

satisfy the requirement of BZX Rule 14.11(i)(4)(C)(iv)(b) that the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio and the aggregate gross notional value of listed derivatives based on any single underlying reference asset not exceed 30% of the weight of the portfolio (including gross notional exposures). Although the Funds will hold listed derivatives primarily on a single reference asset, the S&P 500 Index,<sup>44</sup> the Commission believes that the prices of the Shares will be less susceptible to manipulation. As the Exchange states, options on the S&P 500 Index are among the most liquid options in the world, and derive their value from the actively traded index components. Additionally, all of the options held by the Funds will trade on markets that are a member of ISG or affiliated with a member of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.<sup>45</sup>

In support of this proposal, the Exchange represented that:

(1) The Funds and the Shares will satisfy all of the requirements applicable to Managed Fund Shares under BZX Rule 14.11(i), as well as the Generic Listing Standards other than BZX Rule 14.11(i)(4)(C)(iv)(b).

(2) Trading in the Shares will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by Cboe Options and FINRA, on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.

(3) For initial and continued listing, the Funds will be in compliance with Rule 10A-3 under the Act.<sup>46</sup>

(4) A minimum of 100,000 Shares will be outstanding at the commencement of trading on the Exchange.<sup>47</sup>

This approval order is based on all of the Exchange's statements and representations, including those set forth above and in Amendment No. 4.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 4 thereto, is consistent with Section 6(b)(5) of the Act<sup>48</sup> and the rules and regulations thereunder applicable to a national securities exchange.

#### IV. Solicitation of Comments on Amendment No. 4 to the Proposed Rule Change

Interested persons are invited to submit written views, data, and arguments concerning whether Amendment No. 4 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-BatsBZX-2017-72 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-BatsBZX-2017-72. 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-BatsBZX-2017-72 and should be submitted on or before August 16, 2018.

#### V. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 4

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 4, prior to the 30th day after the date of publication of notice of the filing of Amendment No. 4 in the **Federal Register**. Amendment No. 4 supplements the proposal by, among other things, representing that the issuer will provide and maintain a publicly available web tool for each of the Funds that will offer important information to help inform investment decisions by prospective and existing shareholders. The amendment assisted the Commission in evaluating the Exchange's proposal and in determining that the listing and trading of the Shares is consistent with the Act. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>49</sup> to approve the proposed rule change, as modified by Amendment No. 4, on an accelerated basis.

#### VI. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>50</sup> that the proposed rule change (SR-BatsBZX-2017-72), as modified by Amendment No. 4 be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>51</sup>

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2018-15945 Filed 7-25-18; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

**FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT:** 83 FR 35041, July 24, 2018.

**PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING:** Thursday, July 26, 2018 at 2:00 p.m.

**CHANGES IN THE MEETING:** The following matter will also be considered during the 2 p.m. Closed Meeting scheduled for Thursday, July 26, 2018:

Formal order of investigation

**CONTACT PERSON FOR MORE INFORMATION:** For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the

<sup>44</sup> The Funds also may invest in options overlying Reference ETFs.

<sup>45</sup> For a list of the current members of ISG, see [www.isgportal.org](http://www.isgportal.org).

<sup>46</sup> 17 CFR 240.10A-3.

<sup>47</sup> See Amendment No. 4, *supra* note 7, at 20.

<sup>48</sup> 15 U.S.C. 78f(b)(5).

<sup>49</sup> 15 U.S.C. 78s(b)(2).

<sup>50</sup> *Id.*

<sup>51</sup> 17 CFR 200.30-3(a)(12).

Office of the Secretary at (202) 551-5400.

Dated: July 23, 2018.

**Brent J. Fields,**

Secretary.

[FR Doc. 2018-16035 Filed 7-24-18; 11:15 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83682; File No. SR-FICC-2018-005]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change To Correct Certain References and Provide Transparency to Existing Processes in the Mortgage-Backed Securities Division Electronic Pool Notification Rules

July 20, 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 July 13, 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. 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 the FICC Mortgage-Backed Securities Division (“MBSD”) electronic pool notification (“EPN”) Rules (the “EPN Rules”)<sup>3</sup> as described below.

FICC is proposing to correct the EPN Rules by amending several references in the section of the EPN Rules entitled “FICC Mortgage-Backed Securities Division (“MBSD”) EPN Schedule of Charges.” Specifically, FICC is proposing to replace the references to “FICC” with “the Corporation.” FICC is proposing this change because “FICC” is not a term that is defined in the EPN Rules. In addition, FICC is proposing to replace the reference to “The Depository Trust Corporation” with “The Depository Trust & Clearing

Corporation.” FICC is proposing this change because the reference to “The Depository Trust Corporation” is an error.

FICC is also proposing to amend *Article III (EPN Users)* of the EPN Rules to set forth MBSD’s existing practices. Specifically, FICC is proposing to include an EPN User’s ongoing obligation to notify FICC if such EPN User no longer complies with the requirements for admission to membership in the EPN Rules (*i.e.*, as set forth in Secs. 2 (Approval of Applicants) and 3 (Agreements of EPN Users) of EPN Rule 1 (Requirements Applicable to EPN Users) of *Article III (EPN Users)*). In addition, FICC is proposing to amend *Article III (EPN Users)* to define specific circumstances where FICC would undertake action to determine the status of an EPN User and its continued access to the EPN system. The proposed change would also state that FICC may request that an EPN User provide written assurances if FICC believes such EPN User may fail to comply with the EPN Rules. The proposed changes to *Article III (EPN Users)* would necessitate a new defined term in *Article I (Definitions and General Provisions)* of the EPN Rules.

#### 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 is proposing to correct the EPN Rules by amending several references in the section of the EPN Rules entitled “FICC Mortgage-Backed Securities Division (“MBSD”) EPN Schedule of Charges.” Specifically, FICC is proposing to replace the references to “FICC” with “the Corporation.” FICC is proposing this change because “FICC” is not a term that is defined in the EPN Rules. In addition, FICC is proposing to replace the reference to “The Depository Trust Corporation” with “The Depository Trust & Clearing Corporation.” FICC is proposing this

change because the reference to “The Depository Trust Corporation” is an error.

FICC is also proposing to amend *Article III (EPN Users)* of the EPN Rules to set forth MBSD’s existing practices. Specifically, FICC is proposing to include an EPN User’s ongoing obligation to notify FICC if such EPN User no longer complies with the requirements for admission to membership in the EPN Rules (*i.e.*, as set forth in Secs. 2 (Approval of Applicants) and 3 (Agreements of EPN Users) of EPN Rule 1 (Requirements Applicable to EPN Users) of *Article III (EPN Users)*). In addition, FICC is proposing to amend *Article III (EPN Users)* to define specific circumstances where FICC would undertake action to determine the status of an EPN User and its continued access to the EPN system. The proposed change would also state that FICC may request that an EPN User provide written assurances if FICC believes such EPN User may fail to comply with the EPN Rules. The proposed changes to *Article III (EPN Users)* would necessitate a new defined term in *Article I (Definitions and General Provisions)* of the EPN Rules.

The proposed changes are described below.

#### 1. MBSD’s EPN Service

MBSD’s electronic pool notification service (referred to in the EPN Rules as the “EPN Service”) enables users to reduce risk and streamline their operations by providing an automated manner for market participants that have an obligation to deliver pools (“pool sellers”) to transmit pool information efficiently and reliably to their counterparties (“pool buyers”) in real time. Market participants that wish to utilize the EPN Service are required to submit an application to MBSD. The application process and the use of the EPN Service are governed by the EPN Rules.<sup>4</sup> MBSD’s Clearing Members are required to be EPN Users; however, one can be an EPN User and not a Clearing Member.<sup>5</sup>

<sup>4</sup> See EPN Rules Article III (EPN Users), EPN Rule 1 (Requirements Applicable to EPN Users), *supra* note 3.

<sup>5</sup> MBSD maintains two sets of rulebooks. The EPN Rules govern MBSD’s EPN Service and the MBSD Clearing Rules (the “MBSD Rules”) govern MBSD’s clearance and settlement service. The MBSD Rules are available at [http://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc\\_mbsd\\_rules.pdf](http://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc_mbsd_rules.pdf). Pursuant to the MBSD Rules, the term “Clearing Member” means any entity admitted into membership pursuant to MBSD Rule 2A. See MBSD Rule 1, Definitions.

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

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

<sup>3</sup> Terms not defined herein are defined in the EPN Rules, available at [http://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc\\_mbsd\\_epnrules.pdf](http://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc_mbsd_epnrules.pdf).