declaring that it has ceased to be an investment company. Applicant has never made a public offering of its securities and does not propose to make a public offering or engage in business of any kind.

Filing Date: The application was filed on August 3, 2017.

Applicant’s Address: 200 West Street, New York, New York 10282.

HSBC Advisor Funds Trust [File No. 811–07583]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. Each series of applicant has transferred its assets to a corresponding series of HSBC Funds and, on June 24, 2016, made a final distribution to its shareholders based on net asset value. Expenses of $15,173 incurred in connection with the reorganization were paid by the applicant and the applicant’s investment adviser.

Filing Dates: The application was filed on August 4, 2017, and amended on August 18, 2017.

Applicant’s Address: 4400 Easton Commons, Suite 200, Columbus, Ohio 43219–3035.

HSBC Portfolios [File No. 811–08928]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. Each series of applicant has transferred its assets to a corresponding series of HSBC Funds and, on June 24, 2016, made a final distribution to its shareholders based on net asset value. Expenses of $192,043 incurred in connection with the liquidation were paid by the applicant.

Filing Dates: The application was filed on August 18, 2017.

Applicant’s Address: 4400 Easton Commons, Suite 200, Columbus, Ohio 43219–3035.

Kalmar Pooled Investment Trust [File No. 811–07853]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On July 14, 2017, applicant made a liquidating distribution to its shareholders, based on net asset value. Applicant has 62 remaining shareholders, and each is entitled to a pro rata share of the assets, if any, remaining after the winding up of applicant’s affairs. Applicant’s remaining assets were transferred to a liquidating trust in which shareholders have a pro rata beneficial interest. Expenses of $192,043 incurred in connection with the liquidation were paid by the applicant.

Filing Dates: The application was filed on August 9, 2017, and amended on August 23, 2017.

Applicant’s Address: 4400 Easton Commons, Suite 200, Columbus, Ohio 43219–3035.

JPMorgan China Region Fund, Inc. [File No. 811–06868]

Summary: Applicant, a closed-end investment company, seeks an order declaring that it has ceased to be an investment company. On July 14, 2017, applicant made a liquidating distribution to its shareholders, based on net asset value. Applicant has 62 remaining shareholders, and each is entitled to a pro rata share of the assets, if any, remaining after the winding up of applicant’s affairs. Applicant’s remaining assets were transferred to a liquidating trust in which shareholders have a pro rata beneficial interest. Expenses of $192,043 incurred in connection with the liquidation were paid by the applicant.

Filing Dates: The application was filed on August 18, 2017.

Applicant’s Address: 1 Beacon Street, 18th Floor, Boston, Massachusetts 02108.

Touchstone Investment Trust [File No. 811–02538]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. Each series of applicant has transferred its assets to a corresponding series of Touchstone Funds Group Trust and, on January 27, 2017, made a final distribution to its shareholders based on net asset value. Expenses of $51,370 incurred in connection with the reorganization were paid by the applicant and the applicant’s investment adviser.

Filing Dates: The application was filed on August 4, 2017, and amended on August 18, 2017.

Applicant’s Address: 4400 Easton Commons, Suite 200, Columbus, Ohio 43219–3035.

SEcurities AND ExCHANGE COmmISSION


Self-Regulatory Organizations; Investors Exchange LLC; Order Approving a Proposed Rule Change To Introduce a New Market Maker Peg Order


I. Introduction

On June 30, 2017, the Investors Exchange LLC (“IEX” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)1 and Rule 19b–4 thereunder,2 a proposed rule change to (i) introduce a new Market Maker Peg Order; (ii) amend IEX Rule 11.510(c) to specify connectivity within the Exchange System when repricing a Market Maker Peg Order; and (iii) amend IEX Rule 11.340(d) to describe how Market Maker Peg Orders will be priced in order to comply with the Plan to Implement a Tick Size Pilot Program (“Tick Pilot Plan”).3 The proposed rule change was published for comment in the Federal Register on July 11, 2017.4 The Commission received no comments on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposed Rule Change

The Exchange proposes to introduce a new Market Maker Peg Order that the Exchange states is designed to promote compliance by market makers with the continuous quoting and pricing obligations of IEX Rule 11.151 (Market Maker Obligations),5 in a manner consistent with the requirements under Rule 15c3–5 of the Act (“Market Access Rule”)6 and Regulation SHO.7 The Exchange states that “this order-based approach would provide an effective compliance tool to facilitate market makers compliance with the requirements of the Market Access Rule and Regulation SHO while also providing quotation adjustment functionality to its market makers.”8 IEX also states that market makers will have control of order origination, as required by the Market Access Rule, and retain the ability to make marking and locate determinations prior to order entry, as required by Regulation SHO.9 As proposed, the Market Maker Peg Order will be a one-sided limit order

5 IEX Rule 11.151 requires market makers for each stock in which they are registered to continuously maintain a two-sided quotation within a designated percentage of the National Best Bid (“NBB”) and National Best Offer (“NBO”).
7 See Notice, supra note 4, at 32027. See also 17 CFR 242.200 through 244 (Regulation SHO).
8 See Notice, supra note 4, at 32027.
9 See id.
that, similar to other peg orders available to market participants on the Exchange,10 will be tied or “pegged” to a certain price. Unlike other peg orders on the Exchange, however, it will be distinguishable in that it will always be displayed. Use of the Market Maker Peg Order will be limited to the Exchange’s registered market makers.11 Market Maker Peg Orders will have their price automatically set and adjusted by the System,12 both upon entry and any time thereafter, in order to comply with the Exchange’s rules regarding market maker quoting and pricing obligations.13

Specifically, upon entry or at the beginning of the Regular Market Session,14 as applicable, the entered bid or offer will be automatically priced by the System at the Designated Percentage (as defined in IEX Rule 11.151(a)(6)) away from the then current NBB or NBO, as applicable, or if there is no NBB or NBO, at the Designated Percentage away from the last reported sale from a responsible single plan processor in order to comply with the quotation requirements for market makers set forth in IEX Rule 11.151(a). Market makers will be able to submit Market Maker Peg Orders to the Exchange starting at the beginning of the Pre-Market Session, but the order will not be executable or automatically priced until the beginning of the Regular Market Session, and will expire at the end of the Regular Market Session.

Upon reaching the Defined Limit (as defined in IEX Rule 11.151(a)(7)), the price of a Market Maker Peg Order will be automatically adjusted by the System to the Designated Percentage away from the then current NBB or NBO, or, if there is no NBB or NBO, the order will, by default, be the Designated Percentage away from the last reported sale from the responsible single plan processor. If a Market Maker Peg Order bid or offer moves a specified number of percentage points away from the Designated Percentage towards the then current NBB or NBO, its price will be adjusted by the System to the Designated Percentage away from the then current NBB or NBO, as applicable. If there is no NBB or NBO, as applicable, the order will be adjusted by the System to the Designated Percentage away from the last reported sale from the responsible single plan processor. In the event that pricing a Market Maker Peg Order at the Designated Percentage away from the then current NBB and NBO, or, if no NBB or NBO, to the Designated Percentage away from the last reported sale from the responsible single plan processor, would result in the order exceeding its limit price, the order will be cancelled or rejected.15

If, after entry, the Market Maker Peg Order is priced based on the last reported sale from the single plan processor and such Market Maker Peg Order is established as the NBB or NBO, the Market Maker Peg Order will not be subsequently adjusted until either there is a new consolidated last sale or a new NBB or NBO is established.

For purposes of the proposed rule, the Exchange will apply the Designated Percentage and Defined Limit as set forth in IEX Rules 11.151(a)(6) and (7), respectively, subject to the following exception: For all NMS stocks with a price less than $1 per share that are not included in the S&P 500® Index, Russell 2000® Index, and a pilot list of Exchange Traded Products, the Exchange will use the Designated Percentage and Defined Limit applicable to NMS stocks equal to or greater than $1 per share that are not included in the S&P 500® Index, Russell 2000® Index, and a pilot list of Exchange Traded Products.

Market Maker Peg Orders will not be eligible for routing pursuant to IEX Rule 11.230(b) and are always displayed on the Exchange. Notwithstanding the availability of Market Maker Peg Order functionality, a market maker will remain responsible for entering, monitoring, and resubmitting, as applicable, quotations that meet the requirements of IEX Rule 11.151. A new timestamp will be created for the order each time that it is automatically adjusted in accordance with the proposed rule.

The Exchange states that the System will be available for entry, modification, and cancellation of Market Maker Peg Orders only via the POP16 pursuant to IEX Rule 11.510(b), and thus will be subject to the Inbound and Outbound POP Latency upon entry, accordingly.17

Finally, the Exchange proposes to amend IEX Rule 11.340 (Compliance with Regulation NMS Plan to Implement a Tick Size Pilot) to specify that if, pursuant to proposed IEX Rule 11.190(b)(13), a Market Maker Peg Order in a Pilot Security20 will be priced at an increment other than $0.05, the System will round such order to buy (sell) up (down) to the nearest permissible increment.21 IEX states that this approach is designed to ensure that Market Maker Peg Orders for Pilot Securities are appropriately priced in $0.05 increments by rounding such orders to the nearest permissible increment that is also compliant with the minimum market maker quoting obligations set forth in IEX Rule 11.151.22

In its proposal, the Exchange noted its intention to implement the proposed 350 microseconds of latency from the Exchange-provided network interface at the IEX POP to the System at the primary data center; and “Outbound POP Latency” is an equivalent 350 microseconds of latency from the System at the primary data center to the Exchange-provided network interface at the IEX POP.

The Exchange states that the same “additional POP” that is used to implement an equivalent 350 microseconds of latency to all routable orders sent by the System to the Order Book pursuant to Rule 11.510(c)(1) will be used to implement such delay to all modified order instructions for Market Maker Peg Orders pursuant to proposed Rule 11.190(b)(13). See Notice, supra note 4, at 32028 fn 19.

The Exchange states that if the rounding methodology results in a Market Maker Peg Order being priced to a price below $0.05, the order will be cancelled back to the market maker that entered the order. See Notice, supra note 4, at 32028.

See id.
changes during the third quarter of 2017.23

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange.24 Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,25 which requires, among other things, that the rules of a national securities 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 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 Commission finds that the proposed rule change also is designed to support the principles of Section 11A(a)(1)26 of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets.

The Commission finds that the Exchange’s proposal is consistent with the Act because it provides an optional tool that market makers may use as a backstop to help maintain a continuous quote in satisfaction of the Exchange’s minimum continuous quoting requirements, which may assist in the maintenance of fair and orderly markets. The Commission notes, however, that notwithstanding the availability of the Market Maker Peg Order functionality, the market maker remains responsible for meeting its obligations under IEX Rule 11.151, including entering, monitoring, and re-submitting, as applicable, compliant quotations. At the same time, the Commission finds that the proposal is reasonably designed to assist market makers in complying with the regulatory requirements of the Market Access Rule and Regulation SHO. The Commission notes, however, the Market Maker Peg Order does not by itself ensure that the market maker is satisfying the requirements of the Market Access Rule or Regulation SHO, including the satisfaction of the locate requirements of Rule 203(b)(1) of the Act or any exception thereto.

The Commission believes that the Exchange’s proposal to subject all inbound and outbound communications related to Market Maker Peg Orders, including the automatic repricing of such orders, to POP latency is consistent with the Act. In particular, this treatment of the Market Maker Peg Order places a market maker using this order type in the same position as another market maker placing and updating its own quote directly without using the Market Maker Peg Order type—both will be subject to the POP and experience the same latency. In addition, this approach is consistent with the treatment of other displayed orders on the Exchange, all of which are subject to the POP latency.

Further, the Commission believes that the Exchange’s proposal to specify how Market Maker Peg Orders will be priced in order to comply with the Tick Pilot Plan is consistent with the Act and Rule 608 of Regulation NMS27 because it implements the Tick Pilot Plan and conforms Exchange rules to those requirements.28

Finally, the Commission notes that other national securities exchanges offer similar order types to the Exchange’s proposed Market Maker Peg Order,29 and the Commission received no comments on the Exchange’s proposed rule change.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,30 that the proposed rule change (SR–IEX–2017–22), be and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.31

Eduardo A. Aleman,
Assistant Secretary.
[FR Doc. 2017–18455 Filed 8–30–17; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing of Proposed Rule Change Relating to ICC’s Liquidity Risk Management Framework and ICC’s Stress Testing Framework


Pursuant to Section 19(b)(1) of the Securities Exchange Act of 193434 and Rule 19b–4,35 notice is hereby given that on August 22, 2017, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change described in Items I, II, and III below, which Items have been primarily prepared by ICC. 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 principal purpose of the proposed rule change is to revise the ICC Liquidity Risk Management Framework and the ICC Stress Testing Framework. These revisions do not require any changes to the ICC Clearing Rules (“Rules”).

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, ICC 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. 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

(a) Purpose

ICC proposes revisions to its Stress Testing Framework and its Liquidity Risk Management Framework. Specifically, ICC proposes changes to enhance ICC’s stress testing and liquidity stress testing practices following the clearing of Single Name (“SN”) credit default swaps (“CDS”) referencing ICC Clearing Participants

21 17 CFR 242.608.
22 The Commission notes that in this regard IEX’s proposal is substantially similar to Bats BZX Exchange, Inc. (“Bats”) Rule 11.27(c)(5).
23 See, e.g., Bats Rule 11.9(c)(16), Nasdaq Stock Market LLC Rule 4702(b)(7), and Bats EDGX Exchange, Inc. Rule 11.8(e).
30 17 CFR 242.608.