

### III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>11</sup> and Rule 19b-4(f)(6) thereunder.<sup>12</sup> Because the proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>13</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>14</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action 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)<sup>15</sup> of the Act 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2018-59 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-NYSE-2018-59. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2018-59 and should be submitted on or before January 4, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Eduardo A. Aleman,**

*Deputy Secretary.*

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### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84766; File No. SR-NYSE-2018-28]

#### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Designation of Longer Period for Commission Action on Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule To Make Permanent the Retail Liquidity Program Pilot, Which is Set To Expire on December 31, 2018

December 10, 2018.

On June 4, 2018, New York Stock Exchange LLC ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to make permanent the Exchange's Retail Liquidity Program Pilot ("Program"). The proposed rule change was published for comment in the **Federal Register** on June 21, 2018.<sup>3</sup> On July 31, 2018, the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>4</sup> On September 18, 2018, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act<sup>5</sup> to determine whether to approve or disapprove the proposed rule change.<sup>6</sup> The Commission received no comment letters on the proposed rule change.

Section 19(b)(2) of the Act<sup>7</sup> provides that, after initiating proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may, however, extend the period for issuing an order approving or disapproving the proposed rule change by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 83454 (June 15, 2018), 83 FR 28874 ("Notice").

<sup>4</sup> See Securities Exchange Act Release No. 83749, 83 FR 38393 (August 6, 2018). The Commission designated September 19, 2018, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

<sup>5</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>6</sup> See Securities Exchange Act Release No. 84183, 83 FR 48350 (September 24, 2018) ("Order Instituting Proceedings").

<sup>7</sup> 15 U.S.C. 78s(b)(2).

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> 17 CFR 240.19b-4(f)(6).

<sup>14</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>15</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>16</sup> 17 CFR 200.30-3(a)(12).

reasons for such determination. The proposed rule change was published for notice and comment in the **Federal Register** on June 21, 2018.<sup>8</sup> December 18, 2018 is 180 days from that date, and February 16, 2019 is 240 days from that date. The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change.<sup>9</sup>

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> designates February 16, 2019 as the date by which the Commission should either approve or disapprove the proposed rule change (File No. SR-NYSE-2018-28).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority,<sup>11</sup>

**Eduardo A. Aleman,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84769; File No. SR-FICC-2018-012]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Remove Certain Fees From the Mortgage-Backed Securities Division Clearing Rules and Electronic Pool Notification Rules

December 10, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 26, 2018, Fixed Income Clearing Corporation (“FICC”) 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. FICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder.<sup>4</sup> 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 FICC’s Mortgage-Backed Securities Division (“MBSD”) Clearing Rules (“Clearing Rules”) and the MBSD electronic pool notification (“EPN”) Rules (“EPN Rules,” and together with the Clearing Rules, “Rules”) to remove certain fees, as described below.<sup>5</sup>

#### 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

FICC recently completed a strategic review of its revenue and pricing strategy. The goal of the review was to enhance pricing for the Clearing Members and EPN Users (collectively referred to herein as “participants”) of MBSD and participants of FICC’s Government Securities Division (“GSD”).<sup>6</sup> This effort was intended to align fees for services with the cost of providing those services, reduce the complexity of fee structures, and increase the overall transparency of the fees charged for services.

As a result of this review, FICC is proposing to revise the Rules to remove the following fees: (1) MBSD’s Surcharge for Submission Method (“Surcharge”), which is a percent surcharge on post discount trade recording fees as recorded on a Clearing

Member’s monthly bill that is charged to Clearing Members that submit trade data either on a single batch or multi-batch method; (2) MBSD’s account maintenance fee (\$50 per month for each trade assignment account); and (3) fees for late payments of EPN bills.

As described further below, FICC has determined that the Surcharge and the fees for late payment of EPN bills are no longer necessary to encourage alternatives to batch processing or prompt payment of bills, respectively. As also described below, FICC is proposing to remove MBSD’s account maintenance fee for trade assignment accounts does not offer trade assignment accounts.

Each of these proposed changes is described below.

###### (i) Surcharge for Submission Method

FICC is proposing to remove the Surcharge from the Clearing Rules’ Schedule of Charges for the Broker Account Group (“Broker Schedule”) and the Schedule of Charges for the Dealer Account Group (“Dealer Schedule”).<sup>7</sup>

In 2006, FICC implemented the Surcharge to be imposed on Clearing Members that are either single batch submitters or multi-batch submitters of transaction data.<sup>8</sup> The surcharge is (1) fifty percent (with a minimum of \$500) on the post discount trade recording fees, as recorded on the monthly bill of single batch submitters, and (2) twenty percent (with a minimum of \$500) on the post discount trade recording fees, as recorded on the monthly bill of multi-batch submitters.<sup>9</sup> The Surcharge was introduced to encourage Clearing Members to submit trades using the interactive messaging submission method through FICC’s Real-Time Trade Matching (“RTTM”) Web service, encourage submission of transaction data on a timely basis, and cover the costs of batch processing.<sup>10</sup> The rationale for encouraging the use of interactive messaging through RTTM Web included mitigating (1) the risk associated with the longer time to complete trade comparison and confirmation in batch processing; and

<sup>7</sup> *Supra* note 5.

<sup>8</sup> See Securities Exchange Act Release No. 53061 (January 5, 2006), 71 FR 2078 (January 12, 2006) (SR-FICC-2005-20).

<sup>9</sup> See Broker Schedule and Dealer Schedule, *supra* note 5.

<sup>10</sup> Where Clearing Members previously submitted trades to FICC either once or multiple times during the day in batches (referred to as “batch submission”), interactive messaging through RTTM Web involves the submission of trades to FICC on a real-time basis and allows Clearing Members to, for example, receive trade status messages and cancel or modify trades.

<sup>8</sup> See *supra* note 3.

<sup>9</sup> The Commission notes that on November 30, 2018, the Exchange has filed a separate proposed rule change to extend the pilot period, which is currently set to expire on December 31, 2018, until June 30, 2019. See SR-NYSE-2018-59.

<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>11</sup> 17 CFR 200.30-3(a)(57).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(4).

<sup>5</sup> Available at <http://www.dtcc.com/legal/rules-and-procedures>. Capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in the Rules.

<sup>6</sup> Earlier this year, FICC implemented changes to the fee structure of GSD in connection with this initiative. See Securities Exchange Act Release No. 83401 (June 8, 2018), 83 FR 27812 (June 14, 2018) (SR-FICC-2018-003). FICC’s affiliates, The Depository Trust Company and National Securities Clearing Corporation, are also proposing changes to their respective fees.