

consider, pursuant to Rule 19b-4 under the Act,¹⁰¹ any request for an opportunity to make an oral presentation.¹⁰²

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change, as modified by Amendment No. 1, should be approved or disapproved by March 30, 2017. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by April 13, 2017. 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 No. SR-NASDAQ-2016-161 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 No. SR-NASDAQ-2016-161. The file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal

office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File No. SR-NASDAQ-2016-161 and should be submitted by March 30, 2017. Rebuttal comments should be submitted by April 13, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰³

Eduardo A. Aleman,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80150; File No. SR-ICC-2017-003]

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice Relating to ICC's End-of-Day Price Discovery Policies and Procedures

March 3, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934,¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 16, 2017, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change, security-based swap submission, or advance notice as described in Items I, II, and III below, which Items have been prepared primarily by ICC. The Commission is publishing this notice to solicit comments on the proposed rule change, security-based swap submission, or advance notice from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice

The principal purpose of the proposed changes is to make changes to the ICC End-of-Day Price Discovery Policies and Procedures ("Pricing Policy") related to the implementation of ICC's new Clearing Participant ("CP") direct price submission process.

¹⁰³ 17 CFR 200.30-3(a)(12); 17 CFR 200.30-3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice

In its filing with the Commission, ICC included statements concerning the purpose of and basis for the proposed rule change, security-based swap submission, or advance notice and discussed any comments it received on the proposed rule change, security-based swap submission, or advance notice. The text of these statements may be examined at the places specified in Item IV below. ICC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of these statements.

A. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice

ICC proposes revising its Pricing Policy to make changes related to the implementation of ICC's new CP direct price submission process. Currently, ICC uses an intermediary agent to implement functions of its price discovery process. Specifically, under the current process, Clearing Participants submit required prices to the intermediary agent; these prices are then input into ICC's price settlement methodology to determine settlement prices. ICC proposes to enhance its price discovery process to remove the intermediary agent from the price settlement process. In doing so, ICC will require CPs to submit prices directly to the clearinghouse. The prices will continue to be input into ICC's price settlement methodology to determine settlement prices. There are no changes to the price settlement methodology as a result of the changes. The proposed revisions to the Pricing Policy are described in detail as follows.

ICC updated the Pricing Policy to note that ICC requires CPs to establish direct connectivity with the clearinghouse and use a FIX API to submit required prices. ICC revised the Pricing Policy to remove references to the intermediary agent and the Valuation Service API (and related message terminology), which will be decommissioned with the launch of the new CP direct price submission process, and to add reference to the new FIX API message terminology, which will be utilized under the new CP direct price submission process. Such changes are reflected throughout the Pricing Policy. ICC has also updated the Pricing Policy to specify that ICC will send the unsolicited FIX API messages directly to each CP.

¹⁰¹ 17 CFR 240.19b-4.

¹⁰² Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Public Law 94-29 (June 4, 1975), grants to the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

Under the new CP direct price submission process, ICC will consolidate the price discovery process across indices and singles names; as such, new FIX API messages will include information for both Indices and Single Names. Previously, the price discovery process provided files separately for each product type.

ICC updated the Submission Requirements set forth in the Pricing Policy to include iTraxx Australia and iTraxx Asia Ex-Japan indices. For both indices, prices must be submitted in spread and either midpoint or bid-offer format. Further, ICC updated the Submission Requirements for CDX.NA.HY and CDX.EM indices to note that prices may be submitted in either price or upfront format; previously, only price format was accepted.

ICC has updated the Pricing Policy to reflect the replacement of existing firm trade data files with new FIX API firm trade messages. ICC also made minor changes to the timing of certain steps in the price settlement process; no changes were made to the actual settlement submission windows.

ICC also updated the Distribution of End-of-Day Prices process set forth in the Pricing Policy. Under the new CP direct price submission process, ICC will publish separate messages to CPs, listing end-of-day prices for single names and indices. The end-of-day prices provided will not change and will continue to be based on CPs' cleared positions. ICC will continue to publish end-of-day prices for every listed risk sub-factors' most actively traded instrument, and will distribute daily end-of-day prices for all cleared instruments through Markit.

Section 17A(b)(3)(F) of the Act³ requires, among other things, that the rules of a clearing agency be designed to protect investors and the public interest and to comply with the provisions of the Act and the rules and regulations thereunder. ICC believes that the proposed rule changes are consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC, in particular, to Section 17(A)(b)(3)(F),⁴ because ICC believes that the proposed rule changes will assure the prompt and accurate clearance and settlement of securities transactions, derivatives agreements, contracts, and transactions, as the proposed revisions simplify and increase the efficiency of ICC's price discovery process, which includes the determination of settlement prices and

firm trades. As such, the proposed changes are designed to promote the prompt and accurate clearance and settlement of securities transactions, derivatives agreements, contracts, and transactions within the meaning of Section 17A(b)(3)(F) of the Act.⁵ Further, such changes are consistent with Rule 17Ad-22(d)(4),⁶ as the changes will decrease external operational risk, since ICC no longer would rely on the service of an intermediary agent to perform key aspects of its price discovery process.

B. Clearing Agency's Statement on Burden on Competition

ICC does not believe the proposed rule changes would have any impact, or impose any burden, on competition. The changes to ICC's price submission process apply uniformly across all market participants. Therefore, ICC does not believe the proposed rule changes impose any burden on competition that is inappropriate in furtherance of the purposes of the Act.

C. Clearing Agency's Statement on Comments on the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice Received From Members, Participants or Others

Written comments relating to the proposed rule change have not been solicited or received. ICC will notify the Commission of any written comments received by ICC.

III. Date of Effectiveness of the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice 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, security-based swap submission, or advance notice 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-ICC-2017-003 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-ICC-2017-003. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change, security-based swap submission, or advance notice that are filed with the Commission, and all written communications relating to the proposed rule change, security-based swap submission, or advance notice between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filings will also be available for inspection and copying at the principal office of ICE Clear Credit and on ICE Clear Credit's Web site at <https://www.theice.com/clear-credit/regulation>.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-ICC-2017-003 and should be submitted on or before March 30, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

³ 15 U.S.C. 78q-1(b)(3)(F).

⁴ *Id.*

⁵ *Id.*

⁶ 17 CFR 240.17Ad-22(d)(4).

⁷ 17 CFR 200.30-3(a)(12).

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80155; File No. SR-BX-
2017-014]

Self-Regulatory Organizations; NASDAQ BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Chapter X, Section 7(a) of the Exchange's Rules Relating to Minor Rule Violation Penalties for Position Limit Violations

March 3, 2017.

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 February 28, 2017, NASDAQ BX, Inc. ("BX" 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 amend Chapter X, Section 7(a) of the Exchange's Rules, as described in further detail below.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqbx.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any 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 purpose of the proposed rule change is to amend Chapter X, Section 7(a) of the Exchange's rules (the "Rules"), which sets forth the Exchange's minor rule violation penalties and in particular, penalties for violating Chapter III, Section 7 of the Rules pertaining to position limits, so that these penalties are consistent with those of BX's sister exchange, the International Securities Exchange, LLC ("ISE"), as well as other competing options exchanges.

Chapter III, Section 7 of the Exchange's Rules imposes position limits for Options Participants in certain circumstances. Meanwhile, Chapter X, Section 7(a) of the Rules assesses fines for minor rule violations, including position limits violations, as follows.

First, for violations occurring in customer accounts, Section 7(a)(i) assesses fines based upon the cumulative number of violations that occur over the course of a two year rolling period. For the first six violations that occur during any such period, an Option Participant will either be issued a letter of caution (to the extent that the violations are up to five percent in excess of applicable limits) or assessed \$1 per contract (to the extent that the violations are more than five percent in excess of applicable limits). For the seventh through twelfth violations that occur during any such period, the fine is \$1 per contract over the limit, regardless of the extent of the violations. Finally, for the thirteenth or any additional violations that occur during any such period, the fine increases to \$5 per contract over the limit. Notwithstanding the above, the Rule provides that the minimum fine that the Exchange shall assess is \$100.

Second, for violations that occur in the accounts of Options Participants (*i.e.*, proprietary accounts and accounts of other Options Participants), Section 7(a)(ii) again assesses fines based upon the cumulative number of violations that occur over the course of a two year rolling period. For the first three violations that occur in any such period, an Option Participant will either be assessed a letter of caution (to the extent that the violations are up to five percent in excess of applicable limits) or \$1 per contract (to the extent that the violations are more than five percent in excess of applicable limits). For the fourth through the sixth violations that occur during any such period, the fine is \$1

per contract over the limit, regardless of the extent of the violations. Finally, for the seventh or any additional violations that occur during any such period, the fine increases to \$5 per contract over the limit. Notwithstanding the above, the Rule provides that the minimum fine that the Exchange shall assess is \$100.

The Exchange proposes to replace its schedule of fines for position limit violations to mirror the schedule of fines that ISE and other exchanges apply to such violations. The ISE schedule of position limits fines set forth in ISE Rule 1614(d) is simpler and, in certain instances, more stringent than the BX schedule of fines. It provides that for any cumulative violations of the ISE position limits rule³ that occur during any rolling two year period, ISE assesses a fine of \$500 for the first offense, \$1,000 for the second offense, \$2,500 for the third offense, and \$5,000 for the fourth and each subsequent offense. The ISE rule is identical to that which several other exchanges employ.⁴ The proposed rule change conforms the fine schedule of BX to that of ISE.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁵ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁶ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that its proposed Rule change will be more effective than the existing Rule in preventing manipulative acts and practices and protecting investors because under the proposed Rule, the Exchange will immediately impose a fine upon an Options Participant that violates its position limits, and it will do so regardless of the extent of the

³ ISE Rule 1614(d)(1) counts as a single violation, provided that such a violation is inadvertent: (i) A 1 trade date overage; (ii) a consecutive string of trade date overage violations where the position does not change or where a steady reduction in the overage occurs; or (iii) a consecutive string of trade date overage violations resulting from other mitigating circumstances.

⁴ See BATS BZX Exchange, Inc. Rule 25.3(a); C2 Options Exchange Rule Chapter 17 (incorporating by reference CBOE Rule 17.50(g)(1)); see also NYSE Arca, Inc. Rule 10.12(k)(i)(21) (imposing fines of \$1,000, \$2,500, and \$5,000 for the first, second, and third violations, respectively while omitting corresponding verbiage that defines the nature of a single violation subject to a fine).

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.