

the amount of the applicable base with respect to tier 1 taxes for 2018 under section 3231(e)(2) of the Internal Revenue Code of 1986. Section 1(i) further provides that if the amount so determined is not a multiple of \$5, it shall be rounded to the nearest multiple of \$5.

Using the calendar year 2018 tier 1 tax base of \$128,400 for A above produces the amount of \$1,558.73, which must then be rounded to \$1,560. Accordingly, the monthly compensation base is determined to be \$1,560 for months in calendar year 2018.

Amounts Related to Changes in Monthly Compensation Base

For years after 1988, sections 1(k), 3, 4(a–2)(i)(A) and 2(c) of the Act contain formulas for determining amounts related to the monthly compensation base.

Under section 1(k), remuneration earned from employment covered under the Act cannot be considered subsidiary remuneration if the employee's base year compensation is less than 2.5 times the monthly compensation base for months in such base year. Under section 3, an employee shall be a "qualified employee" if his/her base year compensation is not less than 2.5 times the monthly compensation base for months in such base year. Under section 4(a–2)(i)(A), an employee who leaves work voluntarily without good cause is disqualified from receiving unemployment benefits until he has been paid compensation of not less than 2.5 times the monthly compensation base for months in the calendar year in which the disqualification ends.

Multiplying 2.5 by the calendar year 2018 monthly compensation base of \$1,560 produces \$3,900.00. Accordingly, the amount determined under sections 1(k), 3 and 4(a–2)(i)(A) is \$3,900.00 for calendar year 2018.

Under section 2(c), the maximum amount of normal benefits paid for days of unemployment within a benefit year and the maximum amount of normal benefits paid for days of sickness within a benefit year shall not exceed an employee's compensation in the base year. In determining an employee's base year compensation, any money remuneration in a month not in excess of an amount that bears the same ratio to \$775 as the monthly compensation base for that year bears to \$600 shall be taken into account. The calendar year 2018 monthly compensation base is \$1,560. The ratio of \$1,560 to \$600 is 2.60000000. Multiplying 2.60000000 by \$775 produces \$2,015. Accordingly, the amount determined under section 2(c) is

\$2,015 for months in calendar year 2018.

Maximum Daily Benefit Rate

Section 2(a)(3) contains a formula for determining the maximum daily benefit rate for registration periods beginning after June 30, 1989, and after each June 30 thereafter. Legislation enacted on October 9, 1996, revised the formula for indexing maximum daily benefit rates. Under the prescribed formula, the maximum daily benefit rate increases by approximately two-thirds of the cumulative growth in average national wages since 1984. The maximum daily benefit rate for registration periods beginning after June 30, 2018, shall be equal to 5 percent of the monthly compensation base for the base year immediately preceding the beginning of the benefit year. Section 2(a)(3) further provides that if the amount so computed is not a multiple of \$1, it shall be rounded down to the nearest multiple of \$1.

The calendar year 2017 monthly compensation base is \$1,545. Multiplying \$1,545 by 0.05 yields \$77.25. Accordingly, the maximum daily benefit rate for days of unemployment and days of sickness beginning in registration periods after June 30, 2018, is determined to be \$77.

By Authority of the Board.

Martha P. Rico,

Secretary to the Board.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- 82196; File No. SR-CBOE-2017-064]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Order Approving a Proposed Rule Change Creating an Electronic-Only Order Type

December 1, 2017.

I. Introduction

On September 29, 2017, the Cboe Exchange, Inc. ("Exchange" or "Cboe Options") 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 create an electronic-only order type. The proposed rule change was published for comment in the **Federal Register** on

October 18, 2017.³ The Commission did not receive any comment letters on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposed Rule Change

The Exchange proposes to create an electronic-only order type. Currently, orders that Trading Permit Holders ("TPHs") submit to the Exchange will execute electronically and/or be handled manually on the Exchange floor.⁴ Under certain conditions specified in the Exchange's rules, certain orders and remaining portions of orders that do not execute electronically are routed to a specified Public Automated Routing ("PAR") workstation or an Order Management Terminal ("OMT") on the floor of the Exchange for manual handling.⁵

The Exchange proposes to introduce a new electronic-only order type to allow TPHs to submit orders that will not be subject to any manual handling. Specifically, electronic-only orders will only: (i) Auto-execute, (ii) route to an electronic auction, or (iii) route to the electronic book, and in all cases will cancel back to the TPH that entered the order if Exchange rules would otherwise require the order to be routed to the Exchange floor for manual handling.⁶

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act⁷ and the rules and regulations thereunder applicable to a national securities exchange.⁸ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁹ which requires, among other things, that the rules of a national securities exchange be designed to remove impediments to and perfect the mechanism of a free and open market and a national market

³ See Securities Exchange Act Release No. 81862 (Oct. 12, 2017), 82 FR 48550 (Oct. 18, 2017) ("Notice").

⁴ See *id.* at 48550.

⁵ See *id.* at 48550 and Cboe Options Rules 6.12(a) and 6.12A. According to Cboe Options Rule 6.12A, once an order has been routed to a PAR, the PAR user may, among other options, submit the order for electronic processing, execute the order in open outcry, route the order to an OMT designated by the TPH, or route the order to an away exchange. See Notice, *supra* note 3, at 48550.

⁶ Notice, *supra* note 3, at 48550.

⁷ 15 U.S.C. 78f.

⁸ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁹ 15 U.S.C. 78f(b)(5).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

system, and, in general, to protect investors and the public interest.

The Commission believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market and national market system by providing TPHs with a more efficient means to submit to the Exchange instructions to prevent an order from routing to a PAR or OMT on the floor of the Exchange. Currently, a TPH that seeks to avoid manual handling of a specific order and obtain a solely electronic execution must inform its OMT operator or PAR broker of this instruction. The Exchange's new electronic-only order type will avoid the need for a TPH to take this additional step and will allow the TPH to submit such order instructions directly to the Exchange when it submits its order.¹⁰ The Commission notes that Cboe Options represents that the new electronic-only order type will not materially change how orders are handled or processed on the Exchange, but rather will streamline how TPHs can indicate their instructions that a particular order avoid manual handling on the Exchange's floor.¹¹ For the reasons noted above, the Commission believes that the proposal to create an electronic-only order type is consistent with the Act.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹² that the proposed rule change (SR-CBOE-2017-064) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2017-26317 Filed 12-6-17; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82193; File No. SR-NSCC-2017-019]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of Proposed Rule Change To Enhance the Process for Submitting and Accepting ETF Creations and Redemptions

December 1, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 29, 2017, National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of modifications to the Rules & Procedures ("Rules")³ of NSCC to introduce two additional cycles (referred to herein as the "intraday cycle" and the "supplemental cycle") during which exchange-traded fund ("ETF") agents⁴ could submit creation and redemption instructions, as described in greater detail below. The intraday cycle would span from 12:30 a.m. ET to 2:00 p.m. ET. The supplemental cycle would span from 9:00 p.m. ET to 11:30 p.m. ET. The introduction of the intraday cycle would enable NSCC to receive, on an intraday basis, creation and redemption instructions that are marked as-of a prior trade date. Furthermore, with the introduction of the intraday cycle, NSCC would be able to receive creation and redemption instructions for same-day settlement until the designated cut-off time of 11:30 a.m. ET. The introduction of the supplemental cycle would enable ETF agents to submit any creation and redemption instructions

later than the current established cut-off time designated by NSCC of 8:00 p.m. ET. With the introduction of the additional cycles, NSCC would also revise the current input file and output files to include additional information, such as a reversal/correction indicator and the time of the transaction, as further described below.

In addition, NSCC proposes to make a technical correction to clarify that next-day settling creation and redemption instructions are no longer processed differently than other instructions when they are submitted to NSCC, as further described below.

NSCC also proposes to introduce an automated threshold value reasonability check that would pend submissions of creation and redemption instructions on clearing-eligible ETFs that exceed certain thresholds versus the most recent closing price, as further described below.

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

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

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

(i) Current Processes

Outside of NSCC, ETF sponsors⁵ have processes and/or technology platforms that allow them to bilaterally agree to create or redeem ETF shares with ETF authorized participants⁶ intraday and these results are recorded by ETF agents on the ETF agents' technology platforms. These processes are not uniformly automated and may involve users manually entering data that is eventually submitted to NSCC within the standardized create-and-redeem input file. As is the case with any manually entered data, there is the risk

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Capitalized terms not defined herein are defined in the Rules, available at http://www.dtcc.com/~media/Files/Downloads/legal/rules/nscc_rules.pdf.

⁴ ETF agents are referred to as "Index Receipt Agents" in the Rules. Section 4 of Rule 7 states that, for purposes of the Rules, an Index Receipt Agent shall be a Member which has entered into an Index Receipt Authorization Agreement as required by NSCC from time to time. See Rule 1 and Rule 7, Sec. 4, *supra* note 3.

⁵ ETF sponsors are issuers of ETFs.

⁶ ETF authorized participants are (1) broker/dealers that have authorized participant agreements with ETF sponsors and/or (2) broker/dealers that are full-service Members pursuant to Rule 2 with an established ETF trading relationship with an ETF agent that is representing the ETF. See Rule 2, *supra* note 3.

¹⁰ See Notice, *supra* note 3, at 48551.

¹¹ See *id.*

¹² 15 U.S.C. 78s(b)(2).

¹³ 17 CFR 200.30-3(a)(12).