

under Nasdaq Rule 5735(b)(1)²² and as otherwise provided in the current proposal, the Fund and the Shares would continue to comply with the requirements applicable to Managed Fund Shares under Nasdaq Rule 5735.

The Commission also finds that the proposal is consistent with Section 11A(a)(1)(C)(iii) of the Act,²³ which sets forth Congress's finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities. As proposed, intra-day executable price quotations for the Senior Loans, fixed income securities, and other assets (including any Received Instruments and Defaulted Loans) held by the Fund would be available from major broker-dealer firms and/or market data vendors (and/or, if applicable, on the exchange on which they are traded). Intra-day price information for the holdings of the Fund would be available through subscription services, such as Markit, Bloomberg, and Thomson Reuters, which can be accessed by authorized participants and other investors, and/or from independent pricing services.

On each business day, before commencement of trading in Shares in the Regular Market Session on the Exchange, the Fund would continue to disclose on www.ftportfolios.com the Disclosed Portfolio (as defined in Nasdaq Rule 5735(c)(2)) that will form the basis for the Fund's calculation of net asset value ("NAV") at the end of the business day. NAV per Share would continue to be calculated daily, and the NAV and the Disclosed Portfolio would continue to be made available to all market participants at the same time. Further, the Intraday Indicative Value (as defined in Nasdaq Rule 5735(c)(3)) for the Fund would continue to be widely disseminated by one or more major market data vendors and broadly displayed at least every 15 seconds during the Regular Market Session.

In support of this proposal, the Exchange also represents that trading in the Shares will be subject to the existing trading surveillances, administered by both the Exchange and 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,²⁴ and 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 applicable federal securities laws. FINRA, on behalf of the Exchange, and the Exchange would communicate as needed regarding trading in the Shares and the exchange-listed instruments held by the Fund (including exchange-listed Equity-Based Received Instruments (if any) and any other exchange-listed equity securities) with other markets and other entities that are members of ISG. FINRA and the Exchange both may obtain trading information regarding trading in the Shares and such exchange-listed instruments held by the Fund from markets and other entities that are members of ISG, which include securities exchanges. The Exchange may also obtain information regarding trading in the Shares and such exchange-listed instruments held by the Fund from markets and other entities with which it has in place a comprehensive surveillance sharing agreement. Moreover, FINRA, on behalf of the Exchange, would be able to access, as needed, trade information for certain fixed income securities held by the Fund reported to FINRA's Trade Reporting and Compliance Engine.

The Exchange represents that all statements and representations made in the filing regarding (a) the description of the portfolio or reference assets, (b) limitations on portfolio holdings or reference assets, (c) dissemination or availability of the reference asset or intraday indicative values, or (d) the applicability of Exchange listing rules shall constitute continued listing requirements for listing the Shares on the Exchange. In addition, the issuer has represented to the Exchange that it will advise the Exchange of any failure by the Fund to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor²⁵ for

²⁴ The Exchange states that FINRA surveils trading on the Exchange pursuant to a regulatory services agreement, and the Exchange is responsible for FINRA's performance under this regulatory services agreement.

²⁵ The Commission notes that certain proposals for the listing and trading of exchange-traded products include a representation that the exchange will "surveil" for compliance with the continued listing requirements. See, e.g., Securities Exchange Act Release No. 77499 (April 1, 2016), 81 FR 20428, 20432 (April 7, 2016) (SR-BATS-2016-04). In the context of this representation, it is the

compliance with the continued listing requirements. If the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under the Nasdaq 5800 Series.

This approval order is based on all of the Exchange's representations, including those set forth above and in Amendment No. 1.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act²⁶ and Section 11A(a)(1)(C)(iii) of the Act²⁷ and the rules and regulations thereunder applicable to a national securities exchange.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²⁸ that the proposed rule change (SR-NASDAQ-2018-050), as modified by Amendment No. 1 be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁹

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-348, OMB Control No. 3235-0394]

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 15g-5

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

Commission's view that "monitor" and "surveil" both mean ongoing oversight of compliance with the continued listing requirements. Therefore, the Commission does not view "monitor" as a more or less stringent obligation than "surveil" with respect to the continued listing requirements.

²⁶ 15 U.S.C. 78f(b)(5).

²⁷ 15 U.S.C. 78k-1(a)(1)(C)(iii).

²⁸ 15 U.S.C. 78s(b)(2).

²⁹ 17 CFR 200.30-3(a)(12).

²² The Fund would continue to generally satisfy the generic fixed income listing requirements in Nasdaq Rule 5705(b)(4) on a continuous basis measured at the time of purchase, subject to certain exceptions and modifications described in the Prior Notice and the current proposal. In particular, the Fund may not meet the criteria in Nasdaq Rules 5705(b)(4)(A)(i) and 5705(b)(4)(A)(iii), and the Prior Notice permitted a modification to the criteria under Nasdaq Rule 5705(b)(4)(A)(vi).

²³ 15 U.S.C. 78k-1(a)(1)(C)(iii).

collection of information provided for in Rule 15g-5—Disclosure of Compensation of Associated Persons in Connection with Penny Stock Transactions—(17 CFR 240.15g-5) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

Rule 15g-5 requires brokers and dealers to disclose to customers the amount of compensation to be received by their sales agents in connection with penny stock transactions. The purpose of the rule is to increase the level of disclosure to investors concerning penny stocks generally and specific penny stock transactions.

The Commission estimates that approximately 195 broker-dealers will spend an average of 87 hours annually to comply with the rule. Thus, the total compliance burden is approximately 16,965 burden-hours per year.

Rule 15g-5 contains record retention requirements. Compliance with the rule is mandatory.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information 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 website: 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) Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Candace Kenner, 100 F Street NE, Washington, DC 20549, or by sending an email to PRA_Mailbox@sec.gov. Comments must be submitted within 30 days of this notice.

Dated: October 15, 2018.

Eduardo A. Aleman,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84428; File No. SR-NSCC-2018-008]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Clearing Agency Policy on Capital Requirements and the Clearing Agency Capital Replenishment Plan

October 15, 2018.

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 October 4, 2018, 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. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(4) thereunder.⁴ 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 amendments to (i) the Clearing Agency Policy on Capital Requirements (“Capital Policy” or “Policy”) of NSCC and its affiliates, The Depository Trust Company (“DTC”) and Fixed Income Clearing Corporation (“FICC,” and together with DTC and NSCC, the “Clearing Agencies”); and (ii) the Clearing Agency Capital Replenishment Plan (“Capital Replenishment Plan” or “Plan”) of the Clearing Agencies. In particular, the proposed revisions to the Capital Policy and Capital Replenishment Plan would (1) correct typographical errors and make other technical revisions to correct and simplify statements in the Policy and Plan; (2) replace references in the Policy and Plan to the “Credit Risk Capital Requirement” with the “Corporate Contribution;” and (3) update references in the Policy to the Recovery & Wind-down Plans of each of the Clearing Agencies, which were recently adopted by the Clearing Agencies, as described in greater detail below.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(4).

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

The Clearing Agencies are proposing to revise the Capital Policy and Capital Replenishment Plan, which were adopted by the Clearing Agencies in July 2017⁵ and are maintained by the Clearing Agencies in compliance with Rule 17Ad-22(e)(15) under the Act.⁶

Overview of the Capital Policy and Capital Replenishment Plan

The Capital Policy sets forth the manner in which each Clearing Agency identifies, monitors, and manages its general business risk with respect to the requirement to hold sufficient liquid net assets (“LNA”) funded by equity to cover potential general business losses so the Clearing Agency can continue operations and services as a going concern if such losses materialize.⁷ The amount of LNA funded by equity to be held by each of the Clearing Agencies for this purpose is defined in the Policy as the General Business Risk Capital Requirement. The Policy provides that the General Business Risk Requirement is calculated for each Clearing Agency as the greatest of three separate calculations—(1) an amount based on that Clearing Agency’s general business risk profile (“Risk-Based Capital Requirement”), (2) an amount based on the time estimated to execute a recovery or orderly wind-down of the critical operations of that Clearing Agency (“Recovery/Wind-down Capital Requirement”), and (3) an amount based on an analysis of that Clearing Agency’s estimated operating expenses for a six month period (“Operating Expense Capital Requirement”). On an annual basis, each of these three capital

⁵ See Securities Exchange Act Release No. 81105 (July 7, 2017), 82 FR 32399 (July 13, 2017) (SR-DTC-2017-003, SR-FICC-2017-007, SR-NSCC-2017-004).

⁶ 17 CFR 240.17Ad-22(e)(15).

⁷ *Id.*