

the estimated total annual cost burden allocated to Form N 4 would be \$36,308,889 ((210 × \$23,013) + (1,443 × \$21,813)).

Providing the information required by Form N-4 is mandatory. Responses will not be kept confidential. Estimates of average burden hours are made solely for the purposes of the Paperwork Reduction Act, and are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Pamela Dyson, Acting Director/Chief Information Officer, Securities and Exchange Commission, C/O Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549; or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: March 2, 2015.

**Brent J. Fields.**

*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74399; File No. SR-ICC-2014-19]

### Self-Regulatory Organizations; ICE Clear Credit LLC; Order Granting Approval of Proposed Rule Change To Formalize the ICC Operational Risk Management Framework

March 2, 2015.

#### I. Introduction

On November 18, 2014, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission

("Commission") the proposed rule change SR-ICC-2014-19 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> The proposed rule change was published for comment in the **Federal Register** on December 2, 2014.<sup>3</sup> The Commission received no comment letters regarding the proposed change. On January 16, 2015, the Commission extended the time period in which to either approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change to March 2, 2015.<sup>4</sup> For the reasons discussed below, the Commission is granting approval of the proposed rule change.

#### II. Description of the Proposed Rule Change

ICC is proposing to update and formalize ICC's Operational Risk Management Framework. According to ICC, the Operational Risk Management Framework is designed to create a program of risk assessment and oversight to identify, monitor, and manage plausible sources of operational risk,<sup>5</sup> and to timely manage and report operational performance measures. ICC further states that the operational risk program is designed to evaluate and mitigate operations risk presented to ICC by its partners, related entities, and vendors. According to ICC, the Operational Risk Management Framework is overseen by the ICC Board, ICC department heads and the Chief Compliance Officer, and internal audit performs reviews of the operational risk management processes.

Under the Operational Risk Management Framework, the Operational Risk Manager has the responsibility and authority to develop and enforce, in consultation with the ICC Board and appropriate members of senior management, the operational risk program, which applies to all ICC activities, groups, functions and locations. The Operational Risk Management Framework further provides that the Operational Risk Manager is the owner of the Operational Risk Management Framework

document, that the initial document and any material amendments require review and approval by the appropriate members of senior management and the ICC Board, and that the Operational Risk Manager reports to the Chief Compliance Officer who reports directly to the ICC Board.

There are several components to the ICC Operational Risk Management Framework. ICC states that the Operational Risk Management Framework establishes clearly defined operational performance objectives that serve as benchmarks to evaluate efficiency and effectiveness, promote confidence among management and participants, and evaluate operational performance against expectations. The Operational Risk Management Framework states ICC's goals of identifying, monitoring, and managing all plausible sources of operational risk and establishing clear policies and procedures to address presented risk scenarios. For example, the Operational Risk Management Framework incorporates ICC's risk assessment methodology to identify and evaluate potential operational risks in each of its major clearing processes, as well as procedures for recommending controls to mitigate risks identified in the risk assessment. The Operational Risk Management Framework also contains information regarding how ICC leverages certain shared infrastructures within the Intercontinental Exchange, Inc. family as part of its operational risk management program.

Additionally, the Operational Risk Management Framework details the Operational Risk Manager's responsibilities in terms of business continuity planning, vendor risk management, and the release of new products, processes, and initiatives. Under the Operational Risk Management Framework, the Operational Risk Manager is responsible for operational risk reporting, which includes reporting and addressing significant operational risk weaknesses or failures timely and appropriately (including escalation to the appropriate members of senior management and the ICC Audit Committee and the Board when necessary), and providing ongoing reporting to appropriate members of senior management and periodic reporting to the ICC Board and the ICC Audit Committee on the operational risk program and significant control matters.

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

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

<sup>3</sup> Securities Exchange Act Release No. 34-73684 (Nov. 25, 2014), 79 FR 71495 (Dec. 2, 2014) (SR-ICC-2014-19).

<sup>4</sup> Securities Exchange Act Release No. 34-74082 (Jan. 16, 2015), 80 FR 3687 (Jan. 23, 2015) (SR-ICC-2014-19).

<sup>5</sup> "Operational risk" is defined in the ICC Operational Risk Management Framework as the risk that deficiencies in information systems, internal processes, personnel, or disruptions from external events will result in the reduction, deterioration, or breakdown of services.

### III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act<sup>6</sup> directs the Commission to approve a proposed rule change of a self-regulatory organization if the Commission finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such self-regulatory organization. Section 17A(b)(3)(F) of the Act<sup>7</sup> requires, among other things, that the rules of a clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible and, in general, to protect investors and the public interest. In addition, Rule 17Ad-22(d)(4)<sup>8</sup> requires registered clearing agencies, among other things, to establish, implement, maintain, and enforce written policies and procedures reasonably designed to identify sources of operational risk and minimize them through the development and implementation of appropriate systems, controls, and procedures and have business continuity plans that allow for timely recovery of operations and fulfillment of a clearing agency's obligations.

The Commission finds that the proposed rule change is consistent with Section 17A of the Act<sup>9</sup> and the rules thereunder applicable to ICC. ICC's Operational Risk Management Framework establishes clear policies and procedures to identify and evaluate potential operational risks in each of its major clearing processes, and to recommend controls to mitigate identified risks, each of which are reasonably designed to identify, monitor, and manage of all plausible sources of operational risk. Furthermore, the Operational Risk Management Framework establishes clearly defined operational performance objectives that are expected to serve as benchmarks for evaluating operational efficiency and effectiveness, and to evaluate operational performance measurements against such objectives, each of which are expected to enhance ICC's ability to mitigate operational risk. Finally, the Operational Risk Management Framework incorporates a business continuity plan that is

expected to allow for timely recovery of operations and fulfillment of ICC's obligations upon disruption. The Commission therefore believes that the proposed rule change is reasonably designed to identify sources of operational risk and minimize them through the development and implementation of appropriate systems, controls, and procedures and have business continuity plans that allow for timely recovery of operations and fulfillment of a clearing agency's obligations, consistent with the requirements of Rule 17Ad-22(d)(4).<sup>10</sup> Accordingly, the Commission believes that the proposed rule change is designed to promote the prompt and accurate settlement of securities and derivatives transactions, consistent with Section 17A(b)(3)(F) of the Act.<sup>11</sup>

### IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act<sup>12</sup> and the rules and regulations thereunder.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,<sup>13</sup> that the proposed rule change (File No. SR-ICC-2014-19) be, and hereby is, approved.<sup>14</sup>

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2015-05155 Filed 3-5-15; 8:45 am]

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### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74408; File No. SR-NYSEMKT-2015-11]

#### Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Specifying in Exchange Rules the Exchange's Use of Certain Data Feeds for Order Handling and Execution, Order Routing, and Regulatory Compliance

March 2, 2015.

Pursuant to section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on February 24, 2015, NYSE MKT LLC (the "Exchange" or "NYSE MKT") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to specify in Exchange rules the Exchange's use of certain data feeds for order handling and execution, order routing, and regulatory compliance. The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.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 self-regulatory organization 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 those 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 parts of such statements.

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>10</sup> 17 CFR 240.17Ad-22(d)(4).

<sup>11</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>12</sup> 15 U.S.C. 78q-1.

<sup>13</sup> 15 U.S.C. 78s(b)(2).

<sup>14</sup> In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

<sup>15</sup> 17 CFR 200.30-3(a)(12).

<sup>6</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>8</sup> 17 CFR 240.17Ad-22(d)(4).

<sup>9</sup> 15 U.S.C. 78q-1.