

expanded FIS Charge is designed to help NSCC collect sufficient financial resources to help cover the specific risk exposure, with a high degree of confidence, which is presented by all Members seeking to clear and settle transactions in family-issued securities. Therefore, the Commission believes that the proposal to expand the FIS Charge to all Members is consistent with Rule 17Ad-22(e)(4)(i) under the Exchange Act.<sup>24</sup>

### C. Consistency With Rule 17Ad-22(e)(6)(i) and (v)

The Commission believes that the changes proposed in the Advance Notice are consistent with Rule 17Ad-22(e)(6)(i) and (v) under the Exchange Act, which require, in part, that NSCC establish, implement, maintain and enforce written policies and procedures reasonably designed to cover its credit exposures to its participants by establishing a risk-based margin system that, at a minimum considers, and produces margin levels commensurate with, the risks and particular attributes of each relevant product, portfolio, and market; and uses an appropriate method for measuring credit exposure that accounts for relevant product risk factors and portfolio effects across products.<sup>25</sup>

As described above, NSCC faces specific wrong-way risk where it acts as central counterparty to Member transactions in family-issued securities. To help address this risk, NSCC applies the FIS Charge in calculating the Member's required margin. Specifically, the FIS Charge is a component of the margin that NSCC calculates and collects using a risk-based margin methodology that is designed to help maintain the coverage of NSCC's credit exposures to its Members at a confidence level of at least 99 percent. The FIS Charge is tailored to consider both the value and type of family-issued securities held by the Member, as well as the credit risk presented by the Member, as calculated by NSCC.

However, currently, the FIS Charge is assessed only against Members on the Watch List because of the additional credit risk presented by such Members. Nevertheless, all Members, not just Members on the Watch List, present specific wrong-way risk. As such, NSCC proposes to expand the FIS Charge to all Members, while maintaining the relation between the FIS Charge and the Member's credit risk. Specifically, NSCC proposes to apply the FIS Charge to fixed-income securities that are

family-issued securities of non-Watch List Members at a rate of no less than 40 percent, and to equities that are family-issued securities of non-Watch List Members at a rate of no less than 50 percent. Although NSCC proposes to apply a lesser percentage rate to non-Watch List Members than some Watch List Members, the proposed rate is designed to more accurately reflect the risks posed than what is reflected in a VaR Charge.

Because the expanded FIS Charge also would be a tailored component of the margin that NSCC collects from non-Watch List Members to help cover NSCC credit exposure to such Members, as the charge would be based on different product risk factors with respect to equity and fixed-income securities, as described above, the Commission believes that the proposed changes in the Advance Notice are consistent with Rule 17Ad-22(e)(6)(i) and (v) under the Exchange Act.<sup>26</sup>

### III. Conclusion

*It is therefore noticed*, pursuant to Section 806(e)(1)(I) of the Clearing Supervision Act,<sup>27</sup> that the Commission *does not object* to Advance Notice (SR-NSCC-2017-804) and that NSCC is *authorized* to implement the proposed change as of the date of this notice or the date of an order by the Commission approving the proposed rule change (SR-NSCC-2017-010) that reflects rule changes that are consistent with this Advance Notice, whichever is later.

By the Commission.

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

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

Extension: Rule 10b-17, SEC File No. 270-427, OMB Control No. 3235-0476.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget

("OMB") a request for approval of extension of the previously approved collection of information provided for in Rule 10b-17 (17 CFR 240.10b-17), under the Securities Exchange Act of 1934 (15 U.S.C 78a *et seq.*).

Rule 10b-17 requires any issuer of a class of securities publicly traded by the use of any means or instrumentality of interstate commerce or of the mails or of any facility of any national securities exchange to give notice of the following specific distributions relating to such class of securities: (1) A dividend or other distribution in cash or in kind other than interest payments on debt securities; (2) a stock split or reverse stock split; or (3) a rights or other subscription offering. Notice shall be either given to the Financial Industry Regulatory Authority, Inc. as successor to the National Association of Securities Dealers, Inc. or in accordance with the procedures of the national securities exchange upon which the securities are registered. The Commission may exempt an issuer of over-the-counter (but not listed) securities from the notice requirement. The requirements of 10b-17 do not apply to redeemable securities of registered open-end investment companies or unit investment trusts.

The information required by Rule 10b-17 is necessary for the execution of the Commission's mandate under the Securities Exchange Act of 1934 to prevent fraudulent, manipulative, and deceptive acts and practices. The Commission has found that not requiring formal notices of the types of distributions covered by Rule 10b-17 has led to a number of abuses including purchasers not being aware of their rights to such distributions. It is only through formal notice of the distribution, including the date of the distribution, that current holders, potential buyers, or potential sellers of the securities at issue will know their rights to the distribution. Therefore, it is only through formal notice that investors can make an informed decision as to whether to buy or sell a security.

There are approximately 12,127 respondents per year. These respondents make approximately 27,144 responses per year. Each response takes approximately 10 minutes to complete. Thus, the total compliance burden per year is 4,524 burden hours. The total internal labor cost of compliance for the respondents, associated with producing and filing the reports, is approximately \$317,991.96.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information

<sup>24</sup> *Id.*

<sup>25</sup> 17 CFR 240.17Ad-22(e)(6)(i) and (v).

<sup>26</sup> *Id.*

<sup>27</sup> 12 U.S.C. 5465(e)(1)(I).

under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following Web site: <http://www.reginfo.gov>. Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Shagufta\\_Ahmed@omb.eop.gov](mailto:Shagufta_Ahmed@omb.eop.gov); and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549 or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: September 7, 2017.

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2017-19360 Filed 9-12-17; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81548; File No. SR-NYSE-2017-44]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Change To Amend Its Rules To Make Technical and Conforming Updates, in Connection With the Merger of NYSE Arca Equities, Inc. With and Into the Exchange's Affiliate NYSE Arca, Inc. and the Name Change of NYSE National, Inc.

September 7, 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 August 25, 2017, New York Stock Exchange LLC ("NYSE" or the "Exchange") 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.

<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.

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

The Exchange proposes to amend its rules to make technical and conforming updates in connection with (a) the merger of NYSE Arca Equities, Inc. with and into the Exchange's affiliate NYSE Arca, Inc. and (b) the name change of NYSE National, Inc. The proposed 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 amend its rules to make technical and conforming updates in connection with (a) the merger of NYSE Arca Equities, Inc. ("NYSE Arca Equities") with and into the Exchange's affiliate NYSE Arca, Inc. ("NYSE Arca"), and (b) the name change of NYSE National, Inc.

##### Background

On June 2, 2017, the Exchange's affiliate, NYSE Arca, filed rule changes with the Commission in connection with the proposed merger of NYSE Arca's wholly-owned subsidiary, NYSE Arca Equities, with and into NYSE Arca (the "Merger").<sup>4</sup> The proposed changes were approved by the Commission on August 17, 2017, and the Merger occurred on that same date.<sup>5</sup>

Prior to the Merger, NYSE Arca had two rulebooks: the NYSE Arca rules for its options market and the NYSE Arca Equities rules for its equities market. At

<sup>4</sup> See Securities Exchange Act Release No. 80929 (June 14, 2017), 82 FR 28157 (June 20, 2017) (SR-NYSEArca-2017-40).

<sup>5</sup> See Securities Exchange Act Release No. 81419 (August 17, 2017), 82 FR 40044 (August 23, 2017) (SR-NYSEArca-2017-40).

the Merger, the NYSE Arca Equities rules were integrated into the NYSE Arca rules, so that there is now one NYSE Arca rulebook.<sup>6</sup> As part of such integration, some of the NYSE Arca rules were renumbered. Accordingly, the Exchange proposes to amend certain of its rules, as detailed below, to make technical and conforming updates to its rules that cross reference the NYSE Arca rules and delete references to the NYSE Arca Equities.

In January 2017, the Exchange's parent NYSE Group, Inc. acquired all the capital stock of National Stock Exchange, Inc., which was renamed "NYSE National, Inc."<sup>7</sup> The Exchange proposes to update a reference to National Stock Exchange, Inc. found in the Exchange's rules to reflect the new name of such entity, NYSE National, Inc.

##### Proposed Rule Changes

- In Exchange Rule 5.2(j) (Exchange Traded Products), the Exchange proposes to update the cross references to NYSE Arca Equities Rule 5.2(j)(1) by deleting the word "Equities" from the term "NYSE Arca Equities Rule" and appending an "-E" to the end of the rule number. The new cross reference would be to "NYSE Arca Rule 5.2-E(j)(1)." Similarly, the Exchange proposes to update the cross references to subsections of NYSE Arca Options Rule 5.13 and to NYSE Arca Options Rule 5.3 by deleting the word "Options" from the term "NYSE Arca Options Rule" and appending an "-O" to the end of the rules number. The new cross references would be to "NYSE Arca Rule 5.13-O" and "NYSE Arca Rule 5.3-O," respectively, followed by any relevant subsection of the rule.

- In Exchange Rules 8.4 (Account Approval), 8.5 (Suitability), 8.6 (Discretionary Accounts), 8.7 (Supervision of Accounts), 8.8 (Customer Complaints), the Exchange proposes to update the references to NYSE Arca Equities Rules 9.18 by deleting the word "Equities" from the term "NYSE Arca Equities Rules" and appending an "-E" to the end of the rule number. The new cross references would be to "NYSE Arca Rule 9.18-E," followed by any relevant subsection of the rule.

- In Exchange Rule 8.9 (Prior Approval of Certain Communications to Customers) the Exchange proposes to update the cross references to NYSE Arca Equities Rule 9.28 by deleting the

<sup>6</sup> See *id.* at 40044.

<sup>7</sup> See Securities Exchange Act Release No. 79902 (January 30, 2017), 82 FR 9258 (February 3, 2017) (SR-NSX-2016-16).