which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act 18 and Rule 19b-4(f)(6) thereunder.19

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act 20 normally does not become operative for 30 days after the date of its filing. However, pursuant to Rule 19b-4(f)(6)(iii), the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. In its filing with the Commission, the Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative upon filing. The Exchange represents that the proposed rule change would protect against executions in the Opening Process that are significantly dislocated from recent trading activity and may be cancelled pursuant to Rule 11.270. In addition, the Exchange notes that while the proposed change to the Cross Price Constraint may affect the cross price in limited circumstances, there will be no change to the relative priority of execution for Cross Eligible Orders. Furthermore, the Exchange states that waiver of the operative delay would allow the Exchange to update its rules without delay to avoid potential confusion among market participants regarding the Exchange’s Opening Process functionality and immediately protect against dislocated executions in the Opening Process. The Commission does not believe that any new or novel issues are raised by the proposal. For these reasons, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and designates the proposed rule change operative upon filing.22

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such rule change is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) of the Act 23 to determine whether the proposed rule change should be approved or 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. Please include File Number SR–IEX–2018–18 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–IEX–2018–18 on the subject line.

August 16, 2018.

On June 13, 2018, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act (“Act”) 1 and Rule 19b–4 thereunder,2 a proposed rule change to provide for the clearance of an additional credit default swap contract (File No. SR–ICC–2018–007). The proposed rule change was published for comment in the Federal Register on July 3, 2018.3 To date, the Commission has not received comments on the proposed rule change.

Section 19(b)(2) of the Act 4 provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day from the publication of notice of filing of this

19 17 CFR 240.19b–4(f)(6). As required under Rule 19b–4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.
22 For purposes only of waiving the 30-day operative delay, the Exchange also has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).
proposed rule change is August 17, 2018.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. ICC proposes to revise the ICC Rulebook to provide for the clearance of an additional Standard Emerging Market Sovereign CDS contract. The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider ICC’s proposed rule change.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act, designates October 1, 2018, as the date by which the Commission should either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR–ICC–2018–007).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority. 6

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations: The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt Initial and Continued Listing Standards for Subscription Receipts and Fees for Their Listing

August 16, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”), 1 and Rule 19b–4 thereunder, notice is hereby given that, on August 3, 2018, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

SECURITIES AND EXCHANGE COMMISSION

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

The Exchange proposes to adopt initial and continued listing standards for subscription receipts and fees for their listing.

The text of the proposed rule change is available on the Exchange’s website at http://nasdaq.cchwallstreet.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

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

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

1. Purpose

The Exchange proposes to adopt initial and continued listing standards for the listing of Subscription Receipts on the Nasdaq Capital Market and fees for their listing.

Subscription Receipts are a financing technique that has been used for many years by Canadian public companies. Typically, Canadian companies use Subscription Receipts as a means of providing cash consideration in merger or acquisition transactions. Subscription Receipts are sold in a public offering that occurs after the execution of an acquisition agreement. The proceeds of the Subscription Receipt offering are held in a custody account and, if the related acquisition closes, the Subscription Receipt holders receive a specified number of shares of the issuer. If the acquisition does not close, then the Subscription Receipts are redeemed for their original purchase price plus any interest accrued on the custody account. The benefit of Subscription Receipts to the issuer is that they provide a contingent form of financing that only becomes permanent if the acquisition is completed. By contrast, a company financing the cash consideration for an acquisition by means of a traditional equity or debt offering is at risk of having incurred unnecessary dilution of its shareholders or indebtedness if the related acquisition fails to close. Subscription Receipts provide investors with flexibility to elect to invest in the post merger company and not in the company in its pre-merger form.

Nasdaq has received inquiries from market participants about the possibility of the use of Subscription Receipts as a fundraising alternative for listed companies. As a result of this interest, the Exchange is now proposing to adopt listing standards for Subscription Receipts. Under the proposed rule, Nasdaq will initially list Subscription Receipts on the Capital Market pursuant to proposed Rule 5520 if they meet the following requirements:

(a) The security that the Subscription Receipts are exchangeable for must be listed on the Nasdaq Global Select, Global or Capital Market.

(b) The issuer of the Subscription Receipts must not have received a Staff Delisting Determination with respect to the security the Subscription Receipts are exchangeable for and must not have been notified about a deficiency in any continued listing standard with respect to the issuer of the Subscription Receipts or the security the Subscription Receipts are exchangeable for, except with respect to a corporate governance requirement where the issuer has received a grace period under Rule 5810(c)(3)(E).

(c) The proceeds of the Subscription Receipts offering must be designated solely for use in connection with the consummation of a specified acquisition that is the subject of a binding acquisition agreement (the “Specified Acquisition”).

(d) The proceeds of the Subscription Receipts offering must be held in an interest-bearing custody account by an independent custodian.

(e) The Subscription Receipts will promptly be redeemed for cash (i) at any

3 As described in more detail below, these requirements are each either identical or substantially similar to those in Section 102.08 of the NYSE Listed Company Manual for the initial listing of Subscription Receipts.
4 Rule 5810(c)(3)(E) provides a grace period for a company to regain compliance if the company fails to meet the majority board independence or the audit committee composition requirements due to one vacancy, or fails to meet the audit committee composition requirements because an audit committee member ceases to be independent for reasons outside of her control. The grace period is until the earlier of the company’s next annual shareholders meeting or one year from the event that caused the deficiency to cure the deficiency. However, if the company’s next annual shareholders’ meeting is held sooner than 180 days after the event that caused the deficiency, then the company has 180 days from the event that caused the deficiency to cure it.