

that the Exchange will provide further notifications to members to ensure clarity about the delay of implementation of these functionalities.<sup>84</sup> The Commission believes that the proposed rule change helps ensure clarity about the delay of implementation of this functionality.

For these reasons, the Commission believes that the proposed rule change is consistent with the Act.

#### IV. Conclusion

*It is Therefore Ordered*, pursuant to Section 19(b)(2) of the Act,<sup>85</sup> that the proposed rule change (SR-MRX-2017-02) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>86</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81199; File No. SR-CTA/CQ-2017-03]

#### Consolidated Tape Association; Notice of Filing and Immediate Effectiveness of the Twenty-Eight Substantive Amendment to the Second Restatement of the CTA Plan and the Twentieth Amendment to the Restated CQ Plan

July 25, 2017.

Pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 608 thereunder,<sup>2</sup> notice is hereby given that on June 30, 2017, the Consolidated Tape Association (“CTA”) Plan participants (“Participants”)<sup>3</sup> filed with the Securities and Exchange Commission (“Commission”) a proposal to amend the Second Restatement of the CTA Plan and the Restated Consolidated Quotation (“CQ”) Plan (“Plans”).<sup>4</sup>

These amendments represent the Twenty-Eighth Substantive Amendment to the CTA Plan and the Twentieth Amendment to the CQ Plan (“Amendments”). The Amendments seek to amend the Plans in order to reflect changes to the names and addresses of certain Participants, as set forth in Section III(a) of the Plans. Pursuant to Rule 608(b)(3)(ii) under Regulation NMS,<sup>5</sup> the Participants designate the Amendments as concerned solely with the administration of the Plans and as “Ministerial Amendments” under both Section IV(b) of the CTA Plan and Section IV(c) of the CQ Plan. As a result, the Amendments were effective upon filing and were submitted by the Chairman of the Plan’s Operating Committee. The Commission is publishing this notice to solicit comments from interested persons on the proposed Amendments.

#### I. Rule 608(a)

##### A. Purpose of the Amendments

The Amendments effectuate changes that certain Participants have made to their names and addresses, as set forth in Section III(a) of the Plans.

##### B. Governing or Constituent Documents

Not applicable.

##### C. Implementation of the Amendments

Because the Amendments constitute “Ministerial Amendments” under both Section IV(b) of the CTA Plan and Section IV(c) under the CQ Plan, the Chairman of the Plan’s Operating Committee may submit the Amendments to the Commission on behalf of the Participants in the Plans. Because the Participants have designated the Amendments as concerned solely with the administration of the Plans, the Amendments become effective upon filing with the Commission.

##### D. Development and Implementation Phases

Not applicable.

1978), 43 FR 34851 (August 7, 1978) (temporarily authorizing the CQ Plan); and 16518 (January 22, 1980), 45 FR 6521 (January 28, 1980) (permanently authorizing the CQ Plan). The most recent restatement of both Plans was in 1995. The CTA Plan, pursuant to which markets collect and disseminate last sale price information for non-NASDAQ listed securities, is a “transaction reporting plan” under Rule 601 under the Act, 17 CFR 242.601, and a “national market system plan” under Rule 608 under the Act, 17 CFR 242.608. The CQ Plan, pursuant to which markets collect and disseminate bid/ask quotation information for listed securities, is a “national market system plan” under Rule 608 under the Act, 17 CFR 242.608.

<sup>5</sup> 17 CFR 242.608(b)(3)(ii).

##### E. Analysis of Impact on Competition

The Participants assert that the Amendments do not impose any burden on competition because they merely effectuate a change in the names and addresses of certain Participants. For the same reasons, the Participants do not believe that the Amendments introduce terms that are unreasonably discriminatory for purposes of Section 11A(c)(1)(D) of the Exchange Act.

##### F. Written Understanding or Agreements Relating to Interpretation of, or Participation in, Plan

Not applicable.

##### G. Approval by Sponsors in Accordance With Plan

See Item I.C. above.

##### H. Description of Operation of Facility Contemplated by the Proposed Amendments

Not applicable.

##### I. Terms and Conditions of Access

Not applicable.

##### J. Method of Determination and Imposition, and Amount of, Fees and Charges

Not applicable.

##### K. Method and Frequency of Processor Evaluation

Not applicable.

##### L. Dispute Resolution

Not applicable.

#### II. Rule 601(a)

##### A. Equity Securities for Which Transaction Reports Shall be Required by the Plan

Not applicable.

##### B. Reporting Requirements

Not applicable.

##### C. Manner of Collecting, Processing, Sequencing, Making Available and Disseminating Last Sale Information

Not applicable.

##### D. Manner of Consolidation

Not applicable.

##### E. Standards and Methods Ensuring Promptness, Accuracy and Completeness of Transaction Reports

Not applicable.

##### F. Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination

Not applicable.

<sup>84</sup> See *id.*

<sup>85</sup> 15 U.S.C. 78s(b)(2).

<sup>86</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78k-1.

<sup>2</sup> 17 CFR 242.608.

<sup>3</sup> The Participants are: Bats BYX Exchange, Inc., BATS BZX Exchange, Inc., Bats EDGA Exchange, Inc., Bats EDGX Exchange, Inc., Chicago Board Options Exchange, Inc., Chicago Stock Exchange, Inc., Financial Industry Regulatory Authority, Inc., International Securities Exchange, LLC, Investors’ Exchange LLC, NASDAQ BX, Inc., NASDAQ PHLX, Inc., NASDAQ Stock Market LLC, New York Stock Exchange LLC, NYSE Arca, Inc., NYSE MKT LLC, and NYSE National, Inc.

<sup>4</sup> See Securities Exchange Act Release Nos. 10787 (May 10, 1974), 39 FR 17799 (May 20, 1974) (declaring the CTA Plan effective); 15009 (July 28,

*G. Terms of Access to Transaction Reports*

Not applicable.

*H. Identification of Marketplace of Execution*

Not applicable.

**III. Solicitation of Comments**

The Commission seeks general comments on the Amendments. Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed Amendments are 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-CTA/CQ-2017-03 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number SR-CTA/CQ-2017-03. 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 Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all written statements with respect to the proposed Amendments that are filed with the Commission, and all written communications relating to the proposed Amendments 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 Web site 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 Web site viewing and printing at the principal office of the Plans. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CTA/CQ-2017-03 and should be submitted on or before August 21, 2017.

By the Commission.

Brent J. Fields,

Secretary.

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-81203; File No. SR-NSCC-2017-010]

**Self-Regulatory Organizations;  
National Securities Clearing  
Corporation; Notice of Filing of a  
Proposed Rule Change To Expand the  
Application of the Family-Issued  
Securities Charge**

July 25, 2017.

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 10, 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.<sup>3</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 change consists of amendments to the NSCC Rules and Procedures ("Rules")<sup>4</sup> in order to (i) expand the application of NSCC's existing family-issued securities charge<sup>5</sup> to apply to all Members, as described below, and (ii) include a definition of "Family-Issued Security" as a security that was issued by a Member or by an affiliate of that Member, as described in greater detail below.

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

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

<sup>3</sup> On July 10, 2017, NSCC filed this proposed rule change as an advance notice (SR-NSCC-2017-804) with the Commission pursuant to Section 806(e)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act entitled the Payment, Clearing, and Settlement Supervision Act of 2010, 12 U.S.C. 5465(e)(1), and Rule 19b-4(n)(1)(i) of the Act, 17 CFR 240.19b-4(n)(1)(i). A copy of the advance notice is available at <http://www.dtcc.com/legal/sec-rule-filings.aspx>.

<sup>4</sup> Terms not defined herein are defined in the Rules, available at [www.dtcc.com/~media/Files/Downloads/legal/rules/nsccl\\_rules.pdf](http://www.dtcc.com/~media/Files/Downloads/legal/rules/nsccl_rules.pdf).

<sup>5</sup> The family-issued securities charge is currently described in Procedure XV, Section I.(B)(1) of the Rules, *supra* note 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**

Currently, in calculating its Members' required deposits to the Clearing Fund, NSCC excludes positions in Family-Issued Securities of certain Members from its parametric volatility Clearing Fund component ("VaR Charge"), and instead charges an amount calculated by multiplying the absolute value of the long, net unsettled positions in that Member's Family-Issued Securities by a percentage that is no less than 40 percent ("FIS Charge"). The FIS Charge is currently only applied to Members that are rated 5, 6, or 7 on the Credit Risk Rating Matrix ("CRRM"). The proposed change would expand the application of the FIS Charge to the positions in Family-Issued Securities of all Members to help NSCC cover the specific wrong-way risk posed by Family-Issued Securities, as described further below.<sup>6</sup> Therefore, NSCC is proposing to amend (i) Rule 1 (Definitions and Descriptions) to add a definition of "Family-Issued Security," and (ii) Procedure XV (Clearing Fund Formula and Other Matters) to expand the application of the FIS Charge to all Members by moving the description of FIS Charge from Section I.(B)(1) to Sections I.(A)(1) and I.(A)(2) in order to make clear that the FIS Charge would be included as a component of the Clearing Fund formula calculated for all Members.

As a central counterparty, NSCC occupies an important role in the securities settlement system by interposing itself between counterparties to financial transactions and thereby reducing the risk faced by participants and contributing to global financial stability. The effectiveness of a central counterparty's risk controls and the adequacy of its financial resources

<sup>6</sup> Members that do not trade in Family-Issued Securities would not be subject to the FIS Charge.