

investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act. Section 6(c) of the Act permits the Commission to exempt any persons or transactions from any provision of the Act if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

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

**Eduardo A. Aleman,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81388; File No. SR-NYSEArca-2017-69]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change To List and Trade Shares of ProShares QuadPro Funds Under NYSE Arca Equities Rule 8.200

August 14, 2017.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on July 31, 2017, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (the “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.

#### I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to list and trade shares of the following under Commentary .02 to NYSE Arca Equities Rule 8.200 (“Trust Issued Receipts”): ProShares QuadPro U.S. Large Cap Futures Long Fund; ProShares QuadPro U.S. Large Cap Futures Short Fund; ProShares QuadPro U.S. Small Cap Futures Long Fund; and ProShares QuadPro U.S. Small Cap Futures Short Fund. The proposed rule change is available on the Exchange’s Web site at [www.nyse.com](http://www.nyse.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 self-regulatory organization 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 those 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 parts of such statements.

##### A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange proposes to list and trade shares (“Shares”) of the following under Commentary .02 to NYSE Arca Equities Rule 8.200, which governs the listing and trading of Trust Issued Receipts (“TIRs”)<sup>4</sup>: ProShares QuadPro U.S. Large Cap Futures Long Fund; ProShares QuadPro U.S. Large Cap Futures Short Fund; ProShares QuadPro U.S. Small Cap Futures Long Fund; and ProShares QuadPro U.S. Small Cap Futures Short Fund (each a “Fund” and, collectively, the “Funds”).<sup>5</sup>

Each of the Funds is a commodity pool that is a series of the ProShares Trust II (“Trust”). The Funds’ sponsor and commodity pool operator is ProShare Capital Management LLC (the “Sponsor”). Brown Brothers Harriman & Co. is the Administrator, the Custodian and the Transfer Agent of each Fund and its Shares. SEI Investments Distribution Co. (“SEI” or “Distributor”) is the distributor for the Funds’ Shares.

<sup>4</sup> Commentary .02 to NYSE Arca Equities Rule 8.200 applies to TIRs that invest in “Financial Instruments.” The term “Financial Instruments,” as defined in Commentary .02(b)(4) to NYSE Arca Equities Rule 8.200, means any combination of investments, including cash; securities; options on securities and indices; futures contracts; options on futures contracts; forward contracts; equity caps, collars and floors; and swap agreements.

<sup>5</sup> The Trust is registered under the Securities Act of 1933. On May 8, 2017, the Trust filed with the Commission a registration statement on Form S-1 under the Securities Act of 1933 (15 U.S.C. 77a) (“Securities Act”) relating to the Funds (File No. 333-217767) (the “Registration Statement”). The description of the operation of the Trust and the Funds herein is based, in part, on the Registration Statement.

Principal Investment Strategies of the Funds

ProShares QuadPro U.S. Large Cap Futures Long Fund and ProShares QuadPro U.S. Large Cap Futures Short Fund (“Large Cap Futures Funds”)

According to the Registration Statement, the Large Cap Futures Funds will seek results that correspond (before fees and expenses) to four times (*i.e.*, 4×) or four times the inverse (*i.e.*, –4×), respectively, of the return of Lead Month E-Mini S&P 500 Stock Price Index Futures (“Large Cap Benchmark” or “Benchmark”) for a single day.<sup>6</sup> A “single day” is measured from the time a Fund calculates its net asset value (“NAV”) to the time of a Fund’s next NAV calculation.

Under normal market conditions,<sup>7</sup> each Large Cap Futures Fund will attempt to gain leveraged or inverse leveraged exposure, as applicable, to the Large Cap Benchmark primarily through investments in Lead Month E-Mini S&P 500 Stock Price Index Futures.<sup>8</sup> Each Large Cap Futures Fund also may take positions in standard futures contracts on the S&P 500 Index (together with Lead Month E-Mini S&P 500 Stock Price Index Futures, “Large Cap Futures Contracts”). The ProShares QuadPro U.S. Large Cap Futures Long Fund will

<sup>6</sup> The Large Cap Benchmark is the price on the Chicago Mercantile Exchange (“CME”) of lead month (*i.e.*, near-month or next-to-expire) E-Mini S&P 500 Stock Price Index Futures Contracts. Specifically, the Benchmark is the last traded price of such contracts on the CME prior to the calculation of the Fund’s net asset value (“NAV”), which is typically calculated as of 4:00 p.m. each day NYSE Arca is open for trading. The S&P 500 Index is a float-adjusted, market capitalization-weighted index of 500 U.S. operating companies and real estate investment trusts selected through a process that factors in criteria such as liquidity, price, market capitalization and financial viability. The CME Group is a member of the Intermarket Surveillance Group (“ISG”). See note 20 [sic], *infra*.

<sup>7</sup> The term “normal market conditions” includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues (*e.g.*, systems failure) causing dissemination of inaccurate market information; or force majeure type events such as natural or manmade disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

<sup>8</sup> According to the Registration Statement, an “e-mini futures contract” is an electronically traded futures contract that provides similar exposure, but with a lower dollar value, than a standard futures contract. In addition, because of their lower dollar value, e-mini futures contracts may permit the Funds to maintain exposure more precisely in line with their current asset levels. The dollar volume traded of e-mini futures contracts on the S&P 500 Index far exceeds the dollar volume traded of standard futures contracts on the S&P 500 Index. For example, during the first quarter of 2017, the average daily volume—weighted average price (“VWAP”) of e-mini futures contracts on the S&P 500 Index was \$167.5 billion while the average daily VWAP for standard contracts during the same period was \$306 million.

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

seek to achieve substantially all of this exposure by taking “long” positions in Large Cap Futures Contracts. Conversely, the ProShares QuadPro U.S. Large Cap Futures Short Fund will seek to achieve substantially all of this exposure by taking “short” positions in Large Cap Futures Contracts.<sup>9</sup>

According to the Registration Statement, each Large Cap Futures Fund will seek to engage in daily rebalancing to position its portfolio so that its leveraged or inverse exposure to the Large Cap Benchmark is consistent with such Fund’s daily investment objective. The impact of the Large Cap Benchmark’s movements during the day will affect whether a particular Fund’s portfolio needs to be repositioned. For example, if the Large Cap Benchmark underlying the ProShares QuadPro U.S. Large Cap Futures Short Fund has risen on a given day, net assets of such Fund should fall. As a result, such Fund’s inverse exposure will need to be decreased. Conversely, if the Large Cap Benchmark underlying such Fund has fallen on a given day, net assets of such Fund should rise. As a result, the Fund’s inverse exposure will need to be increased. For the ProShares QuadPro U.S. Large Cap Futures Long Fund, such Fund’s long exposure will need to be increased on days when the Large Cap Benchmark rises and decreased on days when the Large Cap Benchmark falls. Daily rebalancing and the compounding of each day’s return over time means that the return of each Fund for a period longer than a single day will be the result of each day’s returns compounded over the period, which will very likely differ from four times (4X) or four times the inverse (–4X), as applicable, of the return of a Fund’s Benchmark for the same period.

According to the Registration Statement, in the event position, price or accountability limits are reached with respect to Futures Contracts, the Sponsor, in its commercially reasonable judgment, may cause each Fund to obtain exposure to the Large Cap Benchmark through investment in swap transactions and forward contracts referencing such Benchmark (“Large Cap Financial Instruments”).<sup>10</sup> The

<sup>9</sup>In general terms, to be “long” means to hold or have long exposure to an asset in order to benefit from increases in the value of such asset; to be “short” means to sell or have short exposure to an asset in order to benefit from decreases in the value of such asset.

<sup>10</sup>Each Fund may use various techniques to minimize credit risk. The Sponsor regularly reviews the performance of its counterparties for, among other things, creditworthiness and execution quality. In addition, the Sponsor periodically considers the addition of new counterparties. The Funds will seek to mitigate these risks in

Funds may also invest in Large Cap Financial Instruments if the market for a specific Futures Contract experiences emergencies (e.g., natural disaster, terrorist attack or an act of God) or disruptions (e.g., a trading halt or a flash crash) that prevent or make it impractical for a Fund from obtaining the appropriate amount of investment exposure using Futures Contracts (i.e., conditions other than normal market conditions). The Funds do not intend to invest more than 25% of their respective net assets in Large Cap Financial Instruments.

According to the Registration Statement, because each Fund will seek results that correspond to four times the performance or four times the inverse, as applicable, of the Large Cap Benchmark for a single day, an adverse Large Cap Benchmark move of 25 percent or more could cause the NAV of a Fund to decline to zero and investors in a Fund to lose the full value of their investment. Therefore, each Fund will invest a limited portion of its assets (typically less than 5% of its net assets at the time of purchase) in listed option contracts designed to prevent a Fund’s NAV from going to zero and allow a Fund to recoup a small portion of the substantial losses that may result from significant movements in the Large Cap Benchmark. Specifically, the ProShares QuadPro U.S. Large Cap Futures Long Fund will hold CME-listed “put” options on e-mini or standard S&P 500 Index futures contracts (which give the Fund the right to sell such contracts) and ProShares QuadPro U.S. Large Cap Futures Short Fund will hold CME-listed “call” options on e-mini or standard S&P 500 Index futures contracts (which give the Fund the right to buy futures contracts). Such put and call options may be referred to herein as “Large Cap Stop Options.” If CME-listed options are not readily available, a Fund may invest in OTC options on Large Cap Future Contracts. This strategy will not prevent a Fund from losing money, but is designed to permit a Fund to recover a small percentage of its losses in the event of significant adverse movement in a Fund’s Benchmark.<sup>11</sup>

connection with the uncleared over-the-counter (“OTC”) swaps and uncleared OTC forwards by generally requiring that the counterparties for each Fund agree to post collateral for the benefit of the Fund, marked to market daily, subject to certain minimum thresholds; however, there are no limitations on the percentage of its assets each Fund may invest in swap agreements or forwards with a particular counterparty.

<sup>11</sup>A Fund’s investments in Large Cap Futures Contracts, together with its investments in Large Cap Financial Interests, if any, may be referred to herein as the Fund’s “S&P 500 Interests.” The ProShares QuadPro U.S. Large Cap Futures Long

Each Fund will invest the remainder of its un-invested assets in cash and high-quality, short-term debt instruments that have terms-to-maturity of less than 397 days, such as U.S. government securities and repurchase agreements (“Money Market Instruments”).

In seeking to achieve each Fund’s investment objective, the Sponsor will use a mathematical approach to investing. Using this approach, the Sponsor will determine the type, quantity and mix of investment positions that the Sponsor believes, in combination, should produce daily returns consistent with each Fund’s objective. The Sponsor will rely upon a pre-determined model to generate orders that result in repositioning each Fund’s investments in accordance with its respective investment objective.

Each Fund generally will seek to remain fully invested at all times in Futures Contracts, Large Cap Stop Options (as applicable), and Money Market Instruments that, in combination, provide exposure to the Large Cap Benchmark consistent with its investment objective without regard to market conditions, trends or direction.

ProShares QuadPro U.S. Small Cap Futures Long Fund and ProShares QuadPro U.S. Small Cap Futures Short Fund (“Small Cap Futures Funds”)

According to the Registration Statement, the Small Cap Futures Funds will seek results that correspond (before fees and expenses) to four times (i.e., 4X) or four times the inverse (i.e., –4X), respectively, of the return of Lead Month Russell 2000 Index Mini Futures (“Small Cap Benchmark” or “Benchmark”) for a single day.<sup>12</sup> A “single day” is measured from the time

Fund will hold listed put options with respect to all or substantially all of its S&P 500 Interests with strike prices at approximately 75 percent of the value of the applicable underlying S&P 500 Interests as of the end of the preceding business day. The ProShares QuadPro U.S. Large Cap Futures Short Fund will hold listed call options with respect to all or substantially all of its S & P 500 Interests with strike prices at approximately 125 percent of the value of the Fund’s S&P Interests as of the end of the preceding business day.

<sup>12</sup>The Small Cap Benchmark is the price on the CME of lead month (i.e., near-month or next-to-expire) Russell 2000 Index Mini Futures Contracts. Specifically, the Benchmark is the last traded price of such contracts on the CME prior to the calculation of the Fund’s NAV, which is typically calculated as of 4:00 p.m. each day NYSE Arca is open for trading. The Russell 2000 Index is a float-adjusted, market capitalization-weighted index containing approximately 2000 of the smallest companies in the Russell 3000 Index, or approximately 8% of the total market capitalization of the Russell 3000 Index, which in turn represents approximately 98% of the investable U.S. equity market.

a Fund calculates its NAV to the time of a Fund's next NAV calculation.

Under normal market conditions,<sup>13</sup> each Small Cap Futures Fund will attempt to gain leveraged or inverse exposure, as applicable, to the Small Cap Benchmark primarily through investments in Lead Month E-Mini Russell 2000 Index Futures<sup>14</sup> ("Small Cap Futures Contracts") (Large Cap Futures Contracts and Small Cap Futures Contracts, collectively, are referred to herein as "Futures Contracts"). The ProShares QuadPro U.S. Small Cap Futures Long Fund will seek to achieve substantially all of this exposure by taking "long" positions in Small Cap Futures Contracts. Conversely, the ProShares QuadPro U.S. Small Cap Futures Short Fund will seek to achieve substantially all of this exposure by taking "short" positions in Small Cap Futures Contracts.

According to the Registration Statement, each Small Cap Futures Fund will seek to engage in daily rebalancing to position its portfolio so that its leveraged or inverse exposure to the Small Cap Benchmark is consistent with such Fund's daily investment objective. The impact of the Small Cap Benchmark's movements during the day will affect whether a particular Fund's portfolio needs to be repositioned. For example, if the Small Cap Benchmark underlying the ProShares QuadPro U.S. Small Cap Futures Short Fund has risen on a given day, net assets of such Fund should fall. As a result, such Fund's inverse exposure will need to be decreased. Conversely, if the Small Cap Benchmark underlying such Fund has fallen on a given day, net assets of such Fund should rise. As a result, the Fund's inverse exposure will need to be increased. For the ProShares QuadPro U.S. Small Cap Futures Long Fund, such Fund's long exposure will need to be increased on days when the Small Cap Benchmark rises and decreased on days when the Small Cap Benchmark falls. Daily rebalancing and the compounding of each day's return over time means that the return of each Fund for a period longer than a single day will be the result of each day's returns compounded over the period, which

will very likely differ from four times (4x) or four times the inverse (-4x), as applicable, of the return of the Small Cap Benchmark for the same period.

According to the Registration Statement, in the event position, price or accountability limits are reached with respect to Small Cap Futures Contracts, the Sponsor, in its commercially reasonable judgment, may cause each Fund to obtain exposure to the Small Cap Benchmark through investment in swap transactions and forward contracts referencing such Benchmark ("Small Cap Financial Instruments", together with Large Cap Financial Instruments, "Financial Instruments"). The Funds may also invest in Small Cap Financial Instruments if the market for a specific Small Cap Futures Contract experiences emergencies (e.g., natural disaster, terrorist attack or an act of God) or disruptions (e.g., a trading halt or a flash crash) that prevent or make it impractical for a Fund from obtaining the appropriate amount of investment exposure using Small Cap Futures Contracts (i.e., conditions other than normal market conditions). The Funds do not intend to invest more than 25% of their respective net assets in Small Cap Financial Instruments.

According to the Registration Statement, because each Fund will seek results that correspond to four times the performance or four times the inverse of the Small Cap Benchmark for a single day, an adverse Small Cap Benchmark move of 25 percent or more could cause the NAV of a Fund to decline to zero and investors in a Fund to lose the full value of their investment. Therefore, each Fund will invest a limited portion of its assets (typically less than 5% of its net assets at the time of purchase) in listed option contracts designed to prevent a Fund's NAV from going to zero and allow a Fund to recoup a small portion of the substantial losses that may result from significant movements in its Benchmark. Specifically, the ProShares QuadPro U.S. Small Cap Futures Long Fund will hold CME-listed "put" options on mini Russell 2000 Index futures contracts (which give the Fund the right to sell such contracts) and ProShares QuadPro U.S. Small Cap Futures Short Fund will hold CME-listed "call" options on mini Russell 2000 Index futures contracts (which give the Fund the right to buy such contracts). Such put and call options are referred to herein as "Small Cap Stop Options." (Large Cap Stop Options and Small Cap Stop Options, collectively, are referred to herein as "Stop Options.") If CME-listed options are not readily available, a Fund may invest in OTC options on Small Cap

Futures Contracts. This strategy will not prevent a Fund from losing money, but is designed to permit a Fund to recover a small percentage of its losses in the event of significant adverse movement in a Fund's Benchmark.<sup>15</sup>

Each Fund will invest the remainder of its un-invested assets in Money Market Instruments.

In seeking to achieve a Fund's investment objective, the Sponsor will use a mathematical approach to investing. Using this approach, the Sponsor will determine the type, quantity and mix of investment positions that the Sponsor believes, in combination, should produce daily returns consistent with each Fund's objective. The Sponsor will rely upon a pre-determined model to generate orders that result in repositioning each Fund's investments in accordance with its respective investment objective.

Each Fund generally will seek to remain fully invested at all times in Small Cap Futures Contracts, Small Cap Stop Options (as applicable), and Money Market Instruments that, in combination, provide exposure to the Small Cap Benchmark consistent with its investment objective without regard to market conditions, trends or direction.

#### Characteristics of Futures Contracts

According to the Registration Statement, a key feature of Futures Contracts is that they specify a delivery date for the underlying reference asset or the payment of its cash equivalent. As a result, the composition of each Fund's Benchmark will change from time to time as the delivery date for its component Futures Contracts is reached. Under the current rules applicable to each Benchmark, Futures Contracts that have reached their delivery date will be dropped from the Benchmark and replaced with the later-expiring contracts (sometimes referred to as the "deferred month" contracts). This process typically takes place over a number of days, during which period the Benchmark may consist of both the

<sup>15</sup> A Fund's investments in Small Cap Futures Contracts, together with its investments in Small Cap Financial Interests, if any, may be referred to herein as the Fund's "Russell 2000 Interests." The ProShares QuadPro U.S. Small Cap Futures Long Fund will hold put options with respect to all or substantially all of its Russell 2000 Interests with strike prices at approximately 75 percent of the value of the applicable underlying Russell 2000 Interests as of the end of the preceding business day. The ProShares QuadPro U.S. Small Cap Futures Short Fund will hold call options with respect to all or substantially all of its Russell 2000 Interests with strike prices at approximately 125 percent of the value of the Fund's Russell 2000 Interests as of the end of the preceding business day.

<sup>13</sup> See note 7, *supra*.

<sup>14</sup> As noted herein, an "e-mini futures contract" is an electronically traded futures contract that provides similar exposure, but with a lower dollar value, than a standard futures contract. In addition, because of their lower dollar value, e-mini futures contracts may permit the Funds to maintain exposure more precisely in line with their current asset levels. During the first quarter of 2017, the average daily VWAP of e-mini futures contracts on the Russell 2000 Index was \$9.5 billion. Standard futures contracts on the Russell 2000 Index were not available during this period.

“lead month” contracts exiting the Benchmark and the “deferred month” contracts being added to the Benchmark (which then become the new “lead month” contracts). In such instances, each Fund’s portfolio investments will be changed accordingly. The Funds will not take delivery of the reference assets underlying their respective Benchmarks. Instead, each Fund intends to “roll” its Futures Contracts as they approach their delivery dates. To “roll” a Futures Contract means to sell a Futures Contract as it nears its delivery date and replace it with a new Futures Contract that has a later delivery date. Each Fund will “roll” its Futures Contracts in a manner designed to reflect the changes in its Benchmark while minimizing transaction costs and market impact. The anticipated “roll” date for each Fund’s Benchmark will be posted on the Funds’ Web site at [www.proshares.com](http://www.proshares.com).

#### Net Asset Value

According to the Registration Statement, the NAV in respect of a Fund means the total assets of that Fund less the total liabilities of such Fund, consistently applied under the accrual method of accounting. The NAV of each Fund will include any unrealized profit or loss on a Fund’s investments (including Money Market Instruments) and any other credit or debit accruing to a Fund but unpaid or not received by a Fund. The NAV per Share of a Fund will be computed by dividing the value of the net assets of such Fund (*i.e.*, the value of its total assets less total liabilities) by its total number of Shares outstanding. Expenses and fees will be accrued daily and taken into account for purposes of determining the NAV. Each Fund’s NAV will be calculated on each day other than a day when the Exchange is closed for regular trading. The Funds will compute their NAV as of 4:00 p.m. (E.T.) (the “NAV Calculation Time”) or an earlier time as set forth on [www.proshares.com](http://www.proshares.com), if necessitated by the New York Stock Exchange (“NYSE”), the Exchange or other exchange material to the valuation or operation of such Fund closing early. Each Fund’s NAV will be calculated only once each trading day.

Futures Contracts and Stop Options will be valued at their then-current market value, which typically is the last traded price prior to the NAV Calculation Time on the date for which the NAV is being determined. If a Futures Contract or Stop Option could not be liquidated on such day, due to the operation of daily limits or other rules of the exchange upon which that position is traded or otherwise, the Sponsor may, in its sole discretion,

choose to determine a fair value price as the basis for determining the market value of such position for such day. Such fair value prices would generally be determined based on available inputs about the current value of the underlying reference assets and would be based on principles that the Sponsor deems fair and equitable so long as such principles are consistent with normal industry standards.

In calculating the NAV of a Fund, the value of a Fund’s non-exchange traded Financial Instruments, if any, will be determined by the applicable contract governing such Financial Instrument(s). Typically, this is determined by applying the Fund’s Benchmark closing value to the terms of such non-exchange traded Financial Instrument. However, in the event that the Futures Contracts underlying a Benchmark are not trading due to the operation of daily limits or otherwise, the Sponsor may, in its sole discretion, choose to fair value a Fund’s non-exchange traded Financial Instruments for purposes of the NAV calculation. Such fair value prices would generally be determined based on available inputs about the current value of the Futures Contracts underlying a Benchmark and would be based on principles that the Sponsor deems fair and equitable so long as such principles are consistent with normal industry standards.

Money Market Instruments generally will be valued using market prices provided by third party market data provider(s) or at amortized cost.

#### Indicative Optimized Portfolio Value (“IOPV”)

The IOPV will be an indicator of the value of a Fund’s net assets at the time the IOPV is disseminated. The IOPV will be calculated and disseminated every 15 seconds during the Exchange’s Core Trading Session (normally, 9:30 a.m. to 4:00 p.m., Eastern Time (“E.T.”)). The IOPV of a Fund will generally be calculated using the NAV of the prior day’s closing portfolio as a base and updating this amount throughout the trading day to reflect changes in the value of the Futures Contracts, Money Market Instruments and other investments, if any, held by a Fund.

For IOPV calculation purposes, Futures Contracts will be valued using their most recent quoted price during the trading day, for as long as the main pricing mechanism of the CME is open.

- Futures Contracts may be valued intraday using the main pricing mechanism of the CME or through another proxy as determined to be appropriate by the third party market data provider.

- Swaps and forward contracts may be valued intraday using the intra-day value of the Large Cap Benchmark, or Small Cap Benchmark, as applicable, or another proxy as determined to be appropriate by the third party market data provider.

- Exchange-listed options may be valued intraday using the relevant exchange data, or another proxy as determined to be appropriate by the third party market data provider.

- Over-the-counter options may be valued intraday through option valuation models (*e.g.*, Black-Scholes) or using exchange-traded options as a proxy, or another proxy as determined to be appropriate by the third party market data provider.

The IOPV will be disseminated on a per Share basis every 15 seconds during the Exchange’s Core Trading Session.<sup>16</sup>

The Exchange will disseminate the IOPV through the facilities of the CTA high speed line. In addition, IOPV will be published on the Exchange’s Web site and will be available through on-line information services such as Bloomberg and Reuters.

#### Creation and Redemption of Shares

According to the Registration Statement, each Fund will create and redeem Shares from time to time in one or more “Creation Units.” A Creation Unit is a block of 50,000 Shares of a Fund. The size of a Creation Unit is subject to change.

On any “Business Day”, an “Authorized Participant” may place an order with the Distributor to create one or more Creation Units.<sup>17</sup> For purposes of processing both purchase and redemption orders, a “Business Day” for each Fund means any day on which the NAV of such Fund is determined.

<sup>16</sup> Several major market data vendors display and/or make widely available IOPVs taken from the Consolidated Tape Association (“CTA”) or other data feeds. In addition, circumstances may arise in which the NYSE Arca Core Trading Session is in progress, but trading in Futures Contracts is not occurring. Such circumstances may result from reasons including, but not limited to, a futures exchange having a separate holiday schedule than the NYSE Arca, a futures exchange closing prior to the close of the NYSE Arca, price fluctuation limits being reached in a Futures Contract, or a futures exchange, imposing any other suspension or limitation on trading in a Futures Contract. In such instances, for IOPV calculation purposes, the price of the applicable Futures Contracts, as well as Stop Options or Financial Instruments whose price is derived from the Futures Contracts, would be static or priced by the Fund at the applicable early cut-off time of the exchange trading the applicable Futures Contract.

<sup>17</sup> “Authorized Participants” will be the only persons that may place orders to create and redeem Creation Units. An Authorized Participant is an entity that has entered into an Authorized Participant Agreement with the Trust and Sponsor.

By placing a purchase order, an Authorized Participant agrees to deposit cash with the Custodian of the Funds. The cash deposited will be equal to the NAV of the number of Creation Unit(s) purchased. A standard creation transaction fee is imposed to offset the transfer and other transaction costs associated with the issuance of Creation Units. Purchase orders, once accepted, are not revocable by an Authorized Participant.

#### Redemption Procedures

According to the Registration Statement, the procedures by which an Authorized Participant can redeem one or more Creation Units will mirror the procedures for the creation of Creation Units. On any Business Day, an Authorized Participant may place an order with the Distributor to redeem one or more Creation Units. If a redemption order is received prior to the applicable cut-off time, or earlier if the Exchange or other exchange material to the valuation or operation of such Fund closes before the cut-off time, the day on which SEI receives a valid redemption order is the redemption order date. If the redemption order is received after the applicable cut-off time, the redemption order date will be the next day. Redemption orders, once accepted, are not revocable by an Authorized Participant. The redemption procedures allow Authorized Participants to redeem Creation Units. Individual shareholders may not redeem directly from a Fund.

By placing a redemption order, an Authorized Participant agrees to deliver the Creation Units to be redeemed through the Depository Trust Company's ("DTC") book-entry system to the applicable Fund not later than noon (E.T.), on the first Business Day immediately following the redemption order date (T+1). The Sponsor reserves the right to extend the deadline for a Fund to receive the Creation Units required for settlement up to the third Business Day following the redemption order date (T+3).

The redemption proceeds from a Fund will consist of the cash redemption amount. The cash redemption amount is equal to the NAV of the number of Creation Unit(s) redeemed. A standard redemption transaction fee is imposed to offset the transfer and other transaction costs associated with the redemption of Creation Units.

Creation and redemption transactions must be placed each day with SEI by 3:30 p.m., E.T., or earlier if the Exchange or other exchange material to the valuation or operation of such Fund closes before such cut-off time, to

receive that day's NAV. The NAV calculation time for each Fund typically will be 4:00 p.m. E.T.

The redemption proceeds due from a Fund will be delivered to the Authorized Participant at noon (E.T.), on the third Business Day immediately following the redemption order date if, by such time on such Business Day immediately following the redemption order date, a Fund's DTC account has been credited with the Creation Units to be redeemed.

#### Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of a Fund.<sup>18</sup> Trading in Shares of a Fund will be halted if the circuit breaker parameters in NYSE Arca Equities Rule 7.12 have been reached. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.

The Exchange may halt trading during the day in which an interruption to the dissemination of the IOPV or the value of a Benchmark occurs. If the interruption to the dissemination of the IOPV or the value of a Benchmark persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

#### Trading Rules

The Exchange deems the Shares of the Funds to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4 a.m. to 8 p.m. E.T. in accordance with NYSE Arca Equities Rule 7.34 (Early, Core, and Late Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Equities Rule 7.6, the minimum price variation ("MPV") for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00 for which the MPV for order entry is \$0.0001.

The Shares will conform to the initial and continued listing criteria under NYSE Arca Equities Rule 8.200 and Commentary .02 thereto. The trading of the Shares will be subject to NYSE Arca Equities Rule 8.200, Commentary .02(e), which sets forth certain restrictions on Equity Trading Permit ("ETP") Holders acting as registered Market Makers in Trust Issued Receipts to facilitate surveillance. The Exchange represents that, for initial and continued listing, each Fund will be in compliance with Rule 10A-3<sup>19</sup> under the Act, as provided by NYSE Arca Equities Rule 5.3. A minimum of 100,000 Shares of each Fund will be outstanding at the commencement of trading on the Exchange.

#### Availability of Information

The NAV for the Funds' Shares will be disseminated daily to all market participants at the same time. The intraday, closing prices, and settlement prices of the Futures Contracts and Stop Options will be readily available from the applicable futures exchange Web sites, automated quotation systems, published or other public sources, or major market data vendors.

Complete real-time data for the Futures Contracts and Stop Options is available by subscription through on-line information services. The CME also provides delayed futures and options on futures information on current and past trading sessions and market news free of charge on their respective Web sites. The specific contract specifications for Futures Contracts are also available on such Web sites, as well as other financial informational sources. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA. Quotation information for Money Market Instruments, swaps and forward contracts may be obtained from brokers and dealers who make markets in such instruments. The IOPV will be available through on-line information services.

In addition, the Funds' Web site, [www.proshares.com](http://www.proshares.com), will display the applicable end of day closing NAV. The daily holdings of each Fund will be available on the Funds' Web site before 9:30 a.m. E.T. Each Fund's total portfolio composition will be disclosed each Business Day that the NYSE Arca is open for trading, on the Funds' Web site. The Funds' Web site, which will be publicly available at the time of the public offering of Shares, will also include a form of the prospectus for the Funds that may be downloaded.

<sup>18</sup> See NYSE Arca Equities Rule 7.12.

<sup>19</sup> 17 CFR 240.10A-3.

The Web site disclosure of portfolio holdings will be made daily to all market participants at the same time, and will include, as applicable, (i) the composite value of the total portfolio; (ii) the name, percentage weighting, and value of the Futures Contracts and Financial Interests; (iii) the Shares' ticker and CUSIP information; (iv) additional quantitative information updated on a daily basis, including, for each Fund: (1) Daily trading volume, the prior Business Day's reported NAV and closing price, and a calculation of the premium and discount of the closing price or mid-point of the bid/ask spread at the time of NAV calculation (the "Bid/Ask Price") against the NAV; and (2) data in chart format displaying the frequency distribution of discounts and premiums of the daily closing price or Bid/Ask Price against the NAV, within appropriate ranges, for at least each of the four previous calendar quarters; and (v) as applicable, (1) the name, quantity, value, expiration and strike price of Futures Contracts and Stop Options, (2) the counterparty to and value of swap agreements and forward contracts, (3) quantity held regarding each portfolio holding (as measured by, for example, par value, notional value or number of shares, contracts or units); (4) maturity date, if any; and (5) the aggregate net value of Money Market Instruments and cash held in each Fund's portfolio. In addition, the IOPV will be published on the Exchange's Web site and will be available through on-line information services such as Bloomberg and Reuters. The Fund's Web site will be publicly accessible at no charge.

#### Impact on Arbitrage Mechanism

The Sponsor believes there will be minimal, if any, impact to the arbitrage mechanism as a result of the use of derivatives. Each Fund intends to achieve substantially all of its leveraged or inverse leveraged exposure to its Benchmark through positions in Futures Contracts. The intraday, closing prices, and settlement prices of the Futures Contracts will be readily available from the applicable futures exchange Web sites, automated quotation systems, published or other public sources, or major market data vendors. Market makers and participants should be able to value derivatives as long as the positions are disclosed with relevant information. The Sponsor believes that the price at which Shares of the Funds trade will continue to be disciplined by arbitrage opportunities created by the ability to purchase or redeem Shares of the Funds at their NAV, which should ensure that Shares of the Funds will not

trade at a material discount or premium in relation to its NAV.

The Sponsor does not believe there will be any significant impacts to the settlement or operational aspects of the Funds' arbitrage mechanism due to the use of derivatives.

#### Surveillance

The Exchange represents that trading in the Shares of each Fund will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by the Financial Industry Regulatory Authority ("FINRA") on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.<sup>20</sup> The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, Futures Contracts and certain Stop Options with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares, Futures Contracts and certain Stop Options from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, Futures Contracts and certain Stop Options from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement ("CSSA").<sup>21</sup> The Exchange is also able to obtain information regarding trading in the Shares, Futures Contracts

<sup>20</sup> FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

<sup>21</sup> For a list of the current members of ISG, see [www.isgportal.org](http://www.isgportal.org). The Exchange notes that not all components of a Fund may trade on markets that are members of ISG or with which the Exchange has in place a CSSA.

and certain Stop Options through ETP Holders, in connection with such ETP Holders' proprietary or customer trades which they effect through ETP Holders on any relevant market. The Exchange can obtain market surveillance information, including customer identity information, with respect to transactions (including transactions in Futures Contracts and certain Stop Options) occurring on U.S. futures and securities exchanges that are members of the ISG.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the portfolios of the Funds or Benchmarks, (b) limitations on the portfolios of the Funds or Benchmarks, or (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Shares on the Exchange.

The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Funds to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If a Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Equities Rule 5.5(m).

#### Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (1) The risks involved in trading the Shares during the Early and Late Trading Sessions when an updated IOPV will not be calculated or publicly disseminated; (2) the procedures for purchases and redemptions of Shares in Creation Units (and that Shares are not individually redeemable); (3) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (4) how information regarding the IOPV is disseminated; (5) how information regarding portfolio holdings is disseminated; (6) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the

confirmation of a transaction; and (7) trading information.

Prior to the commencement of trading, the Exchange will inform its ETP Holders of the suitability requirements of NYSE Arca Equities Rule 9.2(a) in an Information Bulletin. Specifically, ETP Holders will be reminded in the Information Bulletin that, in recommending transactions in the Shares, they must have a reasonable basis to believe that (1) the recommendation is suitable for a customer given reasonable inquiry concerning the customer's investment objectives, financial situation, needs, and any other information known by such ETP Holder, and (2) the customer can evaluate the special characteristics, and is able to bear the financial risks, of an investment in the Shares. In connection with the suitability obligation, the Information Bulletin will also provide that ETP Holders must make reasonable efforts to obtain the following information: (1) The customer's financial status; (2) the customer's tax status; (3) the customer's investment objectives; and (4) such other information used or considered to be reasonable by such ETP Holder or registered representative in making recommendations to the customer.

Further, the Exchange states that FINRA has implemented increased sales practice and customer margin requirements for FINRA members applicable to inverse, leveraged and inverse leveraged securities (which include the Shares) and options on such securities, as described in FINRA Regulatory Notices 09–31 (June 2009), 09–53 (August 2009), and 09–65 (November 2009) (collectively, "FINRA Regulatory Notices"). ETP Holders that carry customer accounts will be required to follow the FINRA guidance set forth in these notices. As noted above, each Fund will seek, on a daily basis, investment results that correspond (before fees and expenses) to 4x, or – 4x, respectively, the performance of a Benchmark. Over a period of time in excess of one day, the cumulative percentage increase or decrease in the NAV of the Shares of a Fund may diverge significantly from a multiple or inverse multiple of the cumulative percentage decrease or increase in the relevant Benchmark due to a compounding effect.

In addition, the Information Bulletin will advise ETP Holders, prior to the commencement of trading, of the prospectus delivery requirements applicable to a Fund. The Information Bulletin will also discuss any exemptive, no-action, and interpretive relief granted by the Commission from

any rules under the Act. In addition, the Information Bulletin will reference that a Fund is subject to various fees and expenses described in the Registration Statement. The Information Bulletin will also reference that the CFTC has regulatory jurisdiction over the trading of Futures Contracts traded on U.S. markets.

The Information Bulletin will also disclose the trading hours of the Shares and that the NAV for the Shares will be calculated as of 4:00 p.m. E.T. each trading day. The Information Bulletin will disclose that information about the Shares will be publicly available on the Funds' Web site.

## 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>22</sup> that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Equities Rule 8.200 and Commentary .02 thereto. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws.

Futures Contract closing price and settlement prices of are readily available from the CME. In addition, such prices are available from automated quotation systems, published or other public sources, or on-line information services. Each Benchmark will be disseminated by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session of 9:30 a.m. to 4:00 p.m. E.T. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA. The IOPV will be disseminated on a per Share basis by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session. The Exchange may halt trading during the day in which an interruption to the dissemination of the IOPV or the value of the underlying Benchmark Futures Contracts occurs. If the interruption to

the dissemination of the IOPV or the value of the underlying Benchmark Futures Contracts persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that a large amount of information will be publicly available regarding the Funds and the Shares, thereby promoting market transparency. Quotation and last sale information for the Futures Contracts are widely disseminated through a variety of major market data vendors worldwide. Complete real-time data for such contracts is available by subscription from Reuters and Bloomberg. The CME also provides delayed futures information on current and past trading sessions and market news free of charge on their Web sites. Each Benchmark will be disseminated by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session of 9:30 a.m. to 4:00 p.m. E.T. The NAV per Share will be calculated daily and made available to all market participants at the same time. NYSE Arca will calculate and disseminate every 15 seconds throughout the NYSE Arca Core Trading Session an updated IOPV.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of additional types of exchange-traded products that are principally exposed to futures contracts and that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has in place a CSSA.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of

<sup>22</sup> 15 U.S.C. 78f(b)(5).

additional types of exchange-traded products that are principally exposed to futures contracts and that will enhance competition among market participants, to the benefit of investors and the marketplace.

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

No written comments were solicited or received with respect to the proposed rule change.

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

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2017-69 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-NYSEArca-2017-69. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the

Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEArca-2017-69, and should be submitted on or before September 8, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>23</sup>

**Eduardo A. Aleman,**  
*Assistant Secretary.*

[FR Doc. 2017-17433 Filed 8-17-17; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-81386; File No. SR-ICC-2017-010]

**Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change To Revise the ICC Clearing Rules and the ICC Treasury Operations Policies and Procedures**

August 14, 2017.

**I. Introduction**

On June 16, 2017, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change (SR-ICC-2017-010) to make changes to the ICC Clearing Rules (the "ICC Rules") and ICC Treasury Operations Policies and Procedures ("Treasury Policy") to remove eligibility of Japanese yen ("JPY"), Great British pounds ("GBP"), and Canadian dollars ("CAD") to meet Initial Margin ("IM") and Guaranty

Fund ("GF") requirements. The proposed rule change was published for comment in the **Federal Register** on July 5, 2017.<sup>3</sup> The Commission received no comment letters regarding the proposed change. For the reasons discussed below, the Commission is approving the proposed rule change.

**II. Description of the Proposed Rule Change**

ICC has proposed changes to Schedule 401 of the ICC Rules and to its Treasury Policy. The proposed changes would remove JPY, GBP, and CAD from eligibility to meet IM and GF requirements. Currently, a Clearing Participant may meet the final 35% of their IM and GF requirements with JPY, GBP, or CAD, in aggregate. Under the proposed revisions, Clearing Participants would continue to be able to meet their IM and GF requirements using Euro cash, U.S. cash, and/or U.S. Treasuries, in accordance with the applicable collateral thresholds.

Specifically, with respect to Schedule 401 of the ICC Rules, ICC proposed removing references to G7 cash (which includes U.S. cash, Euro cash, JPY, GBP, and CAD) and defining "All Eligible Collateral" for both Non-Client IM and GF Liquidity Requirements and Client-Related IM Liquidity Requirements to be US cash, Euro cash, and/or U.S. Treasuries. Under the proposed changes, U.S. cash, Euro cash, and/or U.S. Treasuries would be eligible for meeting the final 35% of IM and GF requirements for all Non-Client IM and GF Liquidity Requirements and Client-Related U.S. dollar ("USD") denominated IM Requirements; and U.S. cash, Euro cash, and/or U.S. Treasuries would be eligible for meeting a maximum of 100% of IM requirements for Client-Related Euro-Denominated Product Requirements.

In addition, ICC proposed to update its Treasury Policy to remove references to JPY, GBP, and CAD as eligible collateral. Under the proposed changes, ICC would remove references to JPY, GBP, and CAD in the "Collateral Liquidation Assumptions" tables (for both Euro and USD denominated requirements). ICC would also update the "Eligible Client Collateral" section of the Treasury Policy to note that its eligible collateral for client IM includes U.S. cash, Euro cash, and U.S. government securities in line with current eligible collateral for House exposures (*i.e.*, U.S. Treasuries). ICC also would revise the "Client-Related

<sup>23</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> Securities Exchange Act Release No. 34-81037 (June 28, 2017), 82 FR 31121 (July 5, 2017) (SR-ICC-2017-010) ("Notice").