that elects to make an annual discretionary repurchase as well would in effect offer liquidity three times per year.[320] In this scenario, there may be fund investors that anticipated higher fund returns in exchange for less frequent liquidity. Such investors may have invested less (or not at all) in this fund if they believed it would offer more frequent liquidity to investors. However, funds may be unlikely to routinely offer investors liquidity beyond the frequency specified in their fundamental policies, as this could result in longer term investors reallocating their capital to competing funds offering less frequent liquidity. Instead, we anticipate that interval funds would generally offer discretionary repurchases in conjunction with one-time, infrequent events, such as significant investor repurchase pressure or unanticipated changes in portfolio liquidity.[321]

One potential concern is that more frequent discretionary repurchases that are made in times of heightened repurchase pressure could harm investors that do not tender their shares in such opportunities. For instance, the manager of an interval fund that experiences multiple periods of repurchase requests exceeding the repurchase offer amount may have an incentive to offer a large discretionary repurchase to satisfy unmet repurchase requests. While offering discretionary liquidity at NAV may reassure fund investors and stem their desire to sell their shares, it may also reduce liquidity or increase leverage of the remaining fund portfolio, depending on whether cash buffers or credit lines are used to secure liquidity for repurchases. It could also dilute the NAV per share of the remaining shareholders if, in order to meet repurchase requests, fund assets are liquidated at a haircut to the value used to calculate the NAV. This in turn may increase pressure on the fund to meet repurchase requests. However, this concern would be mitigated by the proposed requirement that the fund manage its portfolio's liquidity so that it can satisfy repurchase requests without requiring a sale or disposition of its portfolio investments at a price that deviates significantly from the value of those investments.[322] The oversight role of the fund's board of directors may also serve to balance competing interests of investors that tender their shares and those that do not in such circumstances.

(d) Repurchase Pricing Date

Benefits. The proposed amendments would simplify the definition of repurchase pricing date and remove the requirement that an interval fund's fundamental policy include the maximum number of days between the repurchase request deadline and the repurchase pricing date. As any change in a registered investment company's fundamental policy requires a shareholder vote,[323] the proposed amendment could in principle offer new interval funds more flexibility to use a different maximum length of time between repurchase pricing dates and repurchase request deadlines. However, in practice, interval funds have not opted to restrict this length of time in their fundamental policies and have instead selected the maximum of fourteen days allowed by the rule.[324] Moreover, the maximum length included in an interval fund's fundamental policy does not prevent the fund from setting an earlier repurchase pricing date in connection with a periodic repurchase offer if it appears that the use of an earlier repurchase pricing date is not likely to result in significant dilution of the fund's NAV for either tendered or untendered stock.[325] However, it is possible that in the absence of a rule requiring that the maximum length between the repurchase request deadline and the repurchase pricing date be committed to interval funds' fundamental policies, new interval funds would opt to set a shorter period of time as a matter of internal practice, separate from their fundamental policies. To the extent this would occur, interval fund investors would benefit by receiving the proceeds from their repurchased shares more quickly following their repurchase requests, as this payment must occur within seven days of the repurchase pricing date. In this case, interval fund investors would also benefit via reduced uncertainty regarding changes in the fund's NAV that may occur between the repurchase request deadline and the repurchase pricing date. While we anticipate that a new interval fund would not specify in its fundamental policy a maximum length between its repurchase request deadline and repurchase pricing date, a currently registered interval fund would likely not remove this language as doing so would require a shareholder vote. Thus, any benefits that would result from the proposed simplification of the repurchase pricing date definition would likely accrue to new interval funds and their shareholders.

Costs. Removing the requirement that interval funds state in their fundamental policies the maximum number of days between the repurchase request deadline and the repurchase pricing date would likely result in negligible costs to advisers and no costs to fund investors. While an interval fund in principle can select a maximum number of days that is less than the maximum of fourteen days permitted by the current rule, in practice interval funds have not opted to select a shorter period in their fundamental policy.

[316] *See* rule 23c–3(a)(3).

[317] 1993 Adopting Release, *supra* note 3, at text following n.26 (stating ''[t]o the extent that a fund determines it is appropriate to make an offer to repurchase a higher amount, it may do so through a discretionary repurchase offer pursuant to paragraph (c). The potential for discretionary repurchase offers pursuant to paragraph (c) for up to 100 percent of a fund's common stock . . .'').

[318] *See supra* section III.B.1.

[319] For instance, some funds could in principle incur legal costs to better understand whether current rule 23c–3 limits the size of discretionary repurchases. The Commission is not aware of instances in which industry members have contacted the Commission with this question. We also understand that discretionary repurchases are infrequently used by interval funds or other regulated closed-end funds.

[320] The 1993 rule 23c–3 release cited this concern to justify limiting the frequency of discretionary repurchases. 1993 Adopting Release, *supra* note 3.

[321] *See supra* section II.A.3.

[322] *See* proposed rule 23c–3(b)(10).

[323] *See* 15 U.S.C. 80a–8(b)(3) and 80a–13(a).

[324] An interval fund's repurchase pricing date must be no later than the fourteenth day after the repurchase request deadline, or the next business day if the fourteenth day is not a business day. *See* rule 23c–3(a)(5). This requirement would not be modified by the proposed amendment.

[325] Rule 23c–3(a)(5)(iii).

Additionally, an interval fund's repurchase pricing date is permitted to be earlier than fourteen days after the repurchase request deadline if the use of an earlier date is not likely to result in NAV dilution [326] Therefore, this proposed amendment would be unlikely to change interval fund practices regarding the length of this window. As noted above, new interval funds would not include language regarding this maximum length of time in their fundamental policies, but existing funds would most likely opt to leave this language unchanged. To the extent existing interval funds remove this maximum length from their fundamental policies, they would bear the costs of doing so, including the cost of holding a shareholder vote.[327] Additionally, the required language that would be removed is less informative than the notifications sent to shareholders ahead of repurchase request deadlines. Interval funds would continue to be required to notify shareholders of the repurchase request deadline and repurchase pricing date in the shareholder notifications distributed ahead of the repurchase offer period.[328] Thus, there would be no costs to investors from removing this required language from funds' fundamental policies.

(e) Amount of Securities Repurchased

Benefits. The proposed amendments would modify the text of rule 23c–3(b)(5) to better align with longstanding industry interpretation that any oversubscribed purchases must be conducted on a pro rata basis. Currently, the rule allows up to two percent of outstanding fund shares to be repurchased in excess of the repurchase offer amount, and requires pro rata repurchases if shares tendered are more than two percent in excess of the repurchase offer amount or if the fund determines not to repurchase more than the repurchase offer amount.[329] Instead, the amendments would explicitly require that if the company repurchases less than 100 percent of that amount tendered by security holders, the company shall repurchase the shares tendered on a pro rata basis in an amount equal to at least the repurchase offer amount, but not exceeding the repurchase offer amount plus up to two percent of outstanding common stock.[330] While the Commission understands that interval funds have not interpreted the rule as permitting repurchases privileging some requests over others, the rule does not explicitly require that oversubscriptions of no more than two percent that are repurchased by the fund be met pro-rata. As market practice regarding repurchases has uniformly aligned with the proposed amendment, we do not anticipate benefits would result beyond possibly reducing confusion that may arise over the current language.

Costs. We do not anticipate the proposed amendments to the rule governing the allocation of oversubscribed repurchase requests would result in costs because the amended rule would align with interval funds' current interpretation of the requirements. The Commission is not aware of instances in which interval funds have allocated oversubscribed repurchase requests in a manner that is not pro-rata. Thus, we do not anticipate that the proposed amendment would meaningfully limit interval funds' options regarding oversubscriptions or necessitate a change to any interval fund's policies and procedures.

(f) Deferred Sales Loads

Benefits. A proposed amendment to rule 23a–3 would permit interval funds to charge deferred sales loads. Under the current rule, the only amounts that may be deducted from repurchase proceeds are repurchase fees of up to two percent that are reasonably intended to compensate the fund for expenses directly related to the repurchase. This restriction prevents interval funds from using deferred sales loads as a distribution financing tool, regardless of whether doing so would be appropriate given the fund's structure and investor base. Unlike front-end sales loads, which reduce the amount of investor capital immediately available for investment, deferred sales loads are charged at the time of repurchase and typically on a declining schedule that naturally favors longer holding periods. This structure may be well-suited to interval funds, whose investors are expected to maintain their investments for extended periods given the fund's periodic liquidity structure. In particular, investors with longer anticipated holding periods who prefer not to pay an upfront sales charge may find a deferred load class preferable, as the declining schedule means that investors who hold their shares for sufficient time may face a reduced or zero deferred load. However, classes with deferred sales loads typically include higher ongoing 12b–1 fees instead of a front-end load, which can lead to the total additional amount paid in sales charges equaling or exceeding the cost of a front-end load.[331]

Permitting interval funds to charge deferred sales loads would also broaden the distribution financing options available to interval fund sponsors. Certain broker-dealer platforms and distribution channels may prefer products with deferred load structures over those with front-end loads, particularly for longer-horizon investment products marketed to investors who benefit from back-end compensation structures. By permitting interval funds to offer share classes with deferred loads and to make payments for distribution in compliance with rule 12b–1, the proposed amendment could allow interval fund sponsors to access distribution channels that are currently closed to them under the existing rule. This expanded distribution reach could increase fund assets under management, which could result in economies of scale that reduce per-unit fixed costs, benefiting all shareholders to the degree these cost savings are passed through to them.

Notwithstanding the current rule's effective prohibition of deferred sales loads for interval funds, many interval funds charge deferred sales loads pursuant to individualized exemptive relief.[332] As these exemptive orders are generally subject to adherence to rules 6a–10, 11a–3, and 22d–1, as would be required under the proposed amendments, a practical benefit for interval funds that intend to impose a deferred sales load would be reduced compliance costs resulting from their ability to rely on a rule rather than needing to apply for exemptive relief. Because deferred sales loads often support the financing of a particular class of fund shares, applications for exemptive relief from rule 23a–3 (restricting deferred sales loads for interval funds) and from the restrictions on the issuance of senior securities by registered funds in section 18 are typically made simultaneously.[333]

[326] *Id.*

[327] *See supra* footnote 323.

[328] *See* rule 23c–3(b)(4)(i)(D).

[329] *See* rule 23c–3(b)(5). As an example of how this rule as written differs from the SEC's intent and industry interpretation, if a fund's shareholders request 1% more shares outstanding than the fund's repurchase offer amount, the rule does not currently require the excess, if accommodated by the fund, be met pro rata.

[330] *See* proposed rule 23c–3(b)(5).

[331] *See* SEC, *Updated Investor Bulletin: Mutual Fund Classes* (Feb. 24, 2021), *available at https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-bulletins-61* (describing Commission staff's observations that the relatively higher 12b–1 fee in Class C shares, which carry a contingent deferred sales load, can result in investors paying more if they hold this class of shares for longer periods).

[332] There are approximately 76 such interval funds as of Dec. 2025. *See supra* section III.B.2.

[333] *See supra* section I.B.

However, to the extent an interval fund with a single class of shares would seek to impose a deferred sales load, the fund could similarly rely on this amended provision of rule 23a–3 instead of applying for exemptive relief and thus would benefit via lower compliance costs as well. In tandem with the amendments to rule 18f–3,[334] lowering compliance costs could potentially result in more interval funds offering a share class with a deferred sales load because some interval funds may find it worthwhile to offer a deferred sales load share class if doing so does not require applying for exemptive relief. However, the prevalence of exemptive orders permitting interval funds to offer share classes with deferred sales loads suggests that the process of applying for and obtaining exemptive relief to charge deferred sales loads is not serving as a major deterrent to interval funds,[335] which would limit the extent of the benefits discussed above.

Costs. An interval fund that chooses to implement a deferred sales load would face the compliance costs associated with opting into this regulatory framework.[336] Specifically, if an interval fund deducts a deferred sales load from the proceeds of a periodic repurchase offer, the load would need to be effected in compliance with rule 6a–10,[337] as well as with rules 11a–3 and 22d–1, as applicable.[338] However, since this condition would be substantially identical to those applicable to interval funds that charge deferred sales loads under exemptive relief granted by the Commission or that would charge deferred sales loads after seeking such exemptive relief, we anticipate that there would be no meaningful incremental economic costs for interval funds that would charge deferred sales loads under the proposed amendments to rule 23a–3 compared to the baseline.[339]

We do not anticipate that allowing interval funds to charge deferred sales loads would result in new costs to investors because deferred sales loads are one of many ways that intermediaries are compensated for promoting and selling fund shares.[340] Moreover, interval funds charging deferred sales loads under the proposed amendments to rule 23a–3 would be subject to the same regulatory framework applicable to registered open-end funds to help ensure that investors are protected against potential abuses involving this form of distribution financing. In particular, any deferred sales loads would need to comply with rule 6a–10,[341] which caps the size of the deferred sales load,[342] subjects the terms of the deferred sales load to FINRA rule 2341,[343] and generally requires that the same deferred sales load apply to all shareholders.[344] Where sales loads (including deferred sales loads) vary across investors (such as with a waiver or deduction based on the length of the investment), any such variation must be uniformly applied and adequately disclosed.[345] Interval funds with deferred sales loads would also be subject to rule 11a–3,[346] which mandates strict fee and disclosure conditions governing sales loads with respect to exchanges within a fund family. Additionally, they would, as applicable, be subject to the provisions of rule 22d–1,[347] which exempts registered investment companies from section 22(d) to the extent necessary to permit scheduled variations in or elimination of the sales load on fund securities for particular classes of investors or transactions, provided certain conditions are met.[348] Conditioning interval funds' ability to impose deferred sales loads on this regulatory framework should mitigate or eliminate the risks that these charges are applied in a manner that is misleading or otherwise disadvantages investors.

To the extent the proposed amendments result in a larger volume of interval fund share purchases occurring in classes with a deferred sales load, purchasing shareholders may be inclined to defer tendering their shares in order to minimize or lower their fee burden. This may result in costs to shareholders to the extent they have unanticipated liquidity needs or if the fund's performance does not meet shareholder expectations. In this case, shareholders in these classes would either need to bear the deferred sales load to exit the fund or incur the implicit costs of remaining. However, the prevalence of exemptive orders permitting interval funds to offer share classes with deferred sales loads suggests that the process of applying for and obtaining exemptive relief to charge deferred sales loads does not pose an insurmountable barrier to interval funds. This makes it less likely that the proposed amendments would substantially increase the volume of interval fund shares sold that carry deferred sales loads, which would lower any such costs that interval fund investors would bear.

2. Modification to the Interval Fund Liquidity Requirement During the Repurchase Offer Period

The proposed amendments would eliminate the requirement that an interval fund hold 100 percent of the repurchase offer amount in liquid assets during the repurchase offer period.[349] Instead, the rule would require that the interval fund manage its portfolio's liquidity so it can satisfy repurchase requests without requiring a sale or disposition of the company's portfolio investments at a price that deviates significantly from the value of those investments.[350]

Benefits. The proposed amendment to interval funds' liquidity requirements during the repurchase offer period

[334] *See infra* section III.C.4.a.

[335] As discussed in *infra* section III.C.4.A), we estimate an application for exemptive relief typically costs approximately $15,480. *See infra* footnote 365.

[336] *See infra* section IV.C.

[337] Proposed rule 23a–3(b)(1)(ii)(A).

[338] Proposed rule 23a–3(b)(1)(ii)(B) would require a deferred sales load to be effected in compliance with rule 11a–3 to the extent the interval fund is making an exchange offer and charges a sales load on the securities being acquired. Proposed rule 23a–3(b)(1)(ii)(C) would require a deferred sales load to be effected in compliance with rule 22d–1 to the extent the deferred sales load is waived, varied, or eliminated.

[339] This conclusion also applies to any new funds that would seek exemptive relief in the future, as we would expect these terms and conditions as well as this practice to persist absent the proposed rules. *See supra* footnote 245. While the compliance costs associated with an interval fund deducting a deferred sales load from the proceeds of period repurchase offers would not represent incremental economic costs, we nevertheless provide an estimate of certain of the compliance costs that funds would continue to incur. Specifically, we anticipate that 38 interval funds would continue to incur ongoing costs of $194 per year to estimate a deferred sales load in compliance with rule 22d–1 to the extent the deferred sales load is waived, varied, or eliminated. This recurring estimate is based on the following calculations: 0.25 hours for a lawyer at $774 per hour ≈ $194. Occupational rates are calculated as described in *infra,* PRA Table 1 n.6. For additional details on estimates of burden hours and occupations involved, *see infra* sections IV.B and IV.C. The compliance costs associated with rule 11a–3 for regulated closed-end funds relying on proposed rule 18f–3 are accounted for in the 18f–3 compliance cost discussion *infra* section III.C.4.a and are not separately counted here.

[340] In addition to traditional front-end loads and ongoing 12b–1 fees, intermediaries are increasingly compensated with direct client charges. *See supra* section III.B.3.

[341] *See* proposed rule 23a–3(b)(1)(ii)(A).

[342] Rule 6a–10(a)(1).

[343] Rule 6a–10(a)(2) includes an outdated reference to NASD rule 2830 which was replaced by FINRA rule 2341.

[344] Rule 6a–10(a)(3) permits scheduled variations or eliminations of deferred sales loads to particular classes of shareholders or transactions, subject to the requirements of rule 22d–1. It also permits new scheduled variations that would waive or reduce the amount of a deferred sales load not yet paid.

[345] Rule 6a–10(a)(3).

[346] Proposed rule 23a–3(b)(1)(ii)(B).

[347] *See* proposed rule 23a–3(b)(1)(ii)(C).

[348] Rule 22d–1(a)–(d).

[349] *See* current rule 23a–3(b)(10)(i).

[350] *See* proposed rule 23a–3(b)(10).

would provide funds with additional flexibility to manage liquidity in connection with their periodic repurchase offers. Replacing the current prescriptive requirements with the proposed principles-based framework could decrease cash drag in interval funds, which could potentially increase portfolio returns. Industry participants have indicated that this aspect of the current rule is overly restrictive and contributes to non-negligible cash drag which reduces the yield of fund portfolios.[351] While the current rule does not require a minimum percentage of an interval fund's portfolio be held in liquid securities at all times, the requirement that the repurchase offer amount be backed by liquid securities during the repurchase offer period can effectively limit the fund's investments as illiquid securities obtained outside of the repurchase offer period cannot necessarily be sold to meet liquidity requirements during the prescribed period.[352] By contrast, the proposed principles-based framework could allow funds to obtain liquidity to meet repurchase requests in a less restrictive manner, for instance by drawing on credit against anticipated cash flows generated by illiquid investments. Relaxing this prescriptive requirement would better allow interval funds to invest in less liquid assets and reduce cash drag in their portfolios.

The flexibility that would be afforded by this proposed amendment would likely benefit some interval funds more than others. In particular, we anticipate that funds with longer intervals would be more likely to hold a higher percentage of net assets in less liquid investments as they would make less frequent repurchase offers to their investors. By contrast, funds with shorter intervals would more frequently need to offer liquidity to their investors, which may limit the degree to which these funds could benefit from the added flexibility in liquidity management the proposed amendments would permit.[353]

The proposed replacement of the prescriptive liquidity requirement in rule 23c–3(b)(10) with a principles-based standard would eliminate the associated procedures-drafting and annual-review requirements.[354] However, rule 38a–1 requires each fund to adopt and implement written policies and procedures reasonably designed to prevent violation of the federal securities laws. We therefore anticipate that the removal of the procedures and review-related requirements in rule 23c–3(b)(1) would not reduce costs for affected funds.

Costs. The proposed amendment from a prescriptive rule to a principles-based approach to portfolio liquidity management during repurchase periods would allow funds to meet repurchase requests without necessarily holding a matching amount in liquid assets. This could result in instances in which a fund's liquid securities are not sufficient to cover the total amount the fund is obligated to pay in connection with the repurchase.[355] For instance, a fund may anticipate a cash flow ahead of its repurchase payment deadline which does not materialize in full. While small or temporary mismatches may be managed with a fund's available credit, larger or persistent mismatches could potentially be costly to long-term shareholders. For instance, an interval fund that faces large and persistent repurchase requests that it is unprepared to meet may need to borrow (thus increasing fund leverage), sell off less liquid assets at a discount to fair value (thus diluting the value of outstanding shares), or both. However, a fund with reasonably designed liquidity policies and procedures is significantly more likely to be adequately prepared to meet repurchase requests in compliance with its fundamental policy. Moreover, fund advisers face incentives to satisfy their repurchase offers without diluting shareholders in order to attract and retain investor capital. As such, we anticipate the cost of eliminating this prescriptive liquidity requirement would typically be small.

Adviser incentives may be less effective during periods of sustained repurchase pressure. In such instances, it may be more difficult to balance the interests of shareholders making repurchase requests and shareholders that do not do so. Specifically, persistent shareholder demand for liquidity may require interval funds to borrow or to sell portfolio assets that they would not otherwise sell to the extent necessary to meet their minimum repurchase amounts. However, while funds with standing liquidity buffers would have an additional line of defense against unanticipated repurchase requests, their buffers would likely be quickly depleted by sustained repurchase requests. Thus, even under stressed market conditions, the current prescriptive liquidity requirements in rule 23c–3 would provide only incrementally more protection against unanticipated repurchase requests relative to the proposed principles-based approach.

The proposed amendments could also increase costs associated with both the management and oversight of an interval fund. Under the current rule, a fund's compliance with rule 23c–3(b)(10) can be readily verified by confirming that 100 percent of the repurchase offer amount is held in liquid assets between the repurchase notification and the repurchase pricing date. By contrast, interval funds seeking to take advantage of the proposed flexibility may require more intricate policies and procedures that require more oversight due to their principles-based nature. For instance, portfolio managers would need to assess the fund's likely cash needs ahead of repurchase offers and may need to adjust the fund's portfolio if repurchase requests are larger than anticipated. To the extent a fund expects to use a line of credit in such instances, it would need to establish an arrangement with a lender. However, the proposed amendments would not preclude interval funds from continuing to have policies and procedures that require 100% of the repurchase offer amount to be held in liquid assets during the repurchase offer period. Rather, the proposed amendments would provide funds with optionality to manage liquidity in these circumstances so that they can satisfy repurchase requests without requiring a sale or disposition of their portfolio investments at a price that deviates significantly from the value of those investments. Thus, these increased oversight costs would only materialize to the extent funds would implement the more principles-based policies and procedures that would be permitted by the proposed amendments.

[351] *See* Dechert Comment Letter.

[352] *See* ABA Comment Letter.

[353] *See infra* request for comment #81.

[354] *See* rule 23c–3(b)(10)(iii).

[355] The Commission is also proposing amendments to Advisers Act rule 205–3 that would, among other things, permit a registered investment adviser to be compensated based on capital gains (both realized and unrealized) of the assets of a registered investment company it advises, subject to certain protective conditions. *See* Performance-Based Compensation Modernization Proposal at section III.C.1.a. As noted in that proposal, the payment of performance fees assessed on unrealized capital gains may reduce a fund's liquid assets in the absence of offsetting cash flows. As a result, we anticipate that funds would need to jointly manage liquidity demands from repurchases and any performance fees assessed on unrealized capital gains. Managing these joint liquidity demands could be more complex under the proposed amendments to rule 23c–3(b)(10), as interval funds would no longer be subject to prescriptive liquidity requirements (which may in some cases act as a buffer against competing liquidity demands). However, we anticipate that interval fund advisers would generally be able to manage liquidity without restricting investor repurchases, including in the presence of any performance fees on unrealized capital gains. Therefore, we anticipate that the costs of any interacting effects between these proposals would be minimal.

3. Other Proposed Amendments

The proposed amendments would remove a grandparent clause adopted in 1993 that initially served to allow existing funds making periodic repurchase offers to adopt a resolution stating its repurchase policies instead of requiring a shareholder vote to approve their fundamental policy.[356] We understand that no funds currently rely on that provision, so we expect neither costs nor benefits would result from its proposed removal beyond the clerical benefit associated with streamlining the rule text.

Additionally, we are proposing to amend rule 23c–3 to remove certain prescriptive requirements regarding the specific procedures funds must follow when submitting Form N–23c–3 with the Commission, as these requirements have been superseded by recent amendments to rule 101 of Regulation S–T.[357] This amendment would lower compliance costs that may arise due to the current inclusion of these superseded provisions in rule 23c–3. In particular, the provisions require three copies of the repurchase offer notification, along with copies of Form N–23c–3, be filed with the Commission within three business days of sending the notification to shareholders.[358] While the amendments to rule 101 supersede this requirement, the presence of two conflicting filing requirements for Form N–23c–3 may cause regulatory uncertainty and thus compliance costs for interval funds. We are also proposing to remove the language in Form N–23c–3 that states that the form shall be filed in triplicate with the Commission and language that states that at least one copy of the form must be manually signed. Instruction 2 of Form N–23c–3 currently states that one of the three copies shall be manually signed while the other copies may have facsimile or typed signatures. The signature provisions of Regulation S–T supersede the language of Form N–23c–3, and the proposed amendment is intended to remove the outdated manual signature requirement. We do not anticipate costs would arise from eliminating these redundant provisions.

4. Expansion of Multiple Share Class Offerings to Regulated Closed-End Funds

The proposed amendments would expand exemptive rule 18f–3 to allow regulated closed-end funds to issue multiple share classes, subject to certain conditions. In particular, the amendments add exemptions in rule 18f–3 from sections 18(a)(2) and 18(c), which restrict closed-end funds' issuance of senior securities, and from section 61(a), which makes these section 18 prohibitions applicable to BDCs. In connection with this change, rule 18f–3 would also be amended to include several conditions specific to a regulated closed-end fund's issuance of multiple share classes: (1) the fund's common stock must be offered on a continuous basis; (2) if it is offered at a price other than its current NAV, the same offer must be made to all classes of common stock; (3) any asset-based distribution or service fee must be charged under a written plan which (along with any agreements related to its implementation) must comply with rule 12b–1; [359] (4) fund shares must not be listed, offered, or traded on a secondary market; (5) offers to repurchase common stock must be equally made to holders of all classes of common stock, and the percentage taken up and paid must be allocated on a company basis; and (6) any exchange offer involving a class of the fund's common stock must comply with rule 11a–3, and if the fund is an interval fund pursuant to rule 23c–3, its shares that are exchanged for shares of other companies must be included in the interval fund's repurchase offer amount.

The proposed amendments would also modify rule 17d–3 to exempt multi-class regulated closed-end funds from the prohibition on participating in joint transactions or profit-sharing plans (absent SEC approval) in section 17(d) of the Investment Company Act and rule 17d–1 thereunder to permit certain affiliates of a multiple share class regulated closed-end fund to enter into distribution arrangements under rule 12b–1 with the funds.[360] The proposed amendments would also include BDCs that are affiliates of either the registered management investment company or affiliates of that company's affiliated persons in rule 17d–3(b)'s prohibition on multiple affiliated funds being party to the same agreement.

Lastly, the proposed amendments would modify several items on Form N–2 for regulated closed-end funds to provide disclosures regarding their multi-share class structures and master-feeder funds. General Instruction 1 for Parts A and B would be amended to describe how multi-class closed-end funds should organize Items 1 through 4. Item 1.c would be amended to require a description of securities for each class. The proposed amendment to Item 1.g would require the table of fund share prices to include a column for each class of securities. Item 3 would add a fees and expenses legend for all Form N–2 filers to the fee table and synopsis, along with instructions on how to present multi-class funds in this table. It also would add repurchase and exchange fees as types of ''other'' transaction fees in the fee table and synopsis for all filers. Amendments to Item 5 (plan of distribution) would require narrative disclosure about multi-class and master-feeder funds, including discussion of sales loads and rule 12b–1 fees. The proposed amendments to Item 20.1.c of Form N–2 would add disclosure about methods of allocation and payment of advisory fees by class. Item 24.4.g.(2).(B), which provides for average annual total returns over set periods, would require such information separately for each class or feeder fund. Lastly, Items 24.6 and 24.10 would instruct registered closed-end management companies and BDCs, respectively, to provide an expense example for each fund or class.

(a) Rule 18f–3

Benefits. The proposed amendments would permit regulated closed-end funds to rely on rule 18f–3 to offer multiple classes of their shares. As a result, shares in regulated closed-end funds could more readily be distributed via additional channels, allowing investors more options for investment in these funds to better match their preferences and expected investment horizon. For instance, investors with shorter expected investment horizons or that expect frequent reallocations may prefer a class with a lower upfront sales load or an ongoing service or distribution fee. Permitting regulated closed-end funds to offer multiple classes of shares would allow these funds to offer these options without incurring the costs of establishing duplicative fund infrastructure for each distribution channel.[361] We anticipate that the proposed amendments could result in broader adoption of regulated closed-end funds to the extent they become available in multiple share classes. These benefits may be mitigated to the extent that closed-end fund

[356] Rule 23c–3(b)(2)(iii).

[357] *See* rule 23c–3(b)(4)(ii). *See also* Electronic Submission of Applications for Orders Under the Advisers Act and the Investment Company Act, Confidential Treatment Requests for Filings on Form 13F, and Form ADV–NR; Amendments to Form 13F, Investment Company Act Release No. 34635 (Jun. 23, 2022) [87 FR 38943 (Jun. 30, 2022)].

[358] The provisions require the copies comply with the requirements for registration statements and reports under section 270.8b–12.

[359] This plan may be incorporated into the plan approved pursuant to rule 18f–3(d).

[360] *See* proposed rule 17d–3(a).

[361] *See supra* section I.B.

investors invest through intermediaries in share classes that do not carry sales loads, as has increasingly been the case with open-end fund investors.[362]

Currently, closed-end funds that intend to offer multiple share classes must obtain exemptive relief to do so. Providing an exemptive rule for regulated closed-end funds to issue multiple classes of shares would obviate this need and result in cost savings for new multi-class closed-end funds and their advisers. While exemptive relief is frequently granted to these funds, there can be substantial administrative overhead associated with obtaining it, which delays the launch of additional share classes and increases costs. Specifically, industry commenters have noted that applications for exemptive relief frequently entail significant processing time, including multiple iterations with SEC staff.[363] Providing a regulatory framework for regulated closed-end funds to issue multiple share classes would eliminate the costs associated with these applications for these funds and their advisers. While amendments to rule 0–5 adopted in 2020 streamlined the process for approving applications for exemptive relief under the Investment Company Act, we anticipate that eliminating this additional hurdle would result in meaningful cost savings for prospective multi-class regulated closed-end funds. We approximate that a typical multi-class exemptive application costs $15,480.[364] To the extent these cost savings are passed through to fund investors in the form of fee reductions, investors would benefit from the proposed exemptive rule as well. Additionally, to the extent that the costs associated with obtaining exemptive relief for multi-class regulated closed-end funds act as a significant barrier to their formation, the proposed amendments could result in new regulated closed-end funds with multiple classes of shares, which would lead to the benefits discussed above.

Costs. A regulated closed-end fund that chooses to rely on the proposed amendments to rule 18f-3 would incur compliance costs. Specifically, such regulated closed-end funds would be required to adopt a written plan approved by the board of directors, including a majority of directors who are not interested persons of the fund, setting forth the separate arrangements and expense allocations applicable to each class, including any differences in distribution arrangements, shareholder services, or fee structures.[365] However, because the exemptive relief the Commission has granted for regulated closed-end funds to offer multiple share classes has only been granted when the fund represented that it would comply with rule 18f–3, we anticipate that there would be no incremental economic costs to comply with rule 18f–3 for such funds.[366]

Similarly, a regulated closed-end fund that chooses to rely on the proposed amendments to rule 18f–3 would also be subject to substantive compliance obligations under rule 12b–1 that carry costs for funds and their boards to the extent they impose an asset-based distribution or service fee. Specifically, such funds would be required to adopt a written distribution plan approved by the board of directors, including a majority of directors who are not interested persons of the fund, among other requirements.[367] While each of these functions involves recurring compliance costs, as with rule 18f–3, no exemption has been granted for regulated closed-end funds to offer multiple share classes where the fund did not represent that it would comply with rule 12b–1. We therefore anticipate that there would be no incremental economic costs for multi-class regulated closed-end funds that impose asset-based distribution or service fees.[368]

A regulated closed-end fund that chooses to rely on the proposed amendments to rule 18f–3 that makes exchange offers involving a class of the fund's common stock would also be subject to rule 11a–3.[369] Such funds would bear the costs associated with compliance with rule 11a–3, including recordkeeping and notice requirements, as applicable.[370] The Commission has not granted an exemption to permit regulated closed-end funds to offer multiple share classes that did not include a representation that the fund would comply with rule 11a–3, so we anticipate that there would be no incremental economic costs for multi-class regulated closed-end funds that make exchange offers involving their common stock.[371]

The proposed amendments to permit regulated closed-end funds to offer multiple share classes would not carry direct costs for investors in these funds because the conditions in rule 18f–3 should adequately address the risks to shareholders associated with multi-class structures. In particular, the requirements that regulated closed-end funds adopt a written plan approved by the board of directors (including a majority of disinterested directors) setting forth separate arrangements and expense allocations applicable to each

[362] Intermediaries are increasingly compensated through asset-based fees paid directly to intermediaries by investors. *See supra* footnote 267.

[363] *See* Dechert Letter, stating that the six most recent closed-end fund multiple class exemptive applications (as of September 2019) had a median processing time (from initial filing to receipt of SEC order) of nine months, and required a median of two amendments, and that these costs are often absorbed by fund sponsors.

[364] This estimate assumes that a typical application for multi-class exemptive relief requires approximately 20 hours of drafting and review by a lawyer in the securities industry at a cost of $774 per hour. The actual cost may be higher or lower.

[365] *See supra* section II.D.1, *see also infra* section IV.C.

[366] This conclusion also applies to any new funds that would seek exemptive relief in the future, as we would expect these terms and conditions as well as this practice to persist absent the proposed rules. *See supra* footnote 245. While the compliance costs associated with rule 18f–3 would not represent incremental economic costs, we nevertheless provide an estimate of the compliance costs that funds would continue to incur. Specifically, we anticipate that 168 regulated closed-end funds would continue to incur ongoing costs of $16,056 per year. The $16,056 recurring estimate is based on the following calculations: fund boards of directors at $12,186 for 1 hour + attorneys at $774 for 5 hours ≈ $16,056. Occupational rates are calculated as described in *infra,* PRA Table 1 n.6. For additional details on estimates of burden hours and occupations involved, *see infra* sections IV.B and IV.C.

[367] *See infra* section IV.C.

[368] Again, this conclusion also applies to future funds seeking exemptive relief because we expect these terms and conditions as well as this practice to persist absent the proposed rules. *See supra* footnote 245. While the compliance costs associated with rule 12b–1 would not represent incremental economic costs, we nevertheless provide an estimate of the compliance costs that funds would continue to incur. Specifically, we anticipate that 168 regulated closed-end funds would continue to incur ongoing costs of $56,264 per year, obtained as an approximately $14,066 quarterly compliance cost multiplied by 4. The $14,066 recurring estimate is based on the following calculations: $14,062 (fund boards of directors at $12,186 for 1 hour + $462 for 4.06 hours) + $4 (costs for external services of $4) = $14,066. Occupational rates are calculated as described in *infra* PRA Table 1 n.6. For additional details on estimates of burden hours and occupations involved, *see infra* sections IV.B and IV.C.

[369] *See supra* section II.D.1.

[370] Rule 11a–3(a)(2)(i) requires that a fund maintain and preserve records of any determination of the costs incurred in connection with exchanges, while rule 11a–3(b)(8) requires that shareholders be given notice whenever an exchange offer is to be terminated or its terms are to be amended materially. *See also infra* section IV.B Table 1 note 1.

[371] This conclusion likewise applies to funds seeking exemptive relief in the future, as we assume these terms and conditions as well as this practice would remain the same. *See supra* footnote 245. While the compliance costs associated with rule 11a–3 would not represent incremental economic costs, we nevertheless provide an estimate of the compliance costs that funds would continue to incur. Specifically, we anticipate that 50 regulated closed-end funds would continue to incur ongoing costs of $609 per year. This $609 recurring estimate is based on the following calculations: a $458 blended wage rate for attorneys and general office clerks in the securities industry for 1.33 hours ≈ $609. Occupational rates are calculated as described in *infra,* PRA Table 1 n.6. For additional details on estimates of burden hours and occupations involved, *see infra* sections IV.B and IV.C.

class should help address potential conflicts of interest between different share classes. Additionally, the prohibition against a class bearing distribution fees or service fees attributable to another class should help limit cross-subsidization. The requirement that class-specific matters be submitted for approval solely by shareholders of that class should prevent a class from exercising control over another class at the latter's expense. The proposed amendments also include provisions specific to regulated closed-end funds, such as the requirement that a regulated closed-end fund offering to sell its common stock at a price other than the current NAV of such stock must make the same offer to all classes of common stock, ensuring that regulated closed-end fund shareholders are not diluted by such offerings without having the opportunity to participate.

To the extent that regulated closed-end funds issuing multiple share classes rely on distribution arrangements in which intermediary compensation is paid directly by investors to intermediaries rather than through fund-level charges, investors in such classes could face higher total costs. In particular, while fund-level sales charges and ongoing distribution or service fees are subject to FINRA rule 2341 (for interval funds) and FINRA rule 2310 (for non-traded BDCs), which impose limits on the aggregate compensation that distribution participants may receive, compensation arrangements negotiated directly between investors and their intermediaries are not counted toward the fund-level aggregate distribution-compensation caps of FINRA rules 2341 or 2310,[372] nor are they captured in the fund's prospectus fee table or expense ratio. As a result, an investor purchasing shares in a class designed for fee-based advisory platforms (such as advisory wrap or account-level fees in a fee-based program) or broker intermediaries may incur total costs, inclusive of the fees paid directly to the intermediary, that exceed the all-in costs of a class bearing fund-level sales loads or 12b–1 fees, without that differential being apparent from the fund's required disclosures. The existence of such directly negotiated fees are instead disclosed to the investor at the intermediary level.[373]

Separately, in contrast with the terms and conditions of existing exemptive orders, the proposed amendments would not require a regulated closed-end fund's sales and service charges to comply with FINRA rule 2341 (in the case of registered closed-end funds) or FINRA rule 2310 (in the case of BDCs). These rules, by their terms, apply only to the activities of FINRA members in connection with securities of interval funds (rule 2341) and BDCs engaged in public offerings (rule 2310). Thus, while the sales charges of these funds would continue to be subject to these FINRA rules, registered closed-end funds that are not interval funds or privately-offered BDCs would not need to comply with these rules as a condition of offering multiple share classes. Investors in such funds currently offering multiple share classes under an exemptive order would therefore no longer benefit from the limits on fees included in these rules.

(b) Rule 17d–3

Benefits. The proposed amendments to rule 17d–3 would permit multi-class regulated closed-end funds and their affiliated persons to enter into written arrangements for payments of distribution costs by the funds subject to conditions designed to address the conflicts of interest inherent in such arrangements. The primary benefit of this relief would be to enable them to compensate affiliated distributors through asset-based distribution and service fees structured under a rule 12b–1 plan rather than requiring the fund to rely solely on unaffiliated distributors or on distribution financing structures that do not involve payments from fund assets. In particular, while compliance with rule 12b–1 would be necessary for a multi-class regulated closed-end fund that would rely on proposed rule 18f–3(g) if the fund were to impose asset-based distribution fees, such funds are still prohibited under section 17(d) and rule 17d–1 from paying asset-based distribution fees to an affiliated distributor absent exemptive relief. By permitting these arrangements, the proposed amendments would allow regulated closed-end funds to leverage existing affiliate relationships to promote shares to new investors without necessitating the use of unaffiliated distributors or of distribution financing structures that do not involve payments from fund assets.

As regulated closed-end funds frequently apply for and are granted exemptive orders,[374] a practical benefit of the proposed amendments would be to lower compliance costs for regulated closed-end funds that seek to enter into arrangements with affiliated persons or underwriters to distribute fund shares. Specifically, the proposed amendments would exempt multi-class regulated closed-end funds, subject to certain protective conditions, from the restrictions on joint transactions in section 17(d) of the Investment Company Act and rule 17d–1 thereunder to the extent necessary to permit written agreements between a regulated closed-end fund and its affiliated persons or underwriters to make payments in connection with distributing its shares.[375] Allowing for these agreements without requiring an application to and approval from the Commission for exemptive relief would remove administrative frictions that result in substantial compliance costs for multi-class regulated closed-end funds. While Investment Company Act rule 0–5 mitigates these frictions by limiting the processing time for applications with recent precedent, they remain additive to regulated closed-end funds' registration process, requiring compliance resources and potentially delaying the funds' operations. Thus, we anticipate that eliminating this additional hurdle would result in meaningful cost savings for multi-class regulated closed-end funds seeking to enter distribution arrangements with affiliated persons or underwriters.[376]

Costs. We do not anticipate that the proposed amendments to rule 17d–3 would result in new costs for funds or their advisers. The proposed amendments would create a narrow

[372] *See* FINRA rules 2341(b)(8) and 2310(b)(4)(B).

[373] When making a recommendation of any securities transaction or investment strategy involving securities to a retail customer, a broker-dealer must disclose, among other things, the material fees and costs applicable to the customer's accounts under the Regulation Best Interest disclosure obligation (Exchange Act rule 15l–1(a)(2)(i)(A)). Broker-dealers must also disclose their principal fees and costs that retail investors will incur, along with other fees and costs that the retail investor will pay directly or indirectly in its Form CRS. A broker-dealer also has an obligation to provide a confirmation under Exchange Act Rule 10b–10(a)(2)(i)(B), which requires a broker to disclose ''the amount of any remuneration received or to be received by the broker from such customer in connection with the transaction unless remuneration paid by such customer is determined pursuant to written agreement with such customer, otherwise than on a transaction basis,'' and under 10b–10(a)(2)(i)(D), which requires a broker, at or before completion of a customer transaction, to disclose ''[t]he source and amount of any other remuneration received or to be received by the broker in connection with the transaction: Provided however, that if, in the case of a purchase, the broker was not participating in a distribution, or in the case of a sale, was not participating in a tender offer, the written notification may state whether any other remuneration has been or will be received and the fact that the source and amount of such other remuneration will be furnished upon written request of such customer.'' An investment adviser must disclose its advisory and wrap-program fees in its Form ADV Part 2A brochure (Item 5, and Appendix 1 for wrap-fee programs) and Form CRS (Advisers Act Rules 204–3 and 204–5).

[374] *See supra* section III.D.2.

[375] *See* proposed rule 17d–3.

[376] *See infra* request for comment #82.

exemption allowing regulated closed-end funds offering multiple classes of shares in reliance on rule 18f–3 to compensate affiliates in connection with the distribution of fund shares in reliance on rule 17d–3, conditioned on compliance with rule 12b–1 and the prohibition on joint sharing of distribution costs among affiliated registered management investment companies and BDCs. As the multi-class relief in proposed rule 18f–3(g) would be conditioned on compliance with rule 12b–1 as if the fund were a registered open-end management company, the proposed condition that multi-class regulated closed-end funds relying on rule 17d–3 comply with rule 12b–1 would not impose any additional cost on these funds. Additionally, the proposed condition restricting the joint sharing of distribution costs among affiliated registered management investment companies and BDCs defines the limits of the proposed relief that would be provided under 17d–3 as amended rather than imposing an affirmative obligation. Accordingly, the proposed amendments to rule 17d–3 would not generate incremental compliance burdens for regulated closed-end funds.

We also do not anticipate the proposed amendments would carry separate costs for regulated closed-end fund investors. The requirements in rule 17d–3 that funds' agreements with affiliates to make payments in connection with the distribution of their shares be made in compliance with rule 12b–1 and that each fund must have its own agreement should limit the risks that such agreements benefit funds' affiliates at the expense of their investors.[377]

(c) Disclosures and Reporting

Benefits. The proposed disclosure requirements for regulated closed-end funds with multiple share classes would help investors better understand the multiple share class and fee structures that would be permitted under the proposal and help ensure that the information presented to prospective investors in multiple-class regulated closed-end funds is comparable across multiple class closed-end funds and consistent with corollary disclosure required of multiple class open-end funds. Most of the proposed amendments to Form N–2 would provide instruction on how to adapt existing Form N–2 disclosure items to multi-class or master-feeder structures.[378] While existing exemptive orders have required such funds to provide disclosure similar to that provided in Form N–1A in their registration statements and shareholder reports, the requirements for presenting information about a fund's classes in the proposed Form N–2 amendments would provide specificity and would be standardized across registrants. For instance, Instruction 3A of Item 3 would specify how the fee table should be adapted for multi-class structures and would require that descriptive information on fee operations be provided as a separate response for each class.[379] The proposal would thus make it easier to compare material across both classes and funds.

Apart from specifying the application of regulated closed-end fund disclosures to multi-class and master-feeder fund structures, the proposed amendments to Form N–2 would include an enhanced disclosure requirement specific to multi-class or master-feeder funds. Specifically, the proposal would amend an instruction in Item 3 to require a feeder fund to reflect the aggregate expenses of the feeder fund and the master fund in a single fee table, more closely conforming to the corresponding instructions in Form N–1A regarding the treatment of master-feeder funds. In addition, Item 5 would be amended to require from these funds a detailed narrative disclosure, including information about sales loads and 12b–1 fees. This information would help prospective fund investors understand the available methods for purchasing fund shares and the implications of each option. For instance, this item requires disclosure of the procedure an investor may need to follow, as well as the necessary records she may need to maintain, in order to obtain a breakpoint discount on a sales load.

Additionally, certain proposed amendments to Form N–2 would apply to all regulated closed-end funds that file the form. All Form N–2 filers would be required to include a standardized legend in the fee table and synopsis of their prospectus indicating that investors may pay other fees in addition to those fund expenses presented in the table.[380] This disclosure, which also is required in registered open-end fund prospectuses,[381] would also include language highlighting the existence of discounts and breakpoints for sales loads, helping to ensure regulated closed-end fund investors are aware of options that may be beneficial to them.[382] All Form N–2 filers also would be required to use a $10,000, rather than $1,000, investment amount for purposes of the expense example in the prospectus. A $10,000 investment amount may provide a more representative example than the $1,000 investment amount currently used for the expense example. The proposed amendments would also require an expense example, by fund or class (as applicable), in the semi-annual and annual reports of registered closed-end funds and BDCs, as applicable.[383] The expense example would provide, in percentage terms and in dollars assuming a $10,000 initial investment, the expenses of the fund over the prior six months or year, as applicable. This information would benefit regulated closed-end fund investors by helping them understand the fees charged by these funds in light of the expanded fee types that would be permitted under the proposal.[384] Taken together, these proposed disclosures would benefit investors in regulated closed-end funds by helping to ensure they have access to the same depth and detail of information about the regulated closed-end funds they are comparing as do investors in registered open-end funds.

Lastly, we are proposing a change to Item C.2 of Form N–CEN, the annual report for registered investment companies, to require new information about registered closed-end funds with multiple share classes. Specifically, we are proposing to amend Item C.2 by removing ''open-end'' from the form. Item C.2 currently asks for information about the number of share classes a fund has authorized, how many new classes were issued during the reporting period, how many classes were terminated during the reporting period, and other

[377] Affiliated distribution arrangements can create conflicts of interest because an affiliated distributor has a direct economic stake in higher fees. Compliance with rule 12b–1 addresses this conflict by requiring independent board approval, ongoing oversight, and limits on the purpose and amount of fees. *See supra* section II.D.2.

[378] As with funds offering multiple classes of shares, many master-feeder structures offer separate vehicles with identical exposure to the same single underlying portfolio. *See supra* section II.D.3. The only proposed disclosure requirement of this sort relating to master-feeder structures is the proposed instruction regarding the average annual total returns chart in shareholder reports pursuant to Item 24.4.g.(2)(B) of Form N–2. *See supra* section II.D.3.f.

[379] The other Form N–2 provisions that we are proposing to amend to adapt existing disclosures to multi-class structures are General Instruction 1 for Parts A and B, Item 1.c, Item 1.g, Item 20.1.c, and Item 24.4.g.(2)(B).

[380] *See* proposed Item 3 of Form N–2.

[381] *See* Item 3 of Form N–1A.

[382] *See supra* footnote 149.

[383] Item 24.6 of Form N–2 would require this information to be provided by all registered closed-end funds in their semi-annual reports. Item 24.10 would require the same information (over the prior year) to be provided by all BDCs in their annual reports.

[384] *See supra* sections II.A.6 and II.D.1.

identification information including the full name of the class. The proposed amendment would extend these reporting requirements to registered closed-end management companies. Currently this information is only required of registered open-end funds. This information would help the Commission and staff better understand the use of multiple share classes by registered closed-end funds and how they change over time, thereby reducing the information asymmetry between registered multiclass closed-end funds and open-end funds. The proposed amendments to Form N–CEN would also enhance the Commission's ability to monitor regulated closed-end funds for compliance with the securities laws, including the proposed amendments to rule 18f–3. Specifically, the requirement that registered closed-end management companies report the number of share classes authorized, the number of classes added or terminated during the reporting period, and identifying information for each class with shares outstanding, would enable Commission staff better to identify funds that may be operating outside the conditions of rule 18f–3.

Costs. Regulated closed-end funds would face ongoing costs to comply with these amendments. All costs could affect interval fund shareholders to the extent these costs are paid by the funds rather than the adviser. We estimate an increase in compliance costs of $6,168 annually per filer for all Form N–2 filers, reflecting the enhanced expense disclosure requirements applicable to all regulated closed-end funds.[385] We also estimate an additional increase in compliance costs of $6,168 annually per filer for the approximately 191 filings related to multiple share class or master-feeder fund registrants, reflecting the additional class-specific disclosure requirements applicable to those filers.[386]

Additionally, we estimate that the proposed amendments to Form N–CEN would increase the number of internal hours by one hour per filing for a monetized ongoing annual cost of $605 per filing.[387] This cost should be interpreted as an average across all registered closed-end management investment companies filing Form N–CEN, not just those with multiple share classes. However, we anticipate the reporting burden for single-class funds would be substantially lower as they would only need to report one class without additions or terminations. Conversely, for funds with multiple classes that have additions or terminations during the reporting period, the burden would be higher than the one-hour average, as such funds would need to compile and report identifying information for each class affected by a change.

5. Aggregate Monetized Benefits and Costs

Throughout this economic analysis, we have estimated monetized benefits and costs per affected entity/filing. In this section, we present aggregate measures of these monetized effects across entities and time. These aggregates include only benefits and costs that are monetized in the economic analysis and thus do not encompass all of the proposed amendments' benefits and costs. In particular, we are unable to quantify the benefits that would be associated with the proposed amendments to interval fund liquidity requirements during repurchase offer periods, more frequent discretionary repurchases, and longer initial deferral periods. In addition, actual benefits or costs may vary across entities depending on their existing practices and whether those practices continue after the proposed amendments. As noted above, these costs largely do not reflect new costs resulting from the proposed amendments because they capture costs already borne by affected funds in order to comply with their exemptive orders. Additionally, we were not able to quantify the extent to which interval fund returns may increase as a result of the proposed modifications to the interval fund liquidity requirement during the repurchase offer period.[388]

(a) Initial and Annual Aggregate Monetized Benefits and Costs

Tables 9 and 10 report the cost savings (*i.e.,* benefits) and costs, respectively, that are monetized in this economic analysis, aggregated across all affected entities and instances of compliance/filing/etc. each year. To aggregate these monetized effects we use estimates of the number of affected parties/filings [389] and burdens under the Paperwork Reduction Act in Section (''PRA'') as well as staff estimates of cost savings due to fund complexes no longer seeking exemptive relief.

We estimate that the proposed amendments would yield aggregate annual cost savings (*i.e.,* benefits) of approximately $495,360 annually, as shown in Table 9.

[385] The $6,168 recurring estimate is based on the following calculations: $4,620 (blended wage rate of $462 per hour for an accountant and auditor, paralegal and legal assistant, and attorney for 10 hours) + $1,548 ($774 per hour for an attorney for 2 hours) = $6,168. Occupational rates are calculated as described in *infra,* PRA Table 1 n.6. For additional details on estimates of burden hours and occupations involved, *see infra* sections IV.B Table 2 and IV.C.

[386] *Id.*

[387] The $605 recurring estimate is based on the following calculations: $605 (blended wage rate of $605 per hour for attorneys and computer programmers for 1 hour). Occupational rates are calculated as described in *infra,* PRA Table 1 n.6. For additional details on estimates of burden hours and occupations involved, *see infra* sections IV.B Table 2 and IV.C.

[388] *See supra* section III.C.2.

[389] *See supra* section III.B.2.

Table 9: Aggregate Monetized Benefits (2026 Dollars)

Requirement	Annual Benefit Per Affected Entity (B)	Estimated Number of Affected Entities (C)	Aggregate Annual Benefit (D) [(B) x (C)]
Cost savings from no longer seeking exemptive relief	$15,480[a]	32[b]	$495,360
Total			$495,360

[a] *See supra* footnote 364.

[b] Over five years ending July 2026, there have been 152 exemptive orders permitting multi-class regulated closed-end funds and 8 exemptive orders permitting monthly interval funds. *See supra* footnotes 262 and 269. This results in a total of 160 multi-class or monthly exemptive orders over that period for an average of 32 such orders annually. Consistent with this, the analysis assumes that 32 funds would realize the cost savings from no longer applying for exemptive relief every year.

We estimate that the proposed amendments would yield aggregate costs of approximately $5,474,969 annually, as shown in Table 10.

Table 10: Aggregate Monetized Costs (2026 Dollars)[a]

Requirement	Annual Cost Per Affected Entity (B)	Estimated Number of Affected Entities (C)	Aggregate Annual Cost (D) [(B) x (C)]
Form N-2 Multiple Share Class and Master Feeder Closed-End Funds	$6,168[b]	191[c]	$1,178,088
Form N-2 All Registered Closed-End Funds	$6,168[b]	427[d]	$2,633,736
Form N-CEN	$605[e]	2,749[f]	$1,663,145
Total			$5,474,969

[a] The costs associated with rules 11a-3, 12b-1, 18f-3, and 22d-1 discussed in section IV.C are not reflected in this table, as our exemptive orders have included substantially the same requirements, and thus there would be no incremental economic cost. *See supra* sections III.C.1.f) and III.C.4.a).

[b] *See supra* footnote 386.

[c] *See infra* section IV.B. Table 1 n.7.

[d] *See infra* section IV.C. Table 2 n.1.

[e] *See supra* footnote 388.

[f] *See infra* section IV.C. Table 2 n.1.

(b) Present Values and Annualized Values of Aggregate Monetized Benefits and Costs

Consistent with the requirements of Executive Order 12866, the Commission reports estimated total monetized benefits and costs for all affected entities in two additional ways specified in OMB Circular A–4.[390] These two presentations address the fact that the benefits and costs may accrue at different points in time, and that benefits and costs realized sooner are generally more valuable than those realized later.[391]

We report (1) the present values of expected benefits and costs that are monetized in our economic analysis, aggregated across all affected entities over a 10-year time horizon starting in 2026, and (2) the annualized values over the same time horizon, derived from the present values. This time horizon represents the period over which the principal benefits and costs that are monetized in the Economic Analysis are expected to accrue.[392] The present values and annualized values account for the timing of benefits and costs through discounting, which is a procedure that accounts for the time value of money.[393]

Table 11 reports the present values of the aggregate monetized benefits and costs from Tables 9 and 10, combining monetized benefits and costs. The analysis uses annual real discount rates of three percent and seven percent over a 10-year time horizon, starting in 2026.[394] As shown in Table 11, we estimate that the present value of total monetized benefits is about $4,288,436 using a three percent discount rate and about $3,598,914 using a seven percent discount rate. We estimate that the present value of total monetized costs is about $47,397,958 using a three percent discount rate and about $39,777,014 using a seven percent discount rate.

Table 11: Present Value of Monetized Benefits and Costs over 10 years from 2026 to 2035 (in 2026 dollars)

Estimated Effects[a]	3% real discount rate	7% real discount rate
Benefits	$4,288,436	$3,598,914
Costs	$47,397,958	$39,777,014

Notes:

[a] For each discount rate, the present value calculations are based on these assumptions: (i) all one-time monetized costs are incurred immediately and not discounted; (ii) all recurring annual monetized benefits and costs begin to accrue in the year in which affected entities first comply; (iii) recurring monetized benefits and costs begin to accrue in the year in which affected entities first comply. In (ii) and (iii), we assume that monetized benefits and costs occur in a steady stream, and we use a mid-year discount rate

Table 12 reports annualized aggregate monetized benefits and costs using real discount rates of 3 percent and 7 percent over a 10-year horizon.[395] The lump sum present values of aggregate monetized benefits and costs reported in Table 11 are converted in Table 12 into a constant stream of annualized benefits and costs over a 10-year time horizon, starting in 2026.[396] Annualized benefits and costs may differ from an aggregation of the recurring monetized annual benefits and costs discussed earlier in the Economic Analysis because they incorporate the timing of benefits and costs through discounting, and combine one-time and recurring benefits and

[390] *See* E.O. No. 12866 (Sep. 30, 1993), 58 FR 51735, 51741 (Oct. 4, 1993) (requiring agencies to provide an analysis of benefits, costs, and regulatory alternatives to OIRA for significant regulatory actions); OMB, Circular A–4, at 31–34, 45 (Sep. 17, 2003) (providing guidance to agencies regarding compliance with E.O. 12866); *see also* E.O. No. 14215 (Feb. 18, 2025), 90 FR 10447, 10448 (Feb. 24, 2025) (requiring all Federal agencies, including the Securities and Exchange Commission, to comply with E.O. No. 12866). In addition, E.O. 14192 requires agencies to provide their best approximation of the total costs or savings associated with each new regulation or repealed regulation consistent with the analyses required by E.O. 12866. *See* E.O. No. 14192 (Jan. 31, 2025), 90 FR 9065, 9066 (Feb. 6, 2025). Although Circular A–4 applies to only significant regulatory actions under section 3(f) of E.O. 12866 and OIRA has determined this rulemaking is not significant, we are providing these additional analyses in this release to promote transparency and comparability of aggregate monetized benefits and costs across our rulemakings. *See infra* section VII. For purposes of approximating the total cost savings and costs under E.O. 14192, the Commission uses the annualized monetized benefits and costs using a real discount rate of 7 percent. *See* Table 12 and accompanying discussion.

[391] *See* Circular A–4, at 32.

[392] *See id.* at 31 (stating that ''[t]he ending point should be far enough in the future to encompass all the significant benefits and costs likely to result from the rule''). For the purposes of this analysis, we assume the effective date of the proposal, as well as the start year for the analysis's time horizon, is the present year. The analysis uses calendar years and accounts for the compliance periods included in the release (*see* note a in Table 11).

[393] *See id.* at 32 (''The Rationale for Discounting'') and 45 (''Treatment of Benefits and Costs over Time''); *see also* OIRA, Regulatory Impact Analysis: A Primer, at 11 (Aug. 15, 2011), *available at https://www.reginfo.gov/public/jsp/Utilities/circular-a-4_regulatory-impact-analysis-a-primer.pdf* (''To provide an accurate assessment of benefits and costs that occur at different points in time or over different time horizons, an agency should use discounting. Agencies should provide benefit and cost estimates using both 3 percent and 7 percent annual discount rates expressed as a present value as well as annualized.''); Harvey S. Rosen & Ted Gayer, Public Finance 151 (8th ed. 2008) (defining present value as ''the value today of a given amount of money to be paid or received in the future'').

[394] This approach is consistent with OMB Circular A–4. See CIRCULAR A–4, at 31–34 (stating that, ''[f]or regulatory analysis, [agencies] should provide estimates of net benefits using both 3 percent and 7 percent'' discount rates and discussing why those rates are reasonable default rates). Also, we use a mid-year discount rate. See OMB, CIRCULAR A–94, at 21–22 (Oct. 19, 1992) (stating that, ''When costs and benefits occur in a steady stream, applying mid-year discount factors is more appropriate.'').

[395] This approach is consistent with the recommended treatment of benefits and costs over time in Circular A–4. *See id.* at 45 (''You should present annualized benefits and costs using real discount rates of 3 and 7 percent'').

[396] For each discount rate, the annualized monetized benefits (costs, respectively) in Table 11 represent the constant annual stream of benefits (costs, respectively) whose present value over the time horizon equates the corresponding present value in Table 10. *See* note a, Table 11 for additional calculation details.

costs.[397] As shown in Table 12, we estimate that annualized total monetized benefits are about $495,360 per year and that annualized total monetized costs are about $5,474,969 per year. The annualized total monetized benefits and costs do not change with the discount rate because the benefits and costs that are monetized in this economic analysis are realized in constant annual amounts.

Table 12: Annualized Monetized Benefits and Costs over 10 years from 2026 to 2035 (in 2026 dollars)

Estimated Effects[a]	3% real discount rate	7% real discount rate
Benefits	$495,360	$495,360
Costs	$5,474,969	$5,474,969

[a] For each discount rate, the annualized values are calculated by dividing the corresponding present values in Table 11 by the sum of discount factors over the time horizon. The discount factor in year t of the time horizon is equal to $1/(1 + \text{discount rate})^{(t-0.5)}$.

D. Effects on Efficiency, Competition, and Capital Formation

Efficiency: The proposed amendments would likely lead to efficiency improvements for regulated closed-end funds. Replacing the prescriptive requirement that interval funds hold liquid assets equal to 100 percent of the repurchase offer amount during each offer window with the proposed principles-based liquidity standard could reduce cash drag and permit more investor capital to be deployed to its highest expected-return use. Under the proposal, funds would be required to manage portfolio liquidity so they can satisfy repurchase requests without selling assets at prices that deviate significantly from value, allowing advisers to rely on multi-layered liquidity management rather than maintaining excess low-yield liquidity. This recalibration, in tandem with operational flexibilities such as a two-year deferral of the initial repurchase offer and optional monthly or more frequent discretionary repurchases, could improve productive efficiency by better matching liquidity obligations to the timing of portfolio cash generation.

Other efficiency gains would be allocative in nature, with the potential to better align varied investor preferences with the characteristics of available investment vehicles. For instance, some investors may be willing to tolerate longer periods of illiquidity in exchange for higher expected returns. The proposed amendments extending the amount of time that most interval funds would be able to defer their first repurchase offer could lead to the launch of new interval funds that offer such investors a better match for their investment horizon. Additionally, codifying routine exemptive relief for monthly interval funds could allow additional semi-liquid investment options for investors that may require some liquidity more frequently than quarterly. Separately, the proposed multi-share class amendments could increase the number of sales charge structures (such as front-end sales loads) available to investors in regulated closed-end funds, which would allow investors to purchase shares in these vehicles via the structure that best aligns with their specific investment criteria, including the expected amount and time horizon of the investment.[398]

Lastly, the proposed amendments would enhance informational efficiencies for investors in regulated closed-end funds. By amending Form N–2 to require an expense example in regulated closed-end funds' shareholder reports,[399] a fees-and-expenses legend to the Form N–2 fee table,[400] enhanced disclosures and reporting about multiple share classes and master-feeder structures,[401] and class-level Form N–CEN reporting,[402] the proposal would lower investor search costs by making total cost-of-ownership more salient and directly comparable across interval funds and multi-class regulated closed-end funds. Reduced search costs would in turn make it easier for investors to identify the lowest-cost share classes.

Competition: Broadly, the amendments would allow interval funds to organize and operate with additional flexibility. We anticipate competitive effects would result from this flexibility. For instance, the proposed change from a prescriptive liquidity requirement for interval funds during repurchase offer periods to a principles-based approach would more effectively allow fund advisers to deploy investor capital, which would in turn promote competition among interval funds on yield or on principal stability. Additionally, the proposed amendments would also allow the interval fund vehicle to be more competitive with other semi-liquid vehicles such as BDCs and tender offer funds which are generally less constrained in their liquidity requirements and repurchase timing. In particular, the additional portfolio flexibility afforded by the principles-based liquidity standard, the extended deferral of the first repurchase for most interval funds, and the more frequent discretionary repurchase option would better enable interval funds to compete with BDCs and tender offer funds along these dimensions.

We anticipate that permitting regulated closed-end funds to offer multiple share classes would increase competition among these funds, both for inclusion within various distribution channels and for asset flows within them. By permitting regulated closed-end funds to offer share classes with differentiated distribution financing structures, the proposed amendments would remove a structural barrier that, absent exemptive relief, limits which funds are compatible with a given distribution channel. For example, a regulated closed-end fund able to offer a class without an ongoing distribution

[397] The annualized benefits and costs present these values over the 10-year time horizon, starting in the present year.

[398] *See supra* section II.D.

[399] *See* proposed Item 24.6.g of Form N–2.

[400] *See* proposed amendment to Item 3 of Form N–2.

[401] *Id.*

[402] *See* proposed amendment to Item C.2 of Form N–CEN.

fee could compete more directly with other products on platforms in which intermediaries are directly compensated by investors rather than via the assets of the funds that they recommend. Because a single-class fund can generally structure its shares to be compatible with only a subset of distribution channels, the proposed amendments would allow a given regulated closed-end fund to compete simultaneously in channels that it would otherwise need to forgo absent exemptive relief to offer a multi-class structure. This would broaden the range of products competing for investor capital within each channel and expand investor choice among funds pursuing strategies that may not otherwise be offered through a particular channel.

However, the benefits of this increased distribution flexibility may not be realized uniformly across regulated closed-end fund sponsors. Because the fixed costs of establishing and administering a multi-class structure can be spread across a larger asset base,[403] sponsors with greater scale, a broader fund complex, or more extensive distribution relationships may be better positioned to launch and support multiple share classes at lower marginal cost than smaller or newer sponsors. As a result, larger fund complexes may be more likely than smaller sponsors to introduce new multi-class regulated closed-end funds or convert existing single-class funds into multi-class structures, potentially reinforcing existing scale-related advantages among regulated closed-end fund sponsors even as the proposed amendments lower the absolute cost, relative to the current exemptive order process, of establishing a multi-class structure for funds of any size.

Capital Formation: We anticipate the amendments would encourage capital formation among companies that are funded by regulated closed-end funds. To the extent the proposed amendments result in more semi-liquid funds that better align with investors' preferences, the supply of investor capital to such companies would increase. Certain proposed amendments could have varying effects across funds. For instance, we anticipate that interval funds with longer periodic intervals would experience greater benefits from the proposed principles-based liquidity framework than would funds with shorter intervals, as funds with longer intervals may have more scope to hold a higher percentage of net assets in less liquid investments without compromising their ability to meet their periodic repurchase obligations. To the extent this is the case, the proposed liquidity amendment may facilitate capital formation for companies and strategies that rely on longer-duration financing arrangements with interval funds. By contrast, the proposed addition of monthly intervals to the set of permissible intervals under rule 23c–3 could increase capital formation for issuers that generate monthly cash flows, such as companies that generate rental income or residential mortgage-backed securities.[404] Other elements of the proposed amendments, such as codifying multi-class relief in regulated closed-end funds, could broadly increase the supply of investor capital by encouraging the creation of share classes with distribution and fee structures that are compatible with more investors' preferences.

More generally, we anticipate that the proposed amendments could lead to the creation of more semi-liquid vehicles, which would likely facilitate intermediation between investors and companies that require funding and would likely lower the cost of capital for those companies. The resulting capital formation may be stronger for private companies that rely on direct lending, private credit, and private equity secondary strategies, which are the strategies for which interval funds are now more commonly used.[405] To the extent the proposed amendments allow more capital to flow into these strategies through interval funds, companies that borrow from or are owned by these funds would have access to a broader and more competitively priced capital base.

These capital formation benefits, however, are not without downside risk. Replacing the current prescriptive liquidity requirement with the proposed principles-based standard could, in some circumstances, result in a fund holding less liquid assets than it otherwise would to meet repurchase requests, particularly during periods of market stress when asset values are declining and repurchase demand is elevated.[406] If a fund's liquidity policies and procedures do not adequately anticipate such conditions, the fund could be compelled to sell portfolio assets at a discount to meet repurchase obligations. Such sales could depress the market value of the affected assets more broadly, which in turn could increase borrowing costs and reduce the availability of credit for the companies whose securities or loans are held by the fund. This risk would be mitigated by the requirement that a fund's board adopt and oversee liquidity risk management policies and procedures under rule 38a–1, as well as by fund advisers' own incentives to avoid dilutive asset sales in order to preserve returns and retain investor capital, although these mitigants may be less effective during periods of severe or sustained market stress affecting many funds simultaneously.[407]

E. Reasonable Alternatives

1. Longer Interval-Scaled Deferral of First Repurchase Offer

The proposed amendments would permit an interval fund of any repurchase frequency to defer its first repurchase offer by two years.[408] Alternatively, the Commission could have proposed that interval funds be permitted to defer their first repurchase by a proportional amount that is larger than the two-times repurchase frequency length that is currently permitted. For instance, the Commission could have proposed to permit interval funds to defer their first repurchase for as long as four times their repurchase frequency. Under this alternative, a newly registered monthly interval fund could wait up to four months to make its first repurchase offer, while a newly registered interval fund with a yearly repurchase frequency would have up to four years. Relative to the proposed amendments, this alternative would offer greater flexibility to interval funds with less frequent repurchase offers than to those with more frequent repurchase offers. Any annual interval funds in particular would benefit from an extended ''ramp up'' period which may allow them sufficient time to establish portfolios that more closely resemble those in private equity or venture capital funds.[409] In doing so, this alternative would encourage the formation of funds accessible to investors that are not accredited investors but that are willing to bear liquidity risk in exchange for a higher expected return. This risk involves the possibility that investors lock up their capital for longer periods and cannot access it if they face unexpected liquidity needs. The risk of unexpected liquidity needs coinciding

[403] These costs may include the costs of designing and documenting a rule 18f–3 plan, negotiating platform-level operational and recordkeeping arrangements for each new class, and ongoing board oversight of class-specific arrangements.

[404] *See supra* section III.C.1.b).

[405] *See* Burdon, *supra* note 210.

[406] *See supra* section III.C.2.

[407] *Id.*

[408] *See supra* section II.A.1.

[409] While there may be interval funds with annual repurchase frequency in the future, there are currently no such interval funds in operation. *See* Table 5.

with an extended deferral period would be heightened if the fund's repurchase offer amount is low or if many other investors make repurchase requests following the first repurchase offer.

Relatedly, this alternative would make it more likely that interval funds would construct portfolios with durations scaling with the time between each repurchase offer. Under the proposed fixed two-year period, monthly or quarterly interval funds may be able to stagger longer-term portfolio investments during the ''ramp up'' period so that the investments are expected to return cash during successive repurchase offers.[410] By contrast, this alternative would permit deferrals of up to 4 months, 1 year, 2 years, and 4 years for monthly, quarterly, semi-annual and annual interval funds, respectively. Monthly and quarterly interval funds' portfolios would have less time to produce cash flows prior to the start of their periodic repurchase offers under this alternative relative to the proposed fixed two-year deferral period. As a result, relative to the proposal, this alternative would likely result in higher-frequency interval funds offering more liquid portfolios and lower-frequency interval funds offering less-liquid portfolios. Relative to the proposal, this outcome could decrease the risk that repurchase requests persistently run ahead of available portfolio liquidity, but it would not accommodate interval funds with liquidity profiles that some investors may prefer.

2. Lower Repurchase Offer Minimums for Monthly Interval Funds

Rule 23c–3(a)(3) permits repurchase offer amounts between five percent and 25 percent of an interval fund's shares outstanding regardless of the length of the fund's interval. As an alternative, the Commission could propose allowing monthly interval funds to make repurchase offers for lower percentages of outstanding fund shares. For instance, permitting a monthly interval fund to repurchase as little as two percent of its outstanding shares would allow the fund to frequently offer limited liquidity while keeping the annual percentage repurchased roughly comparable to a quarterly interval fund repurchasing five percent of its outstanding shares each quarter. In doing so, the monthly fund could offer more frequent liquidity to investors without experiencing cash drag that results from a higher portion of its portfolio needing to be liquid in a given year. Investors would also benefit to the extent monthly funds would have higher returns given reduced cash drag. However, permitting smaller monthly repurchase offers could exacerbate periods where investor repurchase requests are persistently higher than repurchase offers.[411]

3. Permit Multiple Share Classes for All Regulated Closed-End Funds

As proposed, amended rule 18f–3 would be available to only regulated closed-end funds whose common stock is not listed, offered, or traded on a secondary market. The Commission could instead extend the multiple share class exemption to exchange-listed regulated closed-end funds, subject to additional conditions designed to address structural issues that may arise when a fund simultaneously maintains exchange-traded share classes and continuously offered share classes representing interests in the same portfolio. Under this alternative, an exchange-listed regulated closed-end fund would be permitted to offer one or more continuously distributed share classes (possibly carrying sales loads or ongoing 12b–1 distribution fees) alongside its exchange-traded shares, which would trade at market-determined prices on a national securities exchange. This structure would be broadly analogous to arrangements that have emerged in the registered open-end fund context, where certain funds offer both exchange-traded share classes and traditionally distributed share classes representing interests in the same portfolio.[412] Extending the multiple share class exemption to exchange-listed regulated closed-end funds would also extend the distribution flexibility of the proposed rule to a segment of the regulated closed-end fund market that has historically lacked access to multi-class distribution structures.

Relative to the proposed rule, one benefit of this alternative would be its potential to offer investors with varying liquidity preferences and risk tolerance alternate wrappers to the same underlying portfolio. For instance, investors that prefer the opportunity to periodically access partial liquidity at NAV may prefer to purchase interests in a class of shares with periodic repurchase offers pursuant to rule 23c–3. Other investors that prefer more immediate secondary market liquidity and can tolerate price volatility may instead buy listed shares representing the same underlying portfolio at a market price. Where listed shares trade at a discount to the underlying portfolio's NAV, there may also be opportunities for the fund to take actions that benefit all shareholders. If the fund buys back listed shares at a price between NAV and the traded price, shareholders in both the listed and unlisted classes would benefit from portfolio accretion while holders of listed shares would experience additional upside if they bought their shares at a discount to the offered price. More generally, this alternative could offer additional inflows to regulated closed-end fund portfolios, which would have the potential to meaningfully expand a fund's investor base. After the initial offering of their shares, exchange-listed closed-end funds are currently accessed solely through the secondary market and do not benefit from the intermediary distribution networks through which unlisted interval funds and tender offer funds reach investors. Permitting exchange-listed funds to offer continuously distributed share classes alongside their exchange-traded shares would allow these funds to reach investors who access investment products through broker-dealer platforms, registered investment adviser managed accounts, or employer-sponsored retirement plans, and who may not have ready access to exchange-traded securities through those channels. This could meaningfully expand the investor base for exchange-listed closed-end funds, which would facilitate economies of scale that can benefit all shareholders by spreading fixed costs over a larger asset base.

This alternative would present novel investor protection challenges. Most significantly, a fund with both exchange-traded and continuously offered share classes would provide shareholders of different classes with fundamentally different pricing and liquidity experiences. Exchange-traded shareholders would buy and sell shares at market-determined prices that may reflect a discount or premium to NAV, while continuously offered shareholders would purchase shares at NAV plus any applicable sales load and, if the fund is an interval fund, would access liquidity through periodic repurchase offers at NAV. As a result, the shareholders in the listed classes may have different and potentially conflicting interests with shareholders in continuously offered classes. For instance, while a portfolio's liquidity supports repurchase offers (either periodic or one-time) for holders of continuously offered fund shares,

[410] *See* request for comment #81.

[411] *See supra* section III.C.1.b.

[412] *See, e.g.,* Inv. Co. Inst., Greater Flexibility for Investors via Multiple Fund Share Classes, *available at https://www.ici.org/system/files/2025-04/25-etf-share-class.pdf.*

holders of listed shares could experience lower returns due to cash drag while not experiencing the same liquidity benefits a more liquid portfolio can provide. More generally, unlike continuously offered fund shares, listed closed-end fund shares generally do not provide a fund with additional capital following their initial public offering. If interests were to diverge across these share classes, fund advisers may have greater incentives to favor the interests of the continuously offered share classes.

4. Targeted Liquidity Management Carve-Outs

Rather than replacing the 100 percent liquid assets requirement with a fully principles-based standard, the Commission could have proposed targeted carve-outs recognizing specific liquidity management techniques as satisfying the prescriptive requirement. For example, the amended rule could provide that a fund satisfies the liquidity requirement if it holds liquid assets equal to a specified percentage of the repurchase offer amount (*e.g.,* 50 percent) and maintains a committed credit facility sufficient to cover the remaining amount, or if the fund's portfolio generates scheduled cash flows (from loan amortization, interest payments, or asset maturities) exceeding the repurchase offer amount within the repurchase payment deadline.

This alternative would preserve a prescriptive backstop for funds that do not use multi-layered liquidity management while removing the over-inclusive constraint for funds that do. The Commission considered but did not propose this alternative because the diversity of interval fund strategies and portfolio structures makes it difficult to define a set of specific techniques that would be appropriate across all funds. A prescriptive carve-out framework would likely require frequent amendment as new liquidity management techniques develop and would provide less flexibility than the principles-based standard to tailor liquidity management to each fund's specific strategy.

F. Request for Comment

77. What additional qualitative or quantitative information should the Commission consider in establishing the baseline for its economic analysis of the proposal?

78. What additional considerations should the Commission consider in estimating the costs and benefits of the proposal?

79. Has the Commission considered all relevant aspects of the proposal? Have we accurately described the costs and benefits of the proposal? Why or why not? Please identify any other benefits associated with the proposal that we have not identified. Please identify any other costs associated with the proposal that we have not identified. If possible, please provide quantification or data that would support quantification of such effects.

80. What are the economic effects of the reasonable alternatives discussed above? Are there any additional reasonable alternatives that the Commission should consider? If so, please identify such alternatives and any economic effects associated with such alternatives. If possible, please provide quantification or data that would support quantification of such effects.

81. Under the proposed amendments to rule 23c–3, a fund with more frequent periodic repurchases would experience a larger increase in its permitted initial repurchase deferral period relative to a fund with less frequent periodic repurchases. Would interval funds with shorter intervals be able to effectively stagger less liquid investments to benefit from a longer ramp up period while still ensuring that they can provide investors with more frequent liquidity?

82. What is the cost burden of applying for exemptive relief from: (A) rule 23c–3's limitations on permissible repurchase intervals; (B) the Investment Company Act rules restricting regulated closed-end funds from issuing multiple classes of shares; and (C) section 17(d) of the Investment Company Act and rule 17d–1 thereunder, which restrict joint enterprises? What frictions remain following the 2020 amendments to rule 0–5 that streamlined exemptive relief applications under the Investment Company Act, and how would the proposed amendments decrease those frictions?

83. Would the proposed amendment replacing the current requirements on an interval fund's liquid assets during repurchase offer periods with a principles-based requirement interact with the proposed amendment in the Performance-Based Compensation Modernization Proposal that would permit advisers to charge performance fees on unrealized capital gains? If so, please explain how. Is the Commission correct in asserting that interval fund advisers would generally be able to manage fund liquidity without restricting the size of repurchase offers to fund investors? [413]

[413] *See supra* footnote 356.

IV. Paperwork Reduction Act Analysis

A. Summary of the Collections of Information

Certain provisions of our proposal contain ''collections of information'' requirements within the meaning of the PRA. We are submitting the proposed amendments to the Office of Management and Budget (''OMB'') for review and approval in accordance with the PRA and its implementing regulations.[414] The hours and costs associated with preparing and filing the forms and responses required under the applicable rules constitute paperwork burdens imposed by each collection of information. An agency may not conduct or sponsor, and a person is not required to comply with, a collection of information requirement unless it displays a currently valid OMB control number. Compliance with the information collections is mandatory or mandatory to receive benefits. Responses to the information collections are not kept confidential, and there is no mandatory retention period for the information disclosed. The titles for the existing collections of information are:

- ''Rule 11a–3 under the Investment Company Act of 1940—Offers of Exchange by Open-End Investment Companies Other Than Separate Accounts'' (OMB Control No. 3235–0358);
- ''Rule 12b–1 [17 CFR 270.12b–1] under the Investment Company Act of 1940: Distribution of Shares by Registered Open-end Management Investment Company'' (OMB Control No. 3235–0212);
- ''Rule 18f–3 under the Investment Company Act of 1940'' (OMB Control No. 3235–0211); [415]
- ''Rule 22d–1 under the Investment Company Act of 1940—Exemption from section 22(d) to permit sales of redeemable securities at prices which reflect sales loads set pursuant to a schedule'' (OMB Control No. 3235–0310);
- ''Repurchase Offers by Closed-End Companies, Rule 23c–3 and Form N–23c–3'' (OMB Control No. 3235–0422);
- ''Form N–2 under the Investment Company Act of 1940 and the Securities Act of 1933, Registration Statement of Closed-End Management Companies'' (OMB Control No. 3235–0026); and

[414] 44 U.S.C. 3507(d) and 5 CFR 1320.11.

[415] We propose to change the title of this collection from ''Rule 18f–3 under the Investment Company Act of 1940, Multiple Class Plan for Mutual Funds'' to ''Rule 18f–3 under the Investment Company Act of 1940'' given that, should the Commission adopt the proposal, regulated closed-end funds would also be subject to the collection.

• ''Form N–CEN'' (OMB Control No. 3235–0729).

The forms and rules listed above were adopted under the Securities Act, the Exchange Act, and/or the Investment Company Act. A description of the proposed amendments, including the need for the information and its proposed use, as well as a description of the likely respondents and a discussion of the potential economic effects of the proposed amendments can be found in sections II and III above.

B. Summary of the Proposed Amendments' Estimated Effects on the Collections of Information

The following PRA Table 1 summarizes the estimated effects of the proposed amendments on the paperwork burdens associated with the affected forms and rules.

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PRA Table 1. Estimated Paperwork Burden Effects of the Proposed Amendments

Proposed Amendments	Affected Forms and Rules	Estimated Effect Per Response	Estimated Effect on Number of Responses Per Year
Condition use of rule 18f-3 and the ability of interval funds to deduct deferred sales loads from repurchase offer proceeds on, among other things, compliance with rule 11a-3	Rule 11a-3	No change	Increase of 50 responses to rule 11a-3 per year[1]
Condition use of rule 18f-3 by regulated closed-end funds on compliance with rule 12b-1	Rule 12b-1	No change	Increase of 672 responses to rule 12d-1 per year[2]
Broaden eligibility to permit multiple share class regulated closed-end funds under rule 18f-3	Rule 18f-3	No change	Increase of 168 responses to rule 18f-3 per year[3]
Condition the ability of interval funds to deduct deferred sales loads from repurchase offer proceeds on, among other things, compliance with rule 22d-1	Rule 22d-1	No change	Increase of 38 responses to rule 22d-1 per year[4]
Modifying the interval fund liquidity requirement to remove requirement to adopt written procedures in rule 23c-3	Rule 23c-3	Decrease the annual hour burden per response for rule 23c-3 by 3 hours per response[5]	No change
Enhanced disclosures regarding multiple share class and master-feeder closed-end fund structures	Form N-2	Increase the annual hour burden per response for Form N-2 by 10 hours and annual cost burden by $1548 per multiple share class or master-feeder response[6 7]	No change
Enhanced disclosures by all regulated closed-end funds regarding fees in the prospectus and expenses in shareholder reports	Form N-2	Increase the annual hour burden per response for Form N-2 by 10 hours and annual cost burden by $1548 per response[6]	No change
Require share class reporting	N-CEN	Increase the annual hour burden for Form N-CEN by 1 hour per response	No change
Notes			

[1] Rule 11a-3 has a collection of information which interval funds that charge deferred sales loads that engage in exchange offers would be subject to should the Commission adopt the proposal. In addition, all regulated closed-end funds that would rely on rule 18f-3 and engage in exchange offers would also be subject to the rule 11a-3 collection. We estimate that a total of 168 regulated closed-end funds currently operate under an exemptive order that permits the charging of deferred sales loads or issue multiple share classes. *See supra* section III.B.2. We currently estimate that 25 percent of open-end funds are subject to the recordkeeping requirement of rule 11a-3 and 5 percent of open-end funds are subject to the notice requirements. Thus, we propose to increase the estimated responses of rule 11a-3 by 50 = ((168 x 0.25) + (168 x 0.05)). We discuss the level of any anticipated increase in funds relying on rule 18f-3 in section III.C.4.a. above.

[2] Rule 12b-1 has a collection of information which regulated closed-end funds that rely on rule 18f-3 would be subject to should the Commission adopt the proposal. The currently approved OMB inventory of responses for this rule (20,984) assumes that the 5,246 open-end funds that have at least one share class with a rule 12b-1 plan makes four responses per year. We are estimating that there would be 168 regulated closed-end funds that would have multiple share class structures under rule 18f-3. Thus, we estimate 672 additional responses to rule 12b-1 (168 x 4).

[3] We estimate that there are 168 regulated closed-end funds that have an exemptive order that permits multiple share class structures under rule 18f-3. We therefore propose to increase the current number of responses by that amount.

[4] Rule 22d-1 has a collection of information which interval funds that charge deferred sales loads would be subject to should the Commission adopt the proposal. We estimate that there are 76 interval funds that operate under an exemptive order that permits this activity. *See supra* Table 7. We currently estimate that 50 percent of open-end funds that charge a sales load are subject to the rule 22d-1 collection. Thus, we propose to increase the responses of rule 22d-1 by 38 (76 x 0.5).

[5] The rule 23c-3 collection of information includes, among other things, estimates relating to the burdens associated with creating and performing reviews of procedures established under the rule. As we are proposing to remove that requirement in rule 23c-3 itself, we are proposing to decrease the estimates for that rule associated with the procedures requirement. The current OMB inventory for rule 23c-3 includes 640 annual hours to perform reviews of procedures to protect portfolio liquidity and 392 annual hours for funds newly relying upon rule 23c-3 to draft such procedures, for a total of 1032 of the 7512 hours total for all elements of the rule. This equates to approximately 3 hours for each response in the current OMB inventory (320). There is no external cost associated with the policies and procedures requirements of the rule and thus we are not proposing to change that estimate from the current OMB inventory of $3,040,248. *See also supra* section III.C.2.

[6] The cost burden estimates for Form N-2 are based upon the estimated wage rate of $774/hour, for a total of four hours across both amendments, for an external attorney in the securities industry. To calculate the occupational hourly rates used in this release, the Commission uses the May 2025 occupational mean hourly wage data from the Occupational Employment and Wage Statistics (OEWS) program of the Bureau of Labor Statistics (BLS) for "Securities, Commodity Contracts, and Other Financial Investments and Related Activities" (NAICS 523). *See* Occupational Employment and Wage Statistics, U.S. BUREAU OF LABOR

STATISTICS, https://www.bls.gov/oes/; *see also* Standard Occupational Classification, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/soc/ (describing occupational classification system used by BLS); EXEC. OFF. OF THE PRESIDENT, OFF. OF MGMT. & BUDGET, NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (2022), *available at* https://www.census.gov/naics/reference_files_tools/2022_NAICS_Manual.pdf (describing the industry classification system used by BLS and other agencies). The mean hourly wage for each occupation is multiplied by an employment cost index (ECI) factor of 1.0227, calculated as one plus the percentage change in the seasonally adjusted ECI for wages and salaries of private industry workers from the second quarter of 2025 (ECI=173.563), which contains the May 2025 OEWS reference period, to the first quarter of 2026 (ECI=177.498), which is the date of the most recently available ECI observations when the occupational hourly rates used in this release were calculated. See Employment Cost Index, U.S. BUREAU OF LABOR STATISTICS, Seasonal Data 2001-Present, available at https://www.bls.gov/eci/tables.htm. The adjusted mean hourly wage is then multiplied by a nonwage cost adjustment factor of 5.734, which accounts for nonwage costs borne by employers, such as bonuses, benefits, and overhead. This factor is calculated as the average, over 2016-2025, of the ratio of the Bureau of Economic Analysis's gross output for NAICS 523 to total annual wages across all occupations for NAICS 523 in the OEWS data. See Gross Output by Industry, U.S. BUREAU OF ECONOMIC ANALYSIS, https://www.bea.gov/data/industries/gross-output-by-industry; Occupational Employment and Wage Statistics, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/oes/. For example, the $774 occupational hourly rate for lawyers is calculated as $131.91 × 1.0227 × 5.734, or approximately $774 (where $131.91 is the May 2025 mean hourly wage for lawyers in NAICS 523). The final product is the occupational hourly rate. *See generally* UPDATED METHODOLOGY FOR CALCULATING OCCUPATIONAL HOURLY RATES (Dec. 19, 2025), *available at* https://www.sec.gov/files/method-occupational-hourly-rates.pdf.

[7] Of the 298 responses in the current OMB inventory for Form N-2, we estimate 168 relate to a regulated closed-end fund that will be registering or submitting a post-effective amendment that offers multiple share classes and 23 relate to a regulated closed-end fund that is part of a master-feeder structure, for a total of 191 responses to this collection. We base our estimate of $1548 for annual external costs on an estimate of 2 external attorney hours at a wage rate of $774/hour. Thus, in total we estimate that the burdens for Form N-2 will increase by 1910 hours (191 x 10) and $295,668 (191 x $1548) to account for the responses that relate to these funds.

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C. Incremental and Aggregate Burden and Cost Estimates

We estimate below the incremental and aggregate change in paperwork burden as a result of the proposed amendments. These estimates represent the average burden for all issuers, both large and small. In deriving our estimates, we recognize that the burdens will likely vary among individual respondents based on a number of factors, including the size and complexity of their business. These estimates include the time and the cost of preparing and reviewing disclosure and filing documents. We believe that some issuers would experience costs in excess of this average and some issuers would experience less than the average costs. Our methodologies for deriving these estimates are discussed in section IV.B above.

For purposes of this PRA analysis, the burden is generally allocated between burden hours and costs. The cost burden generally reflects the portion of the burden carried by outside professionals, while the burden hours generally reflect the portion of the burden carried by the respondent internally. The following PRA Table 2 summarizes the estimated total annual number of responses, the average burden hours per response, and the average cost burden per response for each information collection affected by the proposed amendments and, using those amounts, calculates the estimated total annual burden hours and total annual cost burden associated with each affected collection of information under the proposed amendments. The total annual burden hours and cost burdens are rounded to the nearest whole number, and the burden hours per response and cost burden per response are rounded to the second decimal point.

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PRA Table 2. Estimated Annual Responses, Burden Hours, and Cost Burden under the Proposed Amendments

Form/Rule	Number of Responses (A)[1]	Burden Hours Per Response (B)[2]	Equivalent Cost Per Response (C)[3]	Cost Burden Per Response (D)[2]	Total Annual Burden Hours (E) = (A) x (B)	Total Annual Cost Burden Equivalent (F) = (A) x (C)	Total Annual Cost Burden (G) = (A) x (D)
Rule 11a-3	464	1.33	$609.14	$0	617	$282,640.96	$0
Rule 12b-1	21,656	5.06	$14,061.72	$4.29	109,580	$304,520,608.32	$92,904.24
Rule 18f-3	652	6	$16,056	$0	3912	$10,468,512	$0
Rule 22d-1	3408	0.25	$193.50	$0	852	$659,448	$0
Rule 23c-3	320	20.48	$9379.84	$9500.78	6554	$3,001,548.80	$3,040,249.6
Form N-2	427	360	$166,320	$25,829	153,720	$71,018,640	$11,028,983
Form N-CEN	2749	23.64	$14,302.20	$220.27	64,986	$39,316,747.80	$605,522.23

Notes

[1] The estimated number of annual responses in column (A) is largely calculated based upon the number of responses currently reflected in the OMB inventory as modified by the change in responses per PRA Table 1, as discussed in more detail below.
For rule 11a-3, the estimated number of responses (464) is based on the current OMB inventory (414) plus the increase in response reflected in PRA Table 1 (50).
For rule 12b-1, the estimated number of responses (21,656) is based on the current OMB inventory (20,984) plus the increase in response reflected in PRA Table 1 (672).
For rule 18f-3, the estimated number of responses (652) is based on the current OMB inventory (484) plus the increase in responses reflected in PRA Table 1 (168).
For rule 22d-1, the estimated number of responses (3408) is based on the current OMB inventory (3370) plus the increase in response reflected in PRA Table 1 (38).
For rule 23c-3, the estimated number of responses is the current OMB inventory (320).
For Form N-2, the estimated number of responses (427) reflects the three year average of total Form N-2 filings made for the last three years (355 in 2023, 447 in 2024, and 479 in 2025).
For Form N-CEN, the estimated number of responses (2749) reflects the current OMB inventory.

[2] The estimated burden hours per response and cost burden per response in columns (B) and (D) are calculated based on the burden hour per response and cost burden per response currently reflected in the OMB inventory as modified by the change in burdens per PRA Table 1.
For rule 11a-3, the estimated burden hours per response (1.33) and cost burden per response ($0) reflects the current OMB inventory.
For rule 12b-1, the estimated burden hours per response (5.06) and cost burden per response ($4.29) reflects the current OMB inventory.
For rule 18f-3, the estimated burden hours per response (6) and cost burden per response ($0) reflects the current OMB inventory.
For rule 22d-1, the estimated burden hours per response (0.25) and cost burden per response ($0) reflects the current OMB inventory.

For rule 23c-3, the estimated burden hours per response reflects the current OMB inventory rounded up (23.48) minus the decrease reflected in PRA Table 1 (3 hours) and the estimated cost burden per response reflects the current OMB inventory rounded up.
For Form N-2, the estimated burden hours per response (360) and cost burden per response ($25,829) reflects the current OMB inventory (102,525 and $6,940,207 respectively) plus the total estimates attributable to responses related to multiple share class and master feeder responses identified in PRA Table 1 (1910 and $295,668 respectively), divided by the total number of responses in the current OMB inventory (298, resulting in 350 hours and $24,281 respectively), plus the increases reflected in PRA Table 1 relating to all Form N-2 responses (10 and $1548 respectively) ((102,525 + 1910)/298) + 10 = 360) (($6,940,207 + $295,668)/298 + $1548 = $25,829).
For Form N-CEN, the estimated burden hours per response (23.64) is based on the current OMB inventory (22.64) plus the increase in burden hours reflected in PRA Table 1 and the cost burden per response ($220.27) reflects the current OMB inventory.

[3] The equivalent cost per response in column (C) represents the internal costs associated with the hour burdens identified in column (B).
For rule 11a-3, the estimated equivalent cost per response ($609.14) is based on the hours per response (1.33) times a $458 blended wage rate. The $458 blended wage rate reflects current estimates of the hourly rate for attorneys ($774) and general office clerks ($142) in the securities industry (($774 + $142)/2 = $458).
For rule 12b-1, the estimated equivalent cost per response ($14,061.72) is based on (1) one hour of the rate of fund boards of directors (assuming an average of 9 directors per board) ($12,186), plus (2) the remaining hours per response (4.06) times a $462 blended wage rate. The $462 blended wage rate reflects current estimates of the hourly rate for accountants and auditors ($330), attorneys ($774), and paralegals and legal assistants ($281) in the securities industry (($330 + $774 + $281)/3 = $462).
For rule 18f-3, the estimated equivalent cost per response ($16,056) is based on (1) one hour of the rate of fund boards of directors (assuming an average of 9 directors per board) ($12,186), plus (2) the remaining five hours per response times the rate of attorneys ($774) in the securities industry ($774 x 5 = $3870).
For rule 22d-1, the estimated equivalent cost per response ($193.50) is based on the hours per response (0.25) times the hourly rate for attorneys ($774).
For rule 23c-3, the estimated equivalent cost per response ($9379.84) is based on the hours per response (20.48) times a $458 blended wage rate. The $444 blended wage rate reflects current estimates of the hourly rate for attorneys ($774) and general office clerks ($142) in the securities industry (($774 + $142)/2 = $458).
For Form N-2, the estimated equivalent cost per response ($166,320) is based on the hours per response (360) times a $462 blended wage rate. The $462 wage rate reflects current estimates of the blended hourly rate for an accountant and auditor ($330), paralegal and legal assistant ($281), and attorney ($774) in the securities industry (($330 + $281 + $774)/3 = $462).
For Form N-CEN, the estimated equivalent cost per response ($14,302.20) is based on the hours per response (23.64) times a $605 blended wage rate. The $605 blended wage rate reflects current estimates of the hourly rate for attorneys ($774) and computer programmers ($436) in the securities industry (($774 + $436)/2 = $605).

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The following PRA Table 3 summarizes the current and requested paperwork burdens and calculates the changes to affected information collections' estimated responses and total burdens under the proposed amendments.

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PRA Table 3. Changes in Paperwork Burdens under the Proposed Amendments

	Current Burden (from OMB inventory)			Program Change			Revised Burden (from PRA Table 2)		
Form/Rule	Current Annual Responses	Current Burden Hours	Current Cost Burden	Estimated Increase or (Decrease) in Number of Annual Responses	Estimated Increase or (Decrease) in Burden Hours	Estimated Increase or (Decrease) in Cost Burden	Annual Responses	Burden Hours	Cost Burden
	(A)	(B)	(C)	(D) = (G) ± (A)	(E) = (H) ± (B)	(F) = (I) ± (C)	(G)	(H)	(I)
Rule 11a-3	414	552	$0	50	65	$0	464	617	$0
Rule 12b-1	20,984	106,250	$90,000	672	3330	$2,904.24	21,656	109,580	$92,904.24
Rule 18f-3	484	2901	$0	168	1011	$0	652	3912	$0
Rule 22d-1	3370	843	$0	38	9	$0	3408	852	$0
Rule 23c-3	320	7512	$3,040,248	0	(958)	0	320	6554	$3,040,249.6
Form N-2	298	102,525	$6,940,207	129	51,195	$4,037,963	427	153,720	$11,028,983
Form N-CEN	2749	62,239	$605,520	0	2747	$0	2749	64,986	$605,522.23

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D. Request for Comments

Pursuant to 44 U.S.C. 3506(c)(2)(B), we request comment in order to:

- Evaluate whether the proposed changes to the collections of information are necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility;
- Evaluate the accuracy of our estimates of the changes in burden hours and cost burden that would result from adoption of the proposed amendments;
- Determine whether there are ways to enhance the quality, utility, and clarity of the information to be collected;
- Evaluate whether there are ways to minimize the burden of the collections of information on those who respond, including through the use of automated collection techniques or other forms of information technology; and
- Evaluate whether the proposed amendments would have any effects on any other collection of information not previously identified in this section.

Any member of the public may direct to us any comments concerning the accuracy of these burden estimates and any suggestions for reducing these burdens. Persons submitting comments on the collection of information requirements should direct their comments to the OMB Desk Officer for the Securities and Exchange Commission, *MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov,* and should send a copy to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, using any of the methods in the **ADDRESSES** section, with reference to File No. S7–2026–34. Requests for materials submitted to OMB by the Commission with regard to the collection of information should be in writing, refer to File No. S7–2026–34 and be submitted to the Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736. OMB is required to make a decision concerning the collections of information between 30 and 60 days after publication of this release. Consequently, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication.

V. Initial Regulatory Flexibility Analysis

The Commission has prepared the following Initial Regulatory Flexibility Analysis (''IRFA'') in accordance with section 3(a) of the Regulatory Flexibility Act (''RFA'').[416] It relates to proposed amendments to rules 23c–3, 18f–3, and 17d–3, as well as to Form N–2, Form N–CEN, and Form N–23c–3 (collectively, ''proposed amendments'').

A. Reasons for and Objectives of the Proposed Actions

The Commission is proposing amendments to rule 23c–3 and Form N–23c–3 to increase flexibility in the rule's repurchase and interval framework and modify the rule's liquidity management requirements. Because of their ability to provide a degree of periodic liquidity to investors while investing in private assets, the interval fund structure can be an option for asset managers to deliver exposure to private market assets to investors. These changes are designed to modernize the interval fund framework given that the rules that govern those products have not been substantially updated since the 1990s. They are also designed to enhance the efficiency of interval funds in order to promote larger adoption rates by fund managers seeking to provide a retail product that provides access to private markets while retaining investor protections. The Commission is also proposing to amend rules 18f–3 and 17d–3 to codify existing exemptive orders that permit multiple share class structures in regulated closed-end funds. Based on the Commission's experience with these exemptive orders, multi-class structures have demonstrated value by providing enhanced flexibility to both investors and sponsors of registered investment companies. Under proposed amendments codifying the exemptive orders, new regulated closed-end funds could have multiple share classes without needing to bear the expense of applying for exemptive relief. This could have the benefit of making these structures less costly and therefore also provide more options to investors. Further, the Commission is proposing amendments to provide enhanced disclosures to investors and reporting so they can better understand these complex structures and, for all regulated closed-end funds, expenses attendant to the fund.

Each of these objectives is discussed in detail in section II above.

B. Legal Basis

The Commission is proposing the amendments contained in this document under the authority set forth in the Investment Company Act, particularly sections 6, 8, 17, 18, 23, 24, 30, 31, 38, 57, 59, 61, 63, and 64 thereof [15 U.S.C. 80a–6, 80a–8, 80a–17, 80a–18, 80a–23, 80a–24, 80a–29 80a–30, 80a–37, 80a–56, 80a–58, 80a–60, 80a–62, and 80a–63], the Securities Act of 1933, particularly sections 5, 7, 10, 19(a), and 28 thereof [15 U.S.C. 77e; 77g; 77j; 77s(a); and 77z–3], and the Securities Exchange Act of 1934, particularly sections 12, 13, 14, 15, 23(a), 35A, and 36 thereof [15 U.S.C. 78*l;* 78m; 78n, 78o, 78w(a); 78*ll;* and 78mm].

C. Small Entities Subject to Proposed Rule Amendments

For purposes of Commission rulemaking in connection with the RFA, an investment company is a small entity if, together with other investment companies in the same group of related investment companies, it has net assets of $50 million or less as of the end of its most recent fiscal year (a ''small fund'').[417] Commission staff estimates that, as of December 31, 2025, approximately 34 registered closed-end funds and 5 BDCs (collectively, 39 funds) are small entities.

D. Projected Reporting, Recordkeeping, and Other Compliance Requirements

The amendments to rule 23c–3 and Form N–23c–3 are intended to provide enhanced flexibility for interval funds by permitting more flexible repurchases, allowing the deduction of deferred sales loads from repurchase proceeds, and simplifying and clarifying the process of determining applicable requirements of the rule. It also would remove the requirement that a fund hold at least 100 percent of the repurchase offer amount in sufficiently liquid assets and replace it with a more principles-based liquidity management approach. In this way, the proposal seeks to lessen the current reporting, recordkeeping, and other compliance requirements of rule 23c–3 and Form N–23c–3. We estimate that 11 of the 39 small entities are interval funds that would be affected by these changes.

The amendments to rules 18f–3 and 17d–3 are designed to lessen burdens on regulated closed-end funds by eliminating the need to first obtain an exemptive order before creating multiple share classes. Based on the Commission's experience with these exemptive orders, multi-class structures have demonstrated value by providing

[416] 5 U.S.C. 603(a).

[417] The Commission has a pending proposing addressing the definition under the Investment Company Act of small organization and small business for purposes of the Regulatory Flexibility Act. The Commission encourages commenters to review the proposal to determine whether it might affect their comments on this IRFA. *See* Amendments to the ''Small Business'' and ''Small Organization'' Definitions for Investment Companies and Investment Advisers for Purposes of the Regulatory Flexibility Act, Investment Company Act Release No. 35864 (Jan. 6, 2026) [91 FR 1107] (Jan. 12, 2026)].

enhanced flexibility to structure and finance the distribution of these funds. Extending these benefits to all closed-end funds would reduce the costs of the exemptive order application process. However, even relative to the current exemptive orders, these two amendments should lessen current reporting, recordkeeping, and other compliance requirements in that they are not including some of the requirements from those orders. We estimate that 4 of the 39 small entities have multiple share classes.

Regulated closed-end funds would be required to provide enhanced disclosure on Form N–2 and reporting on Form N–CEN should the Commission adopt the proposal. In particular, the proposal would add disclosure and reporting requirements regarding the presentation of multiple share class or master-feeder structures on the form. It would also add, for all filers, including all 39 small entities, disclosure regarding fees and expenses in the prospectus and shareholder reports. Nonetheless, we believe that the proposed amendments will lessen the overall reporting, recordkeeping, and other compliance requirements on small entities affected by them.

E. Duplicative, Overlapping, or Conflicting Federal Rules

We do not believe that the proposed amendments would duplicate, overlap, or conflict with other existing Federal rules.

F. Significant Alternatives

The RFA directs the Commission to consider significant alternatives that would accomplish our stated objective, while minimizing any significant impact on small entities. We considered the following alternatives for small entities in relation to our proposal: (1) exempting funds that are small entities from the proposed reporting, recordkeeping, and other compliance requirements, to account for resources available to small entities; (2) establishing different reporting, recordkeeping, and other compliance requirements or frequency, to account for resources available to small entities; and (3) clarifying, consolidating, or simplifying the compliance requirements under the proposal for small entities; and (4) using performance rather than design standards.

We do not believe that exempting small entities from the proposed amendments would enable us to meet our objectives, which is to increase the efficiency with which funds can use the interval fund structure and therefore could deliver exposure to private market assets to investors, and with which regulated closed-end funds could use multiple share class structures. Similarly, we do not believe that establishing different reporting, recordkeeping, and other compliance requirements or frequency, to account for resources available to small entities would enable us to meet our investor protection objectives under the Investment Company Act. Additionally, we also do not believe that clarifying, consolidating, or simplifying the compliance requirements under the proposal for small entities, beyond what we propose for all regulated closed-end funds, would permit us to achieve our stated objectives because this would raise investor protection concerns for investors in small funds. Lastly, with respect to the use of performance rather than design standards, the proposed amendments and new rules generally use performance standards that provide small entities with a greater degree of flexibility than exists under current Commission rules. Further, the Commission is proposing to adopt a new performance standard, the standard for interval fund liquidity during the pendency of a repurchase offer, in place of an existing design standard. This flexibility would be available to all interval funds regardless of size.

G. Request for Comment

The Commission requests comments regarding this analysis. We request comment on the number of small entities that would be subject to our proposal and whether our proposal would have any effects that have not been discussed. We request that commenters describe the nature of any effects on small entities subject to our proposal and provide empirical data to support the nature and extent of such effects. We also request comment on the estimated compliance burdens of our proposal and how they would affect small entities.

VI. Congressional Review Act

For purposes of Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (also known as the Congressional Review Act),[418] the Commission must seek OMB's determination as to whether a final regulation constitutes a ''major rule.'' Under the Congressional Review Act, a rule is considered ''major'' where, if adopted, it results in or is likely to result in:

- An annual effect on the economy of $100 million or more;
- A major increase in costs or prices for consumers or individual industries; or
- Significant adverse effects on competition, investment, or innovation.[419]

To help inform OMB's determination as to whether any final rule that results from the proposal would be a ''major rule,'' the Commission solicits comment and data on:

- The potential effect on the U.S. economy on an annual basis;
- Any potential increase in costs or prices for consumers or individual industries; and
- Any potential effect on competition, investment, or innovation.

Commenters are requested to provide empirical data and other factual support for their views to the extent possible, to inform OMB's determination regarding whether any final rule following this proposal is likely to be a ''major rule'' for the purposes of the Congressional Review Act.

VII. Other Matters

The Office of Management and Budget has determined that this action is not a significant regulatory action under Executive Order 12866, and therefore it was not subject to Executive Order 12866 review.

Statutory Authority

The Commission is proposing the amendments to rules 17d–3, 18f–3, and 23c–3 and Form N–23c–3 under the authority set forth in the Investment Company Act, particularly sections 6(c), 17, 18, 23, 31, 38, 57, 59, 61, and 63 thereof [15 U.S.C. 80a–6(c), 80a–17, 80a–18, 80a–23, 80a–30, 80a–37, 80a–56, 80a–58, 80a–60, and 80a–62]. The Commission is proposing amendments to Form N–2 and N–CEN under the authority set forth in the Securities Act of 1933, particularly sections 5, 7, 10, 19(a), and 28 thereof [15 U.S.C. 77e; 77g; 77j; 77s; and 77z–3], the Securities Exchange Act of 1934, particularly sections 12, 13, 14, 15, 23(a), 35A, and 36 thereof [15 U.S.C. 78*l;* 78m; 78n, 78o, 78w(a); 78*ll;* and 78mm], and the Investment Company Act, particularly sections 6, 8, 23, 24, 30, 31, 38, and 64 thereof [15 U.S.C. 80a–6; 80a–8, 80a–23, 80a–24, 80a–29, 80a–30, 80a–37, and 80a–63].

List of Subjects in 17 CFR Parts 239, 249, 270, and 274

Investment companies, Reporting and recordkeeping requirements, Securities.

[418] *See* 5 U.S.C. chapter 8.

[419] *See* 5 U.S.C. 804(2) (defining ''major rule'').

Text of Rule and Form Amendments

For the reasons set out in the preamble, the Commission proposes to amend title 17, chapter II of the Code of Federal Regulations as follows:

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

■ 1. The general authority citation for part 239 continues to read as follows:

Authority: 15 U.S.C. 77c, 77f, 77g, 77h, 77j, 77s, 77z–2, 77z–3, 77sss, 78c, 78l, 78m, 78n, 78o(d), 78o–7 note, 78u–5, 78w(a), 78ll, 78mm, 80a–2(a), 80a–3, 80a–8, 80a–9, 80a–10, 80a–13, 80a24, 80a–26, 80a–29, 80a–30, 80a–37; and sec. 71003 and sec. 84001, Pub. L. 114–94, 129 Stat. 1321, unless otherwise noted.

* * * * *

■ 2. Revise Form N–2 (referenced in §§ 239.14 and 274.11a–1) by:
■ a. Revising General Instruction 1 for Parts A and B;
■ b. Revising Item 1;
■ c. Revising Item 3.1;
■ d. Revising Instructions 3 and 5 of Item 3.1;
■ e. Removing Instruction 10.h of Item 3.1;
■ f. Redesignating current Instruction 10.i of Item 3.1 as Instruction 10.h;
■ g. Adding Item 5.11;
■ h. Revising Item 20; and
■ i. Revising Item 24.

Note: Form N–2 is attached as Appendix A to this document. Form N–2 does not appear in the Code of Federal Regulations.

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

■ 3. The authority citation for part 249 continues to read as follows:

Authority: 15 U.S.C. 78a *et seq.* and 7201 *et seq.;* 12 U.S.C. 5461 *et seq.;* 18 U.S.C. 1350; Sec. 953(b) Pub. L. 111–203, 124 Stat. 1904; Sec. 102(a)(3) Pub. L. 112–106, 126 Stat. 309 (2012), Sec. 107 Pub. L. 112–106, 126 Stat. 313 (2012), Sec. 72001 Pub. L. 114–94, 129 Stat. 1312 (2015), and secs. 2 and 3 Pub. L. 116–222, 134 Stat. 1063 (2020), unless otherwise noted.

* * * * *

Section 249.330 is also issued under 15 U.S.C. 80a–29(a).

* * * * *

■ 4. Revise Form N–CEN (referenced in 17 CFR 249.330 and 274.101) by:
■ a. Revising Item C.2.

Note: Form N–CEN is attached as Appendix B to this document. Form N–CEN does not appear in the Code of Federal Regulations.

PART 270—RULES AND REGULATIONS, INVESTMENT COMPANY ACT OF 1940

■ 5. The authority for part 270 continues to read, in part, as follows:

Authority: 15 U.S.C. 80a–1 *et seq.,* 80a–34(d), 80a–37, 80a–39, 1681w(a)(1), 6801–6809, 6825, and Pub. L. 111–203, sec. 939A, 124 Stat. 1376 (2010), unless otherwise noted.

* * * * *

■ 6. Amend § 270.17d–3 by revising to read as follows:

§ 270.17d–3 Exemption relating to certain joint enterprises or arrangements concerning payment for distribution of shares of certain investment companies.

An affiliated person of, or principal underwriter for, a registered open-end management investment company, or a registered closed-end management investment company or business development company offering multiple classes of common stock in reliance on § 270.18f–3 of this part, and an affiliated person of such a person or principal underwriter shall be exempt from section 17(d) of the Act [15 U.S.C. 80a–17(d)] and § 270.17d–1 of this part, to the extent necessary to permit any such person or principal underwriter to enter into a written agreement with such company whereby the company will make payments in connection with the distribution of its shares, provided that:

(a) Such agreement is made in compliance with the provisions of § 270.12b–1 of this part; and

(b) No other registered management investment company or business development company which is either an affiliated person of such company or an affiliated person of such a person is a party to such agreement.

■ 7. Amend § 270.18f–3 by revising the introductory text and adding paragraph (g) as follows:

§ 270.18f–3 Multiple class companies.

Notwithstanding sections 18(a)(2), 18(c), 18(f)(1),18(i), and 61(a) of the Act [15 U.S.C. 80a–18(a)(2), 80a–18(c), 80a–18(f)(1), 80a–18(i) and 80a–60(a)], a registered management investment company, business development company, or series or class thereof established in accordance with section 18(c) or 18(f)(2) of the Act [15 U.S.C. 80a–18(c) or 80a–18(f)(2)] whose shares are registered on Form N–1A or Form N–2 under the Act, or Form 10 under the Securities Exchange Act of 1934 (''company'') may issue more than one class of voting common stock, provided that:

* * * * *

(g) If the company is a registered closed-end management investment company or business development company:

(1) The company offers its common stock on a continuous basis;

(2) If the company offers to sell its common stock at a price other than the current net asset value of such stock, the same offer must be made to all classes of common stock;

(3) If the company imposes an asset-based distribution or service fee, such fees must be charged under a written plan, which may be incorporated into the plan approved pursuant to paragraph (d), and this plan and any agreements with any person relating to its implementation must comply with the provisions of § 270.12b–1 of this part as if the company were a registered open-end management company;

(4) The company's common stock must not be listed, offered, or traded on a secondary market;

(5) Any offer to repurchase common stock must be equally made to holders of all classes of common stock, and the percentage taken up and paid for in any repurchase offer must be allocated on a company, not class, basis; and

(6) Notwithstanding paragraph (f)(1), any exchange offer involving a class of the company's common stock will be made in a manner that complies with § 11a-3 of this part as if the company were a registered open-end management company and treat any repurchase or repurchase fee as if it were a redemption or redemption fee under that section, and, if the company has a fundamental policy to make repurchases at periodic intervals pursuant to § 270.23c–3 of this part (''interval fund''), shares of such company that are exchanged for shares of other companies will be included as part of the repurchase offer amount of the interval fund as defined in paragraph (a)(3) of that section.

■ 8. Amend § 270.23c–3 by revising to read as follows:

§ 270.23c–3 Repurchase offers by closed-end companies.

(a) *Definitions.* For purposes of this section:

(1) *Periodic interval* shall mean an interval of one, three, six, or twelve months.

(2) *Repurchase offer* shall mean an offer pursuant to this section by an investment company to repurchase common stock of which it is the issuer.

(3) *Repurchase offer amount* shall mean the amount of common stock that is the subject of a repurchase offer, expressed as a percentage of such stock outstanding on the repurchase request deadline, that an investment company offers to repurchase in a repurchase offer. Any repurchase offer amount that is made pursuant to a fundamental policy shall not be less than five percent nor more than twenty-five percent of the common stock outstanding on a repurchase request deadline. Before each repurchase offer, the repurchase

offer amount for that repurchase offer shall be determined by the directors of the company.

(4) *Repurchase payment deadline* with respect to a tender of common stock shall mean the date by which an investment company must pay securities holders for any stock repurchased. A repurchase payment deadline shall occur:

(i) No later than seven days after the repurchase pricing date applicable to such tender; and

(ii) At least one business day before notification of the next repurchase offer that is made pursuant to a fundamental policy is sent to security holders of the company.

(5) *Repurchase pricing date* with respect to a tender of common stock shall mean the date on which an investment company determines the net asset value applicable to the repurchase of the securities. A repurchase pricing date shall occur no later than the fourteenth day after a repurchase request deadline, or the next business day if the fourteenth day is not a business day. In no event shall an investment company determine the net asset value applicable to the repurchase of the stock before the close of business on the repurchase request deadline. The repurchase pricing date shall be the date the company discloses to security holders in the notification pursuant to paragraph (b)(4) of this section with respect to such offer; provided that a repurchase pricing date may be a date earlier if it appears that the use of an earlier repurchase pricing date is not likely to result in significant dilution of the net asset value of either stock that is tendered for repurchase or stock that is not tendered.

(6) *Repurchase request* shall mean the tender of common stock in response to a repurchase offer.

(7) *Repurchase request deadline* with respect to a repurchase offer shall mean the date by which an investment company must receive repurchase requests submitted by security holders in response to that offer or withdrawals or modifications of previously submitted repurchase requests. The first repurchase request deadline after the effective date of the registration statement for the common stock that is the subject of a repurchase offer, or after a shareholder vote first adopting a fundamental policy specifying a company's periodic interval, whichever is later, shall occur no later than two years thereafter.

(b) *Periodic repurchase offers.* A registered closed-end company or a business development company may repurchase common stock of which it is the issuer from the holders of the stock at periodic intervals, pursuant to repurchase offers made to all holders of the stock, provided that:

(1) The company shall repurchase the stock for cash at the net asset value determined on the repurchase pricing date and shall pay the holders of the stock by the repurchase payment deadline except as provided in paragraph (b)(3) of this section. A company may not condition a repurchase offer upon the tender of any minimum amount of shares. The company may deduct from the repurchase proceeds only:

(i) A repurchase fee, not to exceed two percent of the proceeds, that is paid to the company and is reasonably intended to compensate the company for expenses directly related to the repurchase; and

(ii) A deferred sales load, if the deferred sales load is effected in compliance with the provisions of the following sections as if the company were an open-end management company:

(A) § 270.6c–10 of this part;

(B) § 270.11a–3 of this part to the extent that the company is making an offer to exchange securities, as defined in the Act and rule 11a–1 thereunder, and charges a sales load on the security being acquired and the company treats any repurchase or repurchase fee as if it were a redemption or redemption fee under that rule, and;

(C) § 270.22d–1 of this part to the extent the deferred sales load is waived, varied, or eliminated.

(2)

(i) The company shall repurchase the security pursuant to a fundamental policy, changeable only by a majority vote of the outstanding voting securities of the company, stating:

(A) That the company will make repurchase offers at periodic intervals pursuant to this section, as this section may be amended from time to time;

(B) The periodic intervals between repurchase request deadlines; and

(C) The dates of repurchase request deadlines or the means of determining the repurchase request deadlines.

(ii) The company shall include a statement in its annual report to shareholders of the following:

(A) Its policy under paragraph (b)(2)(i) of this section; and

(B) With respect to repurchase offers by the company during the period covered by the annual report, the number of repurchase offers, the repurchase offer amount and the amount tendered in each repurchase offer, and the extent to which in any repurchase offer the company repurchased stock pursuant to the procedures in paragraph (b)(5) of this section.

(3)

(i) The company shall not suspend or postpone a repurchase offer except pursuant to a vote of a majority of the directors, including a majority of the directors who are not interested persons of the company, and only:

(A) If the repurchase would cause the company to lose its status as a regulated investment company under Subchapter M of the Internal Revenue Code [26 U.S.C. 851–860];

(B) If the repurchase would cause the stock that is the subject of the offer that is either listed on a national securities exchange or quoted in an inter-dealer quotation system of a national securities association to be neither listed on any national securities exchange nor quoted on any inter-dealer quotation system of a national securities association;

(C) For any period during which the New York Stock Exchange or any other market in which the securities owned by the company are principally traded is closed, other than customary week-end and holiday closings, or during which trading in such market is restricted;

(D) For any period during which an emergency exists as a result of which disposal by the company of securities owned by it is not reasonably practicable, or during which it is not reasonably practicable for the company fairly to determine the value of its net assets; or

(E) For such other periods as the Commission may by order permit for the protection of security holders of the company.

(ii) If a repurchase offer is suspended or postponed, the company shall provide notice to security holders of such suspension or postponement. If the company renews the repurchase offer, the company shall send a new notification to security holders satisfying the requirements of paragraph (b)(4) of this section.

(4)

(i) No less than fourteen and no more than forty-two days before each repurchase request deadline, the company shall send to each holder of record and to each beneficial owner of the stock that is the subject of the repurchase offer a notification providing the following information:

(A) A statement that the company is offering to repurchase its securities from security holders at net asset value;

(B) Any fees applicable to such repurchase;

(C) The repurchase offer amount;

(D) The dates of the repurchase request deadline, repurchase pricing date, and repurchase payment deadline, the risk of fluctuation in net asset value between the repurchase request deadline and the repurchase pricing date, and the possibility that the company may use an earlier repurchase pricing date pursuant to paragraph (a)(5) of this section;

(E) The procedures for security holders to tender their shares and the right of the security holders to withdraw or modify their tenders until the repurchase request deadline;

(F) The procedures under which the company may repurchase such shares on a pro rata basis pursuant to paragraph (b)(5) of this section;

(G) The circumstances in which the company may suspend or postpone a repurchase offer pursuant to paragraph (b)(3) of this section;

(H) The net asset value of the common stock computed no more than seven days before the date of the notification and the means by which security holders may ascertain the net asset value thereafter; and

(I) The market price, if any, of the common stock on the date on which such net asset value was computed, and the means by which security holders may ascertain the market price thereafter.

(ii) The company must file with the Commission Form N–23c–3 (§ 274.221 of this chapter) within three business days after sending the notification to security holders.

(iii) For purposes of sending a notification to a beneficial owner pursuant to paragraph (b)(4)(i) of this section, where the company knows that shares of common stock that is the subject of a repurchase offer are held of record by a broker, dealer, voting trustee, bank, association or other entity that exercises fiduciary powers in nominee name or otherwise, the company shall follow the procedures for transmitting materials to beneficial owners of securities that are set forth in § 240.14a–13 of this chapter.

(5) If security holders tender more than the repurchase offer amount, the company may repurchase an additional amount of stock not to exceed two percent of the common stock outstanding on the repurchase request deadline. If the company repurchases less than 100 percent of the amount tendered by security holders, the company shall repurchase the shares tendered on a pro rata basis in an amount equal to at least the repurchase offer amount, but not exceeding the repurchase offer amount plus any such additional amount; provided, however, that this provision shall not prohibit the company from:

(i) Accepting all stock tendered by persons who own, beneficially or of record, an aggregate of not more than a specified number which is less than one hundred shares and who tender all of their stock, before prorating stock tendered by others; or

(ii) Accepting by lot stock tendered by security holders who tender all stock held by them and who, when tendering their stock, elect to have either all or none or at least a minimum amount or none accepted, if the company first accepts all stock tendered by security holders who do not so elect.

(6) The company shall permit tenders of stock for repurchase to be withdrawn or modified at any time until the repurchase request deadline but shall not permit tenders to be withdrawn or modified thereafter.

(7)

(i) The current net asset value of the company's common stock shall be computed no less frequently than weekly on such day and at such specific time or times during the day that the board of directors of the company shall set.

(ii) The current net asset value of the company's common stock shall be computed daily on the five business days preceding a repurchase request deadline at such specific time or times during the day that the board of directors of the company shall set.

(iii) For purposes of section 23(b) [15 U.S.C. 80a–23(b)], the current net asset value applicable to a sale of common stock by the company shall be the net asset value next determined after receipt of an order to purchase such stock. During any period when the company is offering its common stock, the current net asset value of the common stock shall be computed no less frequently than once daily, Monday through Friday, at the specific time or times during the day that the board of directors of the company shall set, except on:

(A) Days on which changes in the value of the company's portfolio securities will not materially affect the current net asset value of the common stock;

(B) Days during which no order to purchase its common stock is received, other than days when the net asset value would otherwise be computed pursuant to paragraph (b)(7)(i) of this section; or

(C) Customary national, local, and regional business holidays described or listed in the prospectus.

(8) The board of directors of the investment company satisfies the fund governance standards defined in § 270.0–1(a)(7).

(9) Any senior security issued by the company or other indebtedness contracted by the company either shall mature by the next repurchase pricing date or shall provide for the redemption or call of such security or the repayment of such indebtedness by the company by the next repurchase pricing date, either in whole or in part, without penalty or premium, as necessary to permit the company to repurchase securities in such repurchase offer amount as the directors of the company shall determine in compliance with the asset coverage requirements of section 18 [15 U.S.C. 80a–18] or 61 [15 U.S.C. 80a–60], as applicable.

(10) The company must manage its portfolio's liquidity so that the company can satisfy repurchase requests without requiring a sale or disposition of the company's portfolio investments at a price that deviates significantly from the value of those investments.

(11) The company, or any underwriter for the company, shall comply, as if the company were an open-end company, with the provisions of section 24(b) [15 U.S.C. 80a–24(b)] and rules issued thereunder with respect to any advertisement, pamphlet, circular, form letter, or other sales literature addressed to or intended for distribution to prospective investors.

(c) *Discretionary repurchase offers.* A registered closed-end company or a business development company may repurchase common stock of which it is the issuer from the holders of the stock pursuant to a repurchase offer that is not made pursuant to a fundamental policy and that is made to all holders of the stock not earlier than one year after another offer pursuant to this paragraph (c) if the company complies with the requirements of paragraphs (b) (1), (3), (4), (5), (6), (7)(ii), (8), and (10) of this section.

(d) *Exemption from the definition of redeemable security.* A company that makes repurchase offers pursuant to paragraph (b) or (c) of this section shall not be deemed thereby to be an issuer of redeemable securities within section 2(a)(32) [15 U.S.C. 80a–2(a)(32)].

(e) *Registration of an indefinite amount of securities.* A company that makes repurchase offers pursuant to paragraph (b) of this section shall be deemed to have registered an indefinite amount of securities pursuant to Section 24(f) of the Act (15 U.S.C. 80a–24(f)) upon the effective date of its registration statement.

PART 274—FORMS PRESCRIBED UNDER THE INVESTMENT COMPANY ACT OF 1940

■ 9. The authority citation for part 274 continues to read as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 78c(b), 78l, 78m, 78n, 78n–1, 78o(d), 80a–8, 80a–24, 80a–26, 80a–29, and sec. 939A, Pub. L. 111–203, 124 Stat. 1376, unless otherwise noted.

* * * * *

■ 10. Revise Form N–23c–3 (referenced in 17 CFR 274.221) by:

■ a. Revising instruction 2.

Note: Form N–23c–3 is attached as Appendix C to this document. Form N–23c–3 does not appear in the Code of Federal Regulations.

By the Commission.

Dated: September 30, 2026.

Vanessa A. Countryman,

Secretary.

BILLING CODE 8011–01–P

Appendix A – Form N-2

GENERAL INSTRUCTIONS

* * * * *

General Instructions for Parts A and B

1. The information in the prospectus and the SAI should be organized to make it easy to understand the organization and operation of the Registrant. The information need not be in any particular order, with the exception that Items 1, 2, 3, and 4 must appear in order in the prospectus and may not be preceded or separated by any other information. A Registrant that has more than one class of shares that represent interests in the same portfolio of securities under rule 18f-3 [17 CFR 270.18f-3] ("Multiple Class Fund") may present the information required by Items 1 through 4 separately for each class or may integrate the information for multiple classes, although the order of the information must be as prescribed in Items 1 through 4. For example, the prospectus may present all of the Item 3 (Fee Table and Synopsis) information for several classes followed by all of the Item 4 (Financial Highlights) information for the classes, or may present Items 3 and 4 for each of several classes sequentially. Other presentations of multiple class information also would be acceptable if they are consistent with the Form's intent to disclose the information required by Items 1 through 4 in a standard order at the beginning of the prospectus. For a Multiple Class Fund, clearly identify the relevant classes at the beginning of the Items 1 through 4 information for those classes.

* * * * *

Part A – INFORMATION REQUIRED IN A PROSPECTUS

Item 1.Outside Front Cover

- The outside front cover must contain the following information:

* * * * *

c. the title and amount of securities offered and a brief description of such securities (unless not necessary to indicate the material terms of the securities, as in the case of an issue of common stock with full voting rights and the dividend and liquidation rights usually associated with common stock);

Instruction. If the Registrant is a Multiple Class Fund, the description must describe each class of securities offered. Include a cross-reference to the disclosure provided in

response to Item 5 of Form N-2 indicating that each class is discussed in further detail in that part of the prospectus.

* * * * *

g. information in substantially the tabular form indicated as to all securities being registered that are to be offered for cash (estimate, if necessary):

Price to Public	Sales Load	Proceeds to Registrant or Other Persons
Per Share		
Total		

Instructions.

* * * * *

7. If the Registrant is a Multiple Class Fund, include a column for each class of securities offered and provide the information required in each row for each class.

* * * * *

Item 3.Fee Table and Synopsis

1. If the prospectus offers common stock of the Registrant, include information about the costs and expenses that the investor will bear directly or indirectly, using the captions and tabular format illustrated below:

   Fees and Expenses of the Fund

   This table describes the fees and expenses that you may pay if you buy, hold, and sell shares of the Registrant. **You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and examples below.** You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least $[ ] in [name of fund family] funds. More information about these and other discounts is available from your financial intermediary and in [identify section heading and page number] of the Registrant's prospectus and [identify section heading and page number] of the Registrant's statement of additional information.

Shareholder Transaction Expenses

Sales Load (as a percentage of offering price)	_____%
Dividend Reinvestment and Cash Purchase Plan Fees	_____

Annual Expenses (as a percentage of net assets attributable to common shares)

Management Fees	_____%
Interest Payments on Borrowed Funds	_____%
Other expenses	_____%
_____	_____%
_____	_____%
_____	_____%
Total Annual Expenses	_____%

Example	1 year	3 years	5 years	10 years
You would pay the following expenses on a $10,000 investment, assuming a 5% annual return:	$ _____	$ _____	$ _____	$ _____

Instructions.

General Instructions

* * * * *

3A. If the prospectus offers more than one class of a Multiple Class Fund, provide a separate response for each class, as well as additional captions as appropriate to describe how fees operate in the classes offered consistent with related requirements in Form N-1A [17 CFR 274.11A]. For example, disclose all distribution or other expenses incurred during the most recent fiscal year under a plan adopted pursuant to rule 12b-1 [17 CFR 270.12b-1] under the caption "Distribution [and/or Service] (12b-1) Fees" and, under an appropriate caption or a subcaption of "Other Expenses," disclose the amount of any distribution or similar expenses deducted from the Fund's assets other than pursuant to a rule 12b-1 plan. If the Fund is a Feeder Fund, reflect the aggregate expenses of the Feeder Fund and the Master Fund in a single fee table using the captions provided and, as appropriate, any additional captions consistent with related requirements in Form N-1A [17 CFR 274.11A]. In a footnote to the fee table, state that the table and Example reflect the expenses of both the Feeder and Master Funds. For purposes of this instruction, a "Master-Feeder Fund" means a two-tiered arrangement in which one or more investment companies registered under the Investment Company Act (each a "Feeder Fund") holds shares of a single management investment company registered under the Investment Company Act (the "Master Fund") in accordance with Section 12(d)(1)(E) of the Investment Company Act.

Shareholder Transaction Expenses

* * * * *

5. If the Registrant (or any other party under an agreement with the Registrant) charges any other transaction fee (for example, any repurchase fees charged for the repurchase of the Registrant's shares or exchange fees charged for any exchange or transfer of interest from the Registrant to another fund), add another caption describing it, and list the maximum amount of the fee or basis on which the fee is deducted. Underwriters' compensation that is paid with the proceeds of debt that is not to be repaid within one year need not be identified as sales load, but should be set forth as a shareholder transaction expense with a brief narrative following the table explaining the nature of such payments.

* * * * *

Annual Expenses

* * * * *

10.h. The Registrant may clarify in a footnote to the fee table that the total annual expenses item under Item 3.1 is different from the ratio of expenses to average net assets given in response to Item 4.1, which reflects the operating expenses of the Registrant and does not include Acquired Fund fees and expenses.

* * * * *

Item 5.Plan of Distribution

Briefly describe how the securities being registered will be distributed. Include the following information:

* * * * *

11. If the Registrant is a Multiple Class Fund or Master-Feeder Fund:

1. Describe the main features of the structure of the Multiple Class Fund or Master-Feeder Fund.

2. *Sales Loads.* Provide the following information for each class.

a. A description of any sales loads, including deferred sales loads, applied to purchases of the Registrant's shares. Include in a table any front-end sales load (and each breakpoint in the sales load, if any) as a percentage of both the offering price and the net amount invested.

Instructions

1. If the Registrant's shares are sold subject to a front-end sales load, explain that the term "offering price" includes the front- end sales load.

2. Disclose, if applicable, that sales loads are imposed on shares, or amounts representing shares, that are purchased with reinvested dividends or other distributions.

3. Discuss, if applicable, how deferred sales loads are imposed and calculated, including:

(a) Whether the specified percentage of the sales load is based on the offering price, or the lesser of the offering price or net asset value at the time the sales load is paid.

(b) The amount of the sales load as a percentage of both the offering price and the net amount invested.

(c) A description of how the sales load is calculated (e.g., in the case of a partial repurchase, whether or not the sales load is calculated as if shares or amounts representing shares not subject to a sales load are repurchased first, and other shares or amounts representing shares are then repurchased in the order purchased).

(d) If applicable, the method of paying an installment sales load (e.g., by withholding of dividend payments, involuntary repurchases, or separate billing of a shareholder's account).

b. Unless disclosed in response to paragraph 2.a of this Item 5.11, briefly describe any arrangements that result in breakpoints in, or elimination of, sales loads (e.g., letters of intent, accumulation plans, dividend reinvestment plans, withdrawal plans, exchange privileges, employee benefit plans, and waivers for particular classes of investors). Identify each class of individuals or transactions to which the arrangements apply and state each different breakpoint as a percentage of both the offering price and the net amount invested. If applicable, state that additional information concerning sales load breakpoints is available in the Registrant's SAI.

Instructions

1. The description, pursuant to paragraphs 2.a or 2.b of this Item 5.11, of arrangements that result in breakpoints in, or elimination of, sales loads must include a brief summary of shareholder eligibility requirements, including a description or list of the types of accounts (e.g., retirement accounts, accounts held at other financial intermediaries), account holders (e.g., immediate family members, family trust accounts, solely-controlled business accounts), and fund holdings (e.g., funds held within the same fund complex) that may be aggregated for purposes of determining eligibility for sales load breakpoints.

2. The description pursuant to paragraph 2.b of this Item 5.11 need not contain any information required by Item 18.

c. Describe, if applicable, the methods used to value accounts in order to determine whether a shareholder has met sales load breakpoints, including the

circumstances in which and the classes of individuals to whom each method applies. Methods that should be described, if applicable, include historical cost, net amount invested, and offering price.

d. (i) State, if applicable, that, in order to obtain a breakpoint discount, it may be necessary at the time of purchase for shareholders to inform the Registrant or their financial intermediaries of the existence of other accounts in which there are holdings eligible to be aggregated to meet sales load breakpoints. Describe any information or records, such as account statements, that it may be necessary for shareholders to provide to the Registrant or their financial intermediaries in order to verify their eligibility for a breakpoint discount. This description must include, if applicable:

(A) Information or records regarding shares of the Registrant or other funds held in all accounts (e.g., retirement accounts) of the shareholder at the financial intermediary;

(B) Information or records regarding shares of the Registrant or other funds held in any account of the shareholder at another financial intermediary; and

(C) Information or records regarding shares of the Registrant or other funds held at any financial intermediary by related parties of the shareholder, such as members of the same family or household.

(ii) If the Registrant permits eligibility for breakpoints to be determined based on historical cost, state that a shareholder should retain any records necessary to substantiate historical costs because the Registrant, its transfer agent, and financial intermediaries may not maintain this information.

e. State whether the Registrant makes available free of charge, on or through the Registrant's website at a specified address, and in a clear and prominent format, the information required by paragraphs 2.a through 2.d of this Item 5.11, including whether the website includes hyperlinks that facilitate access to the information.

Instruction. All information required by paragraph 2 of this Item 5.11 must be adjacent to the table required by paragraph 2.a of this Item 5.11; must be presented in a clear, concise, and understandable manner; and must include tables, schedules, and charts as expressly required by paragraph 2.a of this Item 5.11 or where doing so would facilitate understanding.

3. Rule 12b-1 Fees. If the Multiple Class Fund has adopted a plan under rule 12b-1, state the amount of the distribution fee payable by each class under the plan and provide disclosure to the following effect:

a. The Registrant has adopted a plan under rule 12b-1 that allows the Registrant to pay distribution fees for the sale and distribution of its shares; and

b. Because those fees are paid out of the Registrant's assets on an on-going basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

Instruction. If the Registrant pays service fees under its rule 12b-1 plan, modify this disclosure to reflect the payment of these fees (e.g., by indicating that the Registrant pays distribution and other fees for the sale of its shares and for services provided to shareholders). For purposes of this paragraph, service fees have the same meaning given that term under FINRA rule 2341(b)(9).

4. If the Multiple Class Fund offers in the prospectus shares that provide for mandatory or automatic conversions or exchanges from one class to another class, provide the information required by paragraphs 2 and 3 above for both shares offered and the class into which the shares may be converted or exchanged.

5. If a Feeder Fund has the ability to change the Master Fund in which it invests, describe briefly the circumstances under which the Feeder Fund can do so.

Instruction. A Feeder Fund that does not have the authority to change its Master Fund need not disclose the possibility and consequences of its no longer investing in the Master Fund.

* * * * *

Part B – INFORMATION REQUIRED IN A STATEMENT OF ADDITIONAL INFORMATION

* * * * *

Item 20. Investment Advisory and Other Services

1. Furnish the following information about each investment adviser:

* * * * *

c. the method of computing the advisory fee payable by the Registrant, including:

* * * * *

4. For a Multiple Class Fund, describe the methods of allocation and payment of advisory fees for each class.

* * * * *

Item 24. Financial Statements

* * * * *

4. Every annual report to shareholders required by Section 30(e) of the Investment Company Act and Rule 30e-1 thereunder shall contain the following information:

* * * *

g. Management's Discussion of Fund Performance. Disclose the following information:

* * * *

(2)

* * * * *

(B) In a table placed within or next to the graph, provide the Fund's average annual total returns for the 1-, 5-, and 10- year periods as of the end of the last day of the most recent fiscal year (or for the life of the Fund, if shorter), but only for periods subsequent to the effective date of the Fund's registration statement. Average annual total returns should be computed in accordance with Item 26(b)(1) of Form N-1A, except with respect to reinvestments of dividends and distributions, which must be calculated consistent with Item 4 of this Form. Include a statement accompanying the graph and table to the effect that past performance does not predict future performance and that the graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the sale of fund shares. If the report covers more than one class of a Multiple Class Fund or more than one Feeder Fund that invests in the same Master Fund, provide this information for each class or Feeder Fund separately.

* * * * *

6. Every annual and semiannual report to shareholders required by Section 30(e) of the Investment Company Act and Rule 30e-1 thereunder shall contain the following information:

* * * * *

g. Fund Expenses. Include on the cover page or at the beginning of the annual or semi-annual shareholder report:

In a table, provide the expenses of an ongoing $10,000 investment in the Registrant during the reporting period with each class on a different line. The table must show: (i) the [Fund or Class Name]; (ii) expenses in dollars paid on a $10,000 investment during the period; and (iii) expenses as a percent of an investor's investment in the Registrant (i.e. expense ratio).

What were the Fund costs for the last [year/six months]? (based on a hypothetical $10,000 investment)

[Fund or Class Name]	Costs of a $10,000 investment	Costs paid as a percentage of a $10,000 investment
	$	%

Instructions

1. General.

(a) Round all percentages in the table to the nearest hundredth of one percent and round all dollar figures in the table to the nearest dollar.

(b) If the Fund is a Feeder Fund, reflect the aggregate expenses of the Feeder Fund and the Master Fund. In a footnote to the expense table, state that the expense table reflects the expenses of both the Feeder and Master Funds.

(c) If the Registrant's annual or semi-annual shareholder report covers a period of time that is less than the full reporting period of the annual or semi-annual report, the Registrant must include a footnote to the table to briefly explain that expenses for the full reporting period would be higher.

(d) If the disclosed expenses include extraordinary expenses, the Registrant may include a brief footnote to the "Costs paid as a percentage of your investment" column disclosing what actual costs would have been if extraordinary expenses were not included. "Extraordinary expenses" refers to expenses that are distinguished by their unusual nature and by the infrequency of their occurrence. Unusual nature means the expense has a high degree of abnormality and is clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the Registrant, taking into account the environment in which the Registrant operates. Infrequency of occurrence means the expense is not reasonably expected to recur in the foreseeable future, taking into consideration the environment in which the Registrant operates. The environment of a Registrant includes such factors as the characteristics of the industry or industries in which it operates, the geographical location of its operations, and the nature and extent of government regulation.

2. Computation.

(a) To determine "Costs of a $10,000 investment," multiply the figure in the "Cost paid as a percentage of your investment" column by the average account value over the period based on an investment of $10,000 at the beginning of the period.

(b) Assume reinvestment of all dividends and distributions.

(c) In the annual shareholder report, disclose the expense ratio in the "Costs paid as a percentage of your investment" column as it appears in the Registrant's most recent audited financial statements or financial highlights. In the semi-annual shareholder report, the Registrant's expense ratio in the "Costs paid as a percentage of your investment column" should be calculated in the manner required by Instruction 16 to Item 4 using the expenses for the Registrant's most recent fiscal half-year. Express the expense ratio on an annualized basis.

* * * * *

10. Every annual report filed under the Exchange Act by a business development company must contain the information required by Instructions 4.b, 4.h, and 6.g.

Appendix B – Form N-CEN

* * * * *

Item C.2. Classes of management investment companies.

a. How many Classes of shares of the Fund (if any) are authorized? ____

b. How many new Classes of shares of the Fund were added during the reporting period? ____

c. How many Classes of shares of the Fund were terminated during the reporting period? ___

d. For each Class with shares outstanding, provide the information requested below:

i. Full name of Class: ____

ii. Class identification number, if any (open-end management companies only): ____

iii. Ticker symbol, if any: ____

* * * * *

Appendix C – Form N-23c-3

You may not send a completed printout of this form to the SEC to satisfy a filing obligation. You can only satisfy an SEC filing obligation by submitting the information required by this form to the SEC in electronic format online at https://www.edgarfiling.sec.gov.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.
20549

OMB APPROVAL	
OMB Number:	3235-0422
Expires:	November 30, 2027
Estimated average burden hours per response.	23

Form N-23c-3

Notification of Repurchase Offer

Pursuant to Rule 23c-3 [17 CFR 270.23c-3]

1. Investment Company Act File Number Date of Notification

811-

2. Exact name of investment company as specified in registration statement:

3. Address of principal executive office: (number, street, city, state, zip code)

4. Check one of the following:

A. [ ] The notification pertains to a periodic repurchase offer under paragraph (b) of Rule 23c-3.

B. [ ] The notification pertains to a discretionary repurchase offer under paragraph (c) of Rule 23c-3.

C. [ ] The notification pertains to a periodic repurchase offer under paragraph (b) of Rule 23c-3 and a discretionary repurchase offer under paragraph (c) of Rule 23c-3.]

By: _____
(Name)

_____
(Title)

INSTRUCTIONS

1. This Form must be completed by registered closed-end investment companies or business development companies that make repurchase offers pursuant to Rule 23c-3. The Form shall be attached to a notification to shareholders under paragraph (b)(4) of Rule 23c-3.

2. Submissions using this Form shall be filed with the Commission within three business days after a notification is sent to shareholders.

SEC'S COLLECTION OF INFORMATION

The SEC may not conduct or sponsor, and a person is not required to respond to, a PRA collection of information unless it displays a valid OMB Control Number. Filing of this Form is mandatory. The principal purpose of this collection of information is to ensure that investment companies provide basic information necessary for the Commission to process filed notifications to shareholders and to monitor companies' use of repurchase offers. Any member of the public may direct to the Commission any comments concerning the accuracy of the burden estimate of this Form, and any suggestions for reducing this burden. This collection of information has been reviewed by the Office of Management and Budget in accordance with the clearance requirements of 44 U.S.C. § 3507. The responses to the collection of information will not be kept confidential.

[FR Doc. 2026–20360 Filed 10–2–26; 8:45 am]
BILLING CODE 8011–01–C



FEDERAL REGISTER

Vol. 91 Monday,
No. 191 October 5, 2026

Part III

The President

Presidential Determination No. 2026–25 of September 30, 2026—Presidential Determination on the Revocation of Presidential Determinations Related to Lebanon

Federal Register
Vol. 91, No. 191
Monday, October 5, 2026

Presidential Documents

Title 3—

The President

Presidential Determination No. 2026–25 of September 30, 2026

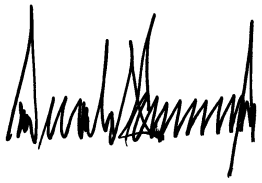
Presidential Determination on the Revocation of Presidential Determinations Related to Lebanon

Memorandum for the Secretary of Transportation

By the authority vested in me as President by the Constitution and the laws of the United States, I hereby determine that Presidential Determination No. 98–32 of June 19, 1998, Presidential Determination No. 2007–22 of June 5, 2007, as well as the underlying prohibitions established by Presidential Determination 85–14 of July 1, 1985, and Presidential Determination 92–41 of August 17, 1992, are no longer necessary to ensure the security of aircraft operating to or from Lebanon against unlawful seizure. Therefore, Presidential Determinations No. 85–14, No. 92–41, No. 98–32, and No. 2007–22 are all hereby revoked in their entirety.

You are directed to implement this determination immediately and to revoke, effective immediately, any regulations, rules, or orders inconsistent herewith.

You are authorized and directed to publish this determination in the *Federal Register*.



THE WHITE HOUSE,
Washington, September 30, 2026

[FR Doc. 2026–20439
Filed 10–2–26; 11:15 am]
Billing code 4910–9X–P

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Federal Register

Vol. 91, No. 191

Monday, October 5, 2026

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FEDERAL REGISTER PAGES AND DATE, OCTOBER

62297–62634 1
62635–63132 2
63133–63474 5

CFR PARTS AFFECTED DURING OCTOBER

At the end of each month the Office of the Federal Register publishes separately a List of CFR Sections Affected (LSA), which lists parts and sections affected by documents published since the revision date of each title.

3 CFR

Executive Orders:
14432 63121
14433 63125
14434 63129

Administrative Orders:
Notices:
Notice of September 30, 2026 63131
Presidential Determinations:
2026–24 of September 25, 2026 63119
2026–25 of September 30, 2026 63473

7 CFR

4280 62600

10 CFR

20 63133
30 63133
40 63133
70 63133
150 62635

Proposed Rules:
20 63168
30 63168
40 63168
70 63168

12 CFR

225 ..... 62636, 62870
238 ..... 62636, 62870
252 ..... 62636, 62870

14 CFR

39 ..... 62297, 62299, 62301, 62304, 62307
97 ..... 62309, 62311

Proposed Rules:
23 63170
39 ..... 62344, 63172, 63175
71 ..... 62680, 63178
401 ..... 63180, 63185
404 63180
413 63180
414 63180
450 ..... 63185, 63190, 63199, 63204

15 CFR

Proposed Rules:
60 63207
70 63207

16 CFR

Proposed Rules:
461 62347
1112 63208
1265 63208

17 CFR

200 62654

Proposed Rules:
239 63388
249 63388
270 63388
274 63388

21 CFR

Proposed Rules:
1312 62357

22 CFR

126 62313

Proposed Rules:
120 62361
121 62361
123 62361

24 CFR

75 63146

26 CFR

1 62655

Proposed Rules:
1 62818

31 CFR

Proposed Rules:
1010 63208

33 CFR

100 ..... 62314, 62672, 62673, 63147
165 62314

Proposed Rules:
165 62368

36 CFR

Proposed Rules:
7 62682

40 CFR

52 ..... 62316, 62320
97 62322
180 62673

Proposed Rules:
52 ..... 62371, 62380

42 CFR

412 ..... 62323, 62327
414 62327
513 62936

45 CFR

Proposed Rules:
1355 63226
1357 63226

46 CFR

Proposed Rules:
11 62383

12.....62383

47 CFR

51.....62334
63.....62334
64.....63149

48 CFR

Proposed Rules:
541.....63243
552.....63243

49 CFR

Proposed Rules:
40.....62409
390.....63156

50 CFR

622.....63160
648.....63166
660.....62677
665.....62340
679 .....62341, 62343, 63166

Proposed Rules:
10.....62411
17.....63250
21.....62411

LIST OF PUBLIC LAWS

Note: No public bills which have become law were received by the Office of the Federal Register for inclusion in today's **List of Public Laws**.

Last List October 2, 2026

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