

*Extension:*

Rule 22c–1, SEC File No. 270–793, OMB Control No. 3235–0734

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520), the Securities and Exchange Commission (the “Commission”) is soliciting comments on the collections of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Rule 22c–1 (17 CFR 270.22c–1) under the Investment Company Act of 1940 (15 U.S.C. 80a) (the “Investment Company Act” or “Act”) enables a fund to choose to use “swing pricing” as a tool to mitigate shareholder dilution. Rule 22c–1 is intended to promote investor protection by providing funds with an additional tool to mitigate the potentially dilutive effects of shareholder purchase or redemption activity and a set of operational standards that allow funds to gain comfort using swing pricing as a means of mitigating potential dilution.

The respondents to amended rule 22c–1 are open-end management investment companies (other than money market funds or exchange-traded funds) that engage in swing pricing. Compliance with rule 22c–1(a)(3) is mandatory for any fund that chooses to use swing pricing to adjust its NAV in reliance on the rule.

While we are not aware of any funds that have engaged in swing pricing,<sup>1</sup> we are estimating for the purpose of this analysis that 5 fund complexes have funds that may adopt swing pricing policies and procedures in the future pursuant to the rule. We estimate that the total burden associated with the preparation and approval of swing pricing policies and procedures by those fund complexes that would use swing pricing will be 280 hours.<sup>2</sup> We also estimate that it will cost a fund complex \$43,406 to document, review and initially approve these policies and procedures, for a total cost of \$217,030.<sup>3</sup>

<sup>1</sup> No funds have engaged in swing pricing as reported on Form N–CEN as of August 14, 2019.

<sup>2</sup> This estimate is based on the following calculation: (48 + 2 + 6) hours × 5 fund complexes = 280 hours.

<sup>3</sup> These estimates are based on the following calculations: 24 hours × \$201 (hourly rate for a senior accountant) = \$4,824; 24 hours × \$463 (blended hourly rate for assistant general counsel (\$433) and chief compliance officer (\$493)) = \$11,112; 2 hours (for a fund attorney’s time to prepare materials for the board’s determinations) × \$340 (hourly rate for a compliance attorney) = \$680; 6 hours × \$4,465 (hourly rate for a board of 8 directors) = \$26,790; (\$4,824 + \$11,112 + \$680 + \$26,790) = \$43,406; \$43,406 × 5 fund complexes =

Rule 22c–1 requires a fund that uses swing pricing to maintain the fund’s swing policies and procedures that are in effect, or at any time within the past six years were in effect, in an easily accessible place.<sup>4</sup> The rule also requires a fund to retain a written copy of the periodic report provided to the board prepared by the swing pricing administrator that describes, among other things, the swing pricing administrator’s review of the adequacy of the fund’s swing pricing policies and procedures and the effectiveness of their implementation, including the impact on mitigating dilution and any back-testing performed.<sup>5</sup> The retention of these records is necessary to allow the staff during examinations of funds to determine whether a fund is in compliance with its swing pricing policies and procedures and with rule 22c–1. We estimate a time cost per fund complex of \$292.<sup>6</sup> We estimate that the total for recordkeeping related to swing pricing will be 20 hours, at an aggregate cost of \$1,460, for all fund complexes that we believe include funds that have adopted swing pricing policies and procedures.<sup>7</sup>

Amortized over a three-year period, we believe that the hour burdens and time costs associated with rule 22c–1, including the burden associated with the requirements that funds adopt policies and procedures, obtain board approval, and periodic review of an annual written report from the swing pricing administrator, and retain certain records and written reports related to swing pricing, will result in an average aggregate annual burden of 113.3 hours, and average aggregate time costs of \$73,803.<sup>8</sup>

*We request written comment on:* (a) Whether the collections of information

\$217,030. The hourly wages used are from SIFMA’s Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead. The staff previously estimated in 2009 that the average cost of board of director time was \$4,000 per hour for the board as a whole, based on information received from funds and their counsel. Adjusting for inflation, the staff estimates that the current average cost of board of director time is approximately \$4,465.

<sup>4</sup> See rule 22c–1(a)(3)(iii).

<sup>5</sup> See *id.*

<sup>6</sup> This estimate is based on the following calculations: 2 hours × \$58 (hourly rate for a general clerk) = \$116; 2 hours × \$88 (hourly rate for a senior computer operator) = \$176. \$116 + \$176 = \$292.

<sup>7</sup> These estimates are based on the following calculations: 4 hours × 5 fund complexes = 20 hours. 5 fund complexes × \$292 = \$1,460.

<sup>8</sup> These estimates are based on the following calculations: (280 hours (year 1) + (3 × 20 hours) (years 1, 2 and 3)) + 3 = 113.3 hours; (\$217,030 (year 1) + (3 × \$1,460) (years 1, 2 and 3)) + 3 = \$73,803.

are necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission’s estimate of the burdens 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 Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, C/O Candace Kenner, 100 F Street NE, Washington, DC 20549; or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: October 10, 2019.

**Jill M. Peterson,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–87275; File No. SR–ICEEU–2019–020]

### Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the ICE Clear Europe Clearing Rules and Procedures

October 10, 2019.

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 September 30, 2019, ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule changes described in Items I, II, and III below, which Items have been primarily prepared by ICE Clear Europe. ICE Clear Europe filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b–4(f)(6)<sup>4</sup> thereunder, such that the proposed rule change was immediately effective upon filing with the Commission. The Commission is publishing this notice to solicit

<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)(6).

comments on the proposed rule change from interested persons.

### **I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change**

ICE Clear Europe proposes to amend its Clearing Rules (the "Rules") and Procedures to make various drafting updates, clarifications and corrections, including to remove obsolete provisions, to reflect changes to the names of trading venues cleared by the Clearing House and facilities and systems used by the Clearing House, and to better reflect certain current operational practices.<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, ICE Clear Europe 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. ICE Clear Europe 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*

##### **(a) Purpose**

ICE Clear Europe proposes to amend its Rules and Procedures to make various drafting updates, clarifications and corrections, including to various references throughout the Rules and Procedures to the names of trading venues for which ICE Clear Europe provides clearing services, to delivery facilities and information systems used by the Clearing House, and to certain contracts cleared by the Clearing House. Certain changes are also being made to use more generic references to trading facilities and contracts to limit the need for future changes to the ICE Clear Europe Rules as a result of non-substantive changes to names and other corporate events.

Specifically, ICE Clear Europe proposes to make amendments to Parts 1, 2, 4, 5, 8, 9, 11, 12, 15, 16, 19, 20 and 22 of the Rules, the Standard Terms annexes contained in the Exhibits to the Rules, and to the Clearing Procedures, Finance Procedures, Delivery Procedures, CDS Procedures, FX Procedures, Business Continuity

Procedures, Contract Terms Procedures and Membership Procedures. The text of the proposed amendments to the Rules and Procedures is attached in Exhibit 5, with additions underlined and deletions in strikethrough text. The proposed amendments are described in detail as follows.

##### **1. Removal of References to LIFFE**

The amendments would remove throughout the Rules unused references to the LIFFE market (and related terms referencing LIFFE or LIFFE contracts). Trading in all LIFFE contracts was transitioned to ICE Futures Europe in 2014,<sup>6</sup> and LIFFE is no longer an operational exchange. The LIFFE exchange has since been de-recognized as a recognized investment exchange under UK law and the corporate vehicle has been wound up. The Rules and Procedures nonetheless retain certain outdated references to LIFFE and related terms that would now be deleted. These include the definitions of "LIFFE", "LIFFE Block Contract", "LIFFE Block Trade Facility", "LIFFE Block Transaction", "LIFFE Clearing Member", "LIFFE Contract", "LIFFE Matched Contract", "LIFFE Matched Transaction" and "LIFFE Rules" in Rule 101 (and related uses of such definitions throughout the Rules, including in the definitions of "Financials & Softs", "Financials & Softs Clearing Member", "Financials & Softs Transaction" and "Market"). Corresponding changes have also been proposed to the Delivery Procedures to remove references to "LIFFE" and the "LIFFE Rules" in relation to Financials & Softs Contracts that are now traded on ICE Futures Europe. These changes have been made in paragraphs 8 and 15 of the general provisions of the Delivery Procedures and in the product-specific sections as follows: Part O, paragraphs 1.1–1.3; Part O, Delivery Timetable; Part Q, paragraphs 1.1–1.3; Part Q, Delivery Timetable; Part R, paragraphs 1.1–1.3; Part R, Delivery Timetable; Part T, paragraphs 1.3 and 1.11; Part U, paragraphs 1.2, 1.4 and 1.5; and Part U, Delivery Timetables.

##### **2. Corporate Reorganization of Endex Markets**

A number of changes to the Rules are proposed to reflect changes in the corporate structure of the ICE Endex markets cleared by ICE Clear Europe.

Specifically, ICE Endex Gas B.V. (which operated the spot market, and was referred to in the Rules as "ICE Endex Continental") was merged into ICE Endex Derivatives B.V. (which operated the regulated market, and was referred to in the Rules as "ICE Endex"), with the surviving entity renamed ICE Endex Markets B.V.<sup>7</sup> Accordingly, the defined term "ICE Endex" in the Rules would be revised to refer to ICE Endex Markets B.V. As a result of the transaction, ICE Endex now operates two markets, its regulated market and the ICE Endex Spot Market (formerly the ICE Endex Continental market). In Rule 101 the following definitions would be revised accordingly: "Energy", "Energy Transaction", "ICE Endex", "ICE Endex Block Transaction", "ICE Endex Matched Transaction", "ICE Endex Rules" and "Market". In addition, the defined terms "ICE Endex Continental" and "ICE Endex Continental Rules" are to be replaced with "ICE Endex Spot Market" and "ICE Endex Spot Market Rules". The definitions of "ICE Natural Gas Continental Spot", "ICE Natural Gas Continental Spot Contract", "ICE Natural Gas Continental Spot Matched Contract", "ICE Natural Gas Continental Spot Matched Transaction" and "ICE Natural Gas Continental Spot Transaction" are to be replaced with "ICE Endex Spot Market Transaction" and "ICE Endex Spot Market Contract." Corresponding changes would be made throughout the Rules and Procedures, including in Rules 201, 404 and 1906 and in the Delivery Procedures in paragraph 5.1 and Part J. A new Rule 401(r) would be added to clarify that a Contract will only arise in relation to an ICE Endex Spot Market Transaction where the product is designated by ICE Endex Spot Market as a cleared product. This clarification is needed because not all products traded on the ICE Endex Spot Market are cleared by ICE Clear Europe; some are held on an over-the-counter basis Parts 20 and 22 of the Rules would be deleted as no longer necessary, as those Parts provided transitional rules relating to various ICE Endex contracts at the time of the transition of these contracts to the Clearing House from another clearing house in 2013. All affected contracts have now expired.

##### **3. Removal of Unused Participating Exchange Link Provisions**

The Rules currently contain a number of defined terms and other provisions

<sup>5</sup> Capitalized terms used but not defined herein have the meaning specified in the ICE Clear Europe Clearing Rules.

<sup>6</sup> See Exchange Act Release No. 34–73348 (SR–ICEEU–2014–017) (Oct. 14, 2014); 79 FR 62688 (Oct. 20, 2014); see also ICE Futures Europe's 'LIFFE to ICE Futures Europe Transition Notice' dated September 2014, available at [https://www.theice.com/publicdocs/circulars/14108\\_attach.pdf](https://www.theice.com/publicdocs/circulars/14108_attach.pdf).

<sup>7</sup> This merger is described in more detail in ICE Endex Circular E16/045 of 30 November 2016, available at <https://www.theice.com/publicdocs/endex/circulars/E16045.pdf>.

relating to linkages between ICE exchanges and non-ICE exchanges (referred to in the Rules as “Participating Exchanges”), principally set out in current Rule 410. Although such linkages at one time existed between LIFFE and two Japanese exchanges, and were briefly on-boarded by the Clearing House after the LIFFE transition in 2014, they have been terminated, there are no such linkages currently in effect, and none are contemplated at this time. As a result, ICE Clear Europe proposes to delete Rule 410. ICE Clear Europe further proposes to delete references to Participating Exchanges, and related terms and provisions, throughout the Rules, including in Rules 102(j)(ii), 106(a)(iv), 401(a)(xiv), 405(b), 408(a)(vi), 905(a)(iii), 905(b)(xix), 1201(f)(xii), 1201(l), 1201(n), 1202(b)(ix)–(x), 1202(m), 1202(n), 1202(o)(xi) (which will become 1202(m)(xi)), 1203(k), 1204(a)(v), 1204(j) and 1205(d).

#### 4. References to Delivery Facilities

The definition of “Delivery Facility” in Rule 101 would be amended to reflect the full range of delivery mechanisms and providers used in connection with various cleared Contracts, including balancing systems, gas networks, securities settlement systems, custodians, vessels, terminals, ports and emissions registries. The broader definition reflects current practice for the facilities used for delivery under the diversity of contracts cleared by the Clearing House, and is intended to reduce the need to change the rules for the launch of new deliverable contracts. Relatedly, Rule 106(a)(xiv) would be amended to delete the references to obligations under the specific rules of each particular delivery facility and replace these with a generic reference to obligations under “*the rules or terms of a Delivery Facility or as [are] needed to comply with any obligation or to exercise any right under these Rules*”. This would make use of the broadened “Delivery Facility” definition. A similar change is proposed to Rule 404(a)(x) to use the generic “Delivery Facility” defined term.

#### 5. General References to Markets

Related to the amendments discussed above relating to LIFFE and ICE Endex, ICE Clear Europe proposes to replace other individual references to specific markets for which it clears, throughout the Rules and Procedures, with the more general term “Market.” The definition of “Market” in Rule 101 would be amended so that it covers the specified ICE trading venues for which arrangements already exist “and any

other Exchange for which the Clearing House provides or may provide Clearing services”. These changes would simplify various references throughout the Rules to exchanges, trading facilities and markets generally (without need to identify each such facility), and in particular will allow for certain references to “Exchange” to be amended to “Market” throughout the Rules and Procedures, resulting in greater consistency. This will also reduce documentation risks associated with corporate reorganizations at exchange level, as occurred for LIFFE and ICE Endex (discussed above). The proposed changes also remove the various references to market-specific rules (for example, to the rules of ICE Futures Europe) and replace these with a more generic definition of “Market Rules” where possible. The definition of “Market Rules” in Rule 101 would be amended to refer more generically to “the rules, regulations, procedures of, and agreements governing, a Market”. New definitions of “EFRP”, “Energy Block Trade Facility”, “Energy Block Transaction”, “F&O Block Contract”, “F&O Block Transaction”, “F&O Matched Contract” and “F&O Matched Transaction” would be added to remove the need to refer to trading venue-specific contracts and transactions throughout the Rules. For example, the definition of “F&O Matched Transaction” would cover all F&O Transactions occurring on a Market (without need to use separate defined terms to refer to F&O Transactions occurring on each of ICE Endex, ICE Endex UK, ICE Futures Europe and ICE Futures US). Similarly, the proposed “F&O Block Transaction” defined term covers all Financials & Softs Block Transactions and Energy Block Transactions. Corresponding changes will be made to the definitions of “Basis Trades”, “Bclear”, “Business Day”, “Contract Terms”, “EFRPs”, “EFSs”, “Financials & Softs Block Trade Facility”, “Financials & Softs Block Transaction” and “Soft Commodity EFRP” in Rule 101 and also at Rules 102(f), 111(c)(ii), 201(a)(ii)–(iv), 401(a)(i)–(v), 401(n), 405(b)(i), 1201(f)(x), 1202(b)(iii), 1202(h) and 1202(m)(vi). Similar changes are also proposed to paragraphs 2.4(c), 6.2(b)(iii) and 6.4(b) of the Clearing Procedures and paragraph 1.1(c) of the Delivery Procedures. It will still be necessary to list the Markets cleared by the Clearing House in Rule 101; these changes merely reduce the complexity of any future changes in those Markets.

#### 6. Changes to Delivery Procedures

In the Delivery Procedures, various drafting changes are proposed to ensure that the Delivery Procedures are consistent with the Rules and with the current operational practices of ICE Clear Europe. The proposed changes would include replacing outdated references to the “Market Delivery Settlement Price” (MDSP) with references to the “Exchange Delivery Settlement Price” (EDSP), which is the term now used in the Rules to refer to the settlement price for F&O Contracts. In addition, a small change is proposed to remove a requirement to mark delivery documentation as “urgent” (as this is not done, and is not necessary, in operational practice). A number of drafting improvements have also been proposed to address inconsistencies and errata from previous changes to the Delivery Procedures and to align the document with current operational models, system functionality and system names. The relevant changes are to be made to paragraph 2 of the general provisions of the Delivery Procedures and to the following product-specific sections: Part A, paragraphs 2.2, 7.3 and 8; Part B, paragraphs 1.2, 5.1, 5.2 and 5.5; Part C, paragraph 2.3; Part D, paragraph 7.1; Part N, paragraph 2.3; Part O, paragraph 1.2; Part P, paragraphs 1.1–1.3 and Delivery Timetable; Part Q, paragraph 1.2; Part R, paragraph 1.2; Part T, paragraph 1.3; Part U, paragraphs 1.3 and 1.6; and Part BB, paragraph 1.2. In addition, changes to paragraph 1.2 of the general provisions of the Delivery Procedures are proposed to refer to the “clearing operations department” of ICE Clear Europe, which is the correct name of the relevant department.

In paragraph 5.4 of the general provisions of the Delivery Procedures, the words “of such Transferor/Transferee” are to be added at the end of the last sentence to clarify that the relevant form must be signed by an authorized signatory of the Transferor or Transferee (as applicable). Changes are also proposed to paragraph 17.5 of the Delivery Procedures to refer more generally to the provisions of “Contract Terms” and “Market Rules” that apply following non-performance of contractual obligations, rather than just the ICE Futures Europe Rules (since ICE Clear Europe provides clearing services to various Markets). In addition, the reference to the specific provisions of the ICE Futures Rules would be updated to refer to the correct provisions.

Various changes have also been proposed to the Delivery Procedures to remove references to certain products that are no longer cleared by ICE Clear

Europe following de-listings by the relevant exchange. These include ICE Futures ERU Futures Contracts, ICE UK Base Electricity Futures Contracts (EFA), ICE UK Peak Electricity Futures Contracts (EFA), ICE Endex TTF Natural Gas Working Days Next Week (WDNW) Futures Contracts, ICE Endex GASPOOL Natural Gas Daily Futures Contracts, ICE Endex NCG Natural Gas Daily Futures Contracts, ICE Endex ZTP Natural Gas Daily Futures Contracts and Japanese Government Bond Contracts. In addition, for Equity Futures/Options Contracts changes have been proposed to reflect the fact that Turkish securities are not available as an underlying. In the case of the ICE Futures ERU Futures Contracts, the changes proposed involve not only deleting references to the contracts but also removing all defined terms relating to Emission Reduction Units (“ERUs”), for example “Emission Reduction Unit”, “ERU Contract”, “ERU Delivery Amount” and “ERU Transfer Request”, and the instances in which these appear, because such units are no longer valid deliverables for the relevant contracts. The relevant changes are to be made to paragraphs 5.1, 6.1 and 11 of the general provisions of the Delivery Procedures and to the following product-specific sections: Part A, heading and preamble; Part A, paragraphs 1.1, 2.1–2.4, 3.2, 5.1, 6.1, 8 and 9.1; Part F, heading and paragraphs 1.1(j), 3.3, 3.5(a), 3.6, 6.1, 7.1 and 9.1; Part G, heading and paragraphs 1.1(j), 2.2, 2.4–2.5, 5.2, 6.2 and 8.2; Part H, heading and paragraphs 1.1(f), 2.3, 2.5–2.6, 5.2, 6.2 and 8.2; Part I, heading and paragraphs 1.1(n), 3.3, 3.5–3.6, 6.2, 7.2 and 9.2; Part V (proposed deletion); and Part Z, paragraphs 1.2 and 2.1. The table of contents is also to be updated accordingly.

It is proposed that the Delivery Procedures be amended to reflect the current systems used by ICE Clear Europe to communicate with Clearing Members and facilitate delivery. There are a number of references to obsolete systems in the current published version of the Delivery Procedures. In some cases, there is no reference at all to the appropriate system used by ICE Clear Europe to communicate a particular piece of information to Clearing Members (or vice versa). The proposed changes involve removing references to systems that are no longer used for the relevant purpose, for example the Universal Clearing Platform (UCP), Trade Registration System (TRS) and Crystal, and adding new references to the current systems such as the Extensible Clearing System (ECS) and Managed File Transfer System (MFT).

The changes are to be made to paragraph 16 of the general provisions of the Delivery Procedures and to the following product-specific sections: Part A, paragraph 5.3; Part B, sections 2 and 4; Part K, section 4; Part L, section 4; Part O, section 1 (Delivery Timetable); Part P, section 1 (Delivery Timetable); Part Q, section 1 (Delivery Timetable); Part R, sections 1 (Delivery Timetable) and 2 (Delivery Documentation Summary); Part S, paragraph 1.1; Part T, paragraph 1.3; Part U, paragraphs 1.6 and 1.9; Part W, paragraph 1.8; and Part X, paragraph 1.8.

#### 7. Other Updates to Definitions

The amendments would include a number of other drafting clarifications, typographical corrections and drafting improvements to the definitions in Rule 101. In particular, the definition of “Portfolio Risk Margin” is being removed as unnecessary in the Rules (as it is part of the concept of Initial Margin) and other references in the Rules to Portfolio Risk Margin will be removed or replaced with Initial Margin, as applicable. The definitions of “Transferor” and “Transferee” would be amended to include an explicit reference to Part 7 of the Rules and the Delivery Procedures, in order to clarify that the terms are intended to refer to persons nominated by Buyers or Sellers to make or receive delivery of products in the course of the delivery process under the Rules and the Delivery Procedures. The definition of “Person” in clauses (a) and (b) thereof would be revised to refer to “any similar structure in any other jurisdiction,” a clarification requested by market participants to clearly cover funds and similar structures that exist in civil law jurisdictions in Europe such as Germany. The definition of “Force Majeure Event” would be amended to include a missing word to clarify the application of the term to Sponsored Principals and ensure consistency with other aspects of the definition. The definition of “Future” would be clarified such that it does not include Options (which are covered by a separate defined term). The definition of “Mark-to-Market Margin” would be clarified by addition of a reference to cover such margin transferred to a Sponsored Principal as well as a Clearing Member. Clause (b) of the definition of “Set” would be amended to use the defined term “Strike Price” instead of an undefined term. In the definition of “Settlement and Notices Terms,” a reference to FCM/BD Clearing Members that are CDS Clearing Members would be corrected.

In addition, with respect to certain other definitions, typographical corrections, updates to cross-references to various Rules and Procedures and corrections to alphabetical ordering would be made.

#### 8. Additional Clarifications and Updates

ICE Clear Europe is proposing to make a number of additional clarifications, drafting updates and similar corrections to other provisions of the Rules.

In Rule 102(i), a change is proposed to clarify, for completeness, that social security contributions also fall within the meaning of the term “tax” throughout the Rules. In the UK, as well as income tax, there are “national insurance contributions” payable by employers and employees, and similar concepts apply in several other countries. This amendment would ensure that all taxes would be covered when representations and indemnities exist under the rules. In several places throughout the Rules and Procedures, amendments are proposed to replace undefined terms with defined terms, for greater clarity and drafting precision. In this regard, a drafting change has been proposed to Rule 106(a)(vii) to use the defined term “Person” in place of the undefined term “body”. In Rules 106(e)(i) and 113(e), paragraph 6.1(i)(v) of the Finance Procedures and paragraph 17.6 of the Delivery Procedures, similar changes have been proposed to use the defined term “Applicable Law” instead of undefined terms such as “applicable law” or “law”. In the net sum calculation in Rule 906(a), the word “margin” in the explanation of the variable “M” has been replaced with the defined term “Margin”. Similarly, Rule 913(a)(xiv) is proposed to be amended to remove the terms “strike price” and “exercise price” and replace these with the defined term “Strike Price.” In Rule 1604(b), the lower case term “transfer” is to be replaced with the defined term “Transfer,” which is given a particular meaning by Rule 904(a) in the context of the default management steps that ICE Clear Europe is permitted to take under the Rules and Procedures. In paragraph 2.2(e) of the Clearing Procedures, it is proposed that “commodities” be replaced with the defined term “Deliverables”, which is the defined term that includes commodities in addition to other types of deliverable. In the Finance Procedures, at paragraph 4.2, references to “accounts” are to be replaced with the defined term “Nominated Bank Accounts”. These changes are generally intended to clarify the Rules but are not intended to change the substantive

rights or obligations of the Clearing House or Clearing Members.

In Rule 106(b), an amendment would be made to clarify that Clearing Members and Customers are deemed to consent to disclosure of information by ICE Clear Europe where made pursuant to Applicable Law generally, rather than just pursuant to the provisions of the Financial Services and Markets Act 2000, which may not be the only applicable law for non-UK Clearing Members.

Various changes have been proposed throughout the Rules and Procedures in order to be consistent in the use of such terms as “section” and “paragraph,” including to Rule 109(j), Rule 904(g), Sections 3(n), 3(o), 10, 13(a) and 13(c) of the Standard Terms, paragraphs 2.2, 4.5 6.1(i) and 13.3 of the Finance Procedures, paragraphs 3.1 and 10.2 of the FX Procedures and paragraph 8.2(h)(ii) of the CDS Procedures.

In Rule 110(b), a drafting clarification is proposed to highlight that this provision is also subject to Rule 110(g) (in addition to Rule 110(c)). Rule 110(g) (which by its terms overrides Rule 110(b)) provides that ICE Clear Europe does not have the right to extend the time at which a payment is due to a Clearing Member beyond the time immediately prior to the commencement of the daily payment cycle for the relevant payment currency.

Changes at Rule 117(a) have been proposed to remove the words “Subject to Rule 1518” and provide that any Dispute not subject to the procedures of Part 10 of the Rules or the Complaint Resolution Procedures shall be subject to arbitration. This change is intended to reduce the risk of procedural questions as to the dispute resolution process which is applicable in a given scenario. Rule 1518 by its terms overrides Rule 117 in the relevant circumstances stated thereunder and so the deleted language is not needed.

The words “and the deposit of securities” and “and securities” are proposed to be deleted in Rule 202(a)(xi). This reflects current operational processes, under which amounts transferred to and from ICE Clear Europe by Clearing Members for the purposes of Margin, Guaranty Fund Contributions, fees and amounts due under contracts pursuant to a margin call will only be in the form of cash (and not securities or other financial instruments). Securities may be substituted for cash margin pursuant to a separate process.

Changes at Rule 206(a) are proposed to include Clearing Member Capital requirements in the Membership Procedures, in addition to under the

CDS Procedures and Finance Procedures. The Capital requirements themselves would not be changed.

A clarification is proposed to Rule 401(b) to improve the current drafting by providing that new contracts arising at the moment that alternative delivery is agreed are “Contracts reversing the existing Contract or Contracts.” An alternative delivery agreement results in the cancellation of the existing cleared contract through an offsetting contract. The change reflects current practice and is not intended to have any effect on the way in which the offsetting process operates.

In Rule 401(n), changes would be made to clarify the application of the Rule to Customer-CM Transactions that arise when an F&O Contract arises pursuant to Rule 401. (In such case, an offsetting Customer-CM F&O Transaction arises simultaneously between the Customer and Clearing Member.) The Customer-CM Transaction would be subject to the same conditions as to when contracts can be voided as other contracts under Part 4 of the Rules.

Changes are proposed to Rule 405(b)(i) to correctly refer to the execution venues which can submit contracts to ICE Clear Europe for clearing, namely CDS or FX trade execution processing platforms and venues falling within the definition of “Market”. These changes clarify that the deemed representations given by counterparties to contracts as to the accuracy of transaction data equally arise in a scenario where the transaction was originally executed through one of these alternative venues, and not solely in relation to transactions that take place on Exchanges.

It is proposed that the word “day” in Rule 406(a) be replaced with “Business Day” to reflect the fact that Open Contract Positions are not calculated on non-Business Days. Changes are proposed to refer to “Contracts that are Futures” and “Contracts that are Options”, to replace the current references “Futures that are F&O Contracts” and “Options that are F&O Contracts”, which are redundant.

A minor drafting change is proposed to Rule 502(c) to clarify that the particular set of Procedures referred to here are the Finance Procedures. Relatedly, a clarification is proposed in Rule 502(d) to confirm that the ability of the Clearing House to “specify proportions or maximum proportions of asset classes” extends to cash and relates solely to cash or assets “to be provided as Margin.”

Changes in Rule 502(k) (which relates to certain considerations in making

certain changes in eligible assets for Margin and Permitted Cover and related haircuts) would clarify the application of this provision to all Contract types and not just F&O Contracts, consistent with existing practice. Rule 503(d) would be amended to clarify the calculation of intra-day margin in the context of certain customer positions carried on a gross basis. The new drafting clarifies that Margin is calculated based on the Open Contract Position plus “the net additional exposure relating to any Contracts held gross which have not been contractually netted or aggregated in accordance with Rule 406”. The amendment is not intended to change margin calculations, but avoid uncertainty as to the treatment of gross positions under the current drafting of the Rules consistent with provisions used by other ICE clearing houses.

In Rule 803(c), drafting changes have been proposed to clarify that only “Long” Option Contracts can be abandoned by notice to ICE Clear Europe, consistent with the rights applicable to options under the existing Contract Terms and existing operational processes. Minor drafting improvements have also been made in Rules 803(a), 804 and 808(a).

Rules 908(b), (c) and (d) would be revised to make certain non-substantive drafting clarifications. Further, in those subsections, with regard to amounts falling within “N” (the post-default net sum calculation), which form the first layer of the default waterfall (subparagraph (i) in Rules 908(b), (c) and (d)), amendments would provide that such amounts must be applied “subject to the restrictions set out in Rule 906(c)”. Rule 906(c) imposes restrictions on the setting off of assets recorded in different Customer Accounts of a Defaulter against shortfalls on Proprietary Accounts or other Customer Accounts of the same Defaulter, promoting segregation under the European Market Infrastructure Regulation and U.S. laws. The proposed drafting would not affect the operation of Rule 906(c), but would make the Rules easier to follow by directing readers to Rule 906(c) in the context of the default waterfall provisions in Rule 908. Finally, changes are proposed to subparagraph (iii) to clarify that this layer of the waterfall would not include guaranty fund contributions of a Sponsor of a Defaulter (that is a Sponsored Principal).

Minor drafting changes have been proposed to Rule 908(g)(i)(A)–(D) to add the words “in question” after the second instance of “Defaulter”. These changes are intended to resolve any ambiguity as

to which guaranty fund contributions are to be used in the situation where more than one default takes place simultaneously.

It is proposed that the exclusion of ICE Clear Europe's liability in Rule 919(r) be amended to remove the reference to requirements of "law" generally and replace this with a reference to requirements of "Applicable Laws or this Rule 919". The amendments also clarify that the exclusion of liability does not apply to the extent that Rule 919 itself provides that a particular sum is payable by ICE Clear Europe. This is consistent with ICE Clear Europe's interpretation of the existing effect of this provisions, but adds clarity for users.

An amendment is proposed to Rule 1103(f) to add a reference to Part 9 of the Rules in the provision setting out that Clearing House Contributions will be used "only for the purposes of meeting shortfalls arising directly or indirect from Defaults" in accordance with specified provisions of the Rules and existing requirements of Applicable Laws. The added reference to Part 9 is appropriate as it contains the majority of the provisions governing Clearing Member defaults, after some provisions were moved out of Part 11 several years ago.

A drafting change is proposed in Rule 1202(b)(vii) to reflect the fact that Financials & Softs Contracts are already contemplated within the definition of a "Future" and accordingly the reference to Financials & Softs Contracts can be deleted. ("Future" refers to "an F&O Contract or FX Contract"; "F&O Contracts" include Financials & Softs Contracts (in addition to Energy Contracts).) A similar change is to be made in Rule 1202(k) to refer to "Contracts" rather than "Financials & Softs Contracts" specifically (which would fall within the more general "Contracts" definition).

In the Clearing Procedures, in paragraphs 2.3(b)(xxv), (xxvii), (xxxix) and (xli), changes are proposed to remove references to the "Standard Omnibus Indirect Account For CDS" and the "Standard TTFCFA Omnibus Indirect Account For CDS" in account codes "X" and "Y". These net margin omnibus accounts for indirect clearing are not actually used for CDS Contracts.

A drafting clarification would be made in paragraph 4.2(a) of the Clearing Procedures to provide that that initial margin calculations will be "based on" the net positions for each Contract Set in a Proprietary Account. (This does not entail any change in the way margin is currently calculated.) In paragraph 4.2(b), the reference to the "Risk

Committee" is to be replaced with a reference to the relevant "product risk committee," which is the correct name of the relevant committee that reviews the policy for setting initial margin parameters.

References to "Buyer's Security" and "Seller's Security" in paragraphs 4.6(c)(i) and 4.8 the Clearing Procedures are to be amended to replace "Security" with "security" (reflecting that "Security" is not a defined term in the Rules or Procedures). Changes are also proposed to paragraphs 4.6(c) and 4.8 to refer to particular items that may be specified in the Delivery Procedures.

In paragraph 6.1(a)(i) of the Clearing Procedures, an incorrect reference to "Proprietary Account Position" would be corrected. The capitalized term "Collateral" in paragraph 6.3(b) of the Clearing Procedures is to be replaced with the lower case term "collateral", as there is no definition of the former term in the Rules or Procedures. It is also proposed that the word "Initial" be deleted before the words "Margin requirement" in the same provision since the relevant requirement concerns all kinds of Margin (including Variation Margin or Mark-to-Market Margin).

In the Finance Procedures, a new paragraph 1.11 is proposed to be added to provide definitions for the various currencies referenced the Finance Procedures which are not defined in the Rules. Related to this, the reference to Canadian Dollars, Swiss Francs and Swedish Kroner in paragraph 2.1 is to be deleted and replaced by the words "Other currencies" to reflect the fact that a broader range of currencies are actually received as income on non-cash collateral. Changes are proposed to paragraph 4.1(a)(vi) to clarify that Clearing Members that transfer non-cash assets to ICE Clear Europe as collateral must have an account in the currency of the income payable on the non-cash asset. A non-substantive drafting clarification would be made in paragraph 4.2 to address Clearing Members that act in more than one product category.

In paragraph 6.1(i) of the Finance Procedures, the current reference to "bank holidays" would be amended to refer also to "public holidays," because "bank holiday" is a UK-specific term that is not necessarily used in other jurisdictions. Certain other changes would clarify that relevant actions must be taken "by" a specified date, rather than "on" that date. Paragraph 8.2 of the Finance Procedures would be amended to refer to the "risk department", since "Risk" is an undefined term.

Changes are proposed to paragraph 10.9 of the Finance Procedures to reflect

the fact that the London Gold Fixing has been replaced as the relevant global benchmark for gold prices by the London Bullion Market Association Gold Price, which is administered by ICE Benchmark Administration Limited.

In the Contract Terms Procedures, the term "Clearing Counterparty" (which is not used or defined in the Rules or other Procedures) would be changed to "Clearing Member" for consistency.

In the Membership Procedures, in paragraph 1.3, the full name of the relevant committee, the "Executive Risk Committee", would be used. Various drafting changes have also been proposed to the table at paragraph 4.2. These updates reflect the relevant defined terms used in the Rules (as proposed to be amended hereby).

In addition to the foregoing, certain corrections and updates to cross-references and numbering, as well as minor and non-substantive corrections to capitalization and other typographical corrections, have been made throughout the Rules and Procedures.

#### (b) Statutory Basis

ICE Clear Europe believes that the proposed amendments are consistent with the requirements of Section 17A of the Act<sup>8</sup> and the regulations thereunder applicable to it, including the standards under Rule 17Ad-22.<sup>9</sup> In particular, Section 17A(b)(3)(F) of the Act<sup>10</sup> requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible, and the protection of investors and the public interest.

The proposed amendments are intended principally to update and clarify certain references in the Rules and Procedures to reflect more clearly current practices, remove outdated references and provisions, simplify and harmonize references to the different Markets cleared by ICE Clear Europe and to the different delivery facilities used by ICE Clear Europe. The changes would also remove references to contracts no longer cleared, and make various other drafting improvements and modifications that would generally not affect the terms of contracts, or the rights or obligations of Clearing

<sup>8</sup> 15 U.S.C. 78q-1.

<sup>9</sup> 17 CFR 240.17Ad-22.

<sup>10</sup> 15 U.S.C. 78q-1(b)(3)(F).

Members. In ICE Clear Europe's view, these changes will generally help clarify and simplify the Rules and Procedures, and make it easier for ICE Clear Europe to keep such documents up to date notwithstanding potential future changes in the Markets cleared and similar events. In ICE Clear Europe's view, these changes are therefore generally consistent with the prompt and accurate clearance and settlement of cleared transactions. For similar reasons, the amendments will also help ensure that the Rules and Procedures are aligned with operational procedures concerning the holding of funds and securities, and are therefore consistent with safeguarding of securities and funds in the custody or control of the Clearing House or which it is responsible. Overall, in ICE Clear Europe's view, the amendments are for these reasons also consistent with the protection of investors and the public interest, within the meaning of Section 17A(b)(3)(F) of the Act.<sup>11</sup>

The proposed Rule changes are also consistent with the relevant requirements of Rule 17Ad-22. In particular, Rule 17Ad-22(e)(1)<sup>12</sup> requires that each covered clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to provide for a well-founded, clear, transparent, and enforceable legal basis for each aspect of its activities in all relevant jurisdictions. As discussed herein, the amendments are designed to clarify, simplify and harmonize various aspects of the Rules and Procedures, to be consistent with current operations, remove outdated references, address changes in Markets served and delivery facilities used, and similar matters. Taken together, these amendments will enhance the clarity of the legal framework provided by the Rules and Procedures under which the Clearing House operates, and are therefore consistent with Rule 17Ad-22(e)(1).<sup>13</sup>

#### *(B) Clearing Agency's Statement on Burden on Competition*

ICE Clear Europe does not believe the proposed rule changes would have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purpose of the Act. The amendments do not change the legal rights of members or users in any material way and are being adopted to update and clarify various references in the Rules and Procedures and to remove obsolete

provisions and covered errors. ICE Clear Europe does not believe such amendments will result in material changes in its current operations or practices, or the rights or obligations of Clearing Members. Such amendments will apply to all Clearing Members. ICE Clear Europe does not believe such amendments would in themselves materially affect the cost of, or access to clearing. Legal costs of users should be reduced by correcting errors and removing ambiguity which might otherwise require legal advice. As a result, ICE Clear Europe does not believe such amendments would adversely affect competition among Clearing Members or the market for clearing services generally.

#### *(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

ICE Clear Europe has conducted a public consultation on amendments to its Rules that included the proposed rule changes set forth herein.<sup>14</sup> It should be noted that this consultation included not only the changes discussed herein, but also a number of other changes which ICE Clear Europe has addressed in prior filings and intends to address in future filings. ICE Clear Europe received three detailed and written responses to the overall consultation, which included four specific comments relating to the amendments described in this filing. It has discussed aspects of the proposed Rule changes, as were presented in such consultation, with those interested Clearing Members who responded. Based on feedback received by ICE Clear Europe, those Clearing Members who responded supported all the changes proposed herein. Clearing Members' comments were generally concentrated on other matters arising in the consultation which have been or will be addressed in other rule filings (it being important to stress that all Clearing Member comments on the set as a whole have been addressed to consultation respondents' satisfaction). With respect to the amendments that are subject to this filing, one Clearing Member in each case asked certain questions concerning the rationale for proposed amendments to the definition of "Person", Rule 401(b), Rule 503(d) and Rule 503(f)(i), the rationale for each of which is presented above. The rationale for these changes was clarified in a call with the relevant Clearing Members. ICE Clear Europe determined

that the questions were adequately addressed by oral explanations and discussions with Clearing Members and that no material changes to the consulted-upon Rules were required. ICE Clear Europe will notify the Commission of any further written comments with respect to the proposed rules received by ICE Clear Europe.

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

Because the foregoing 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.

At any time within 60 days of the filing of the 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.

#### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, security-based swap submission or advance notice 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-ICEEU-2019-020 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-ICEEU-2019-020. 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

<sup>11</sup> *Id.*

<sup>12</sup> 17 CFR 240.17Ad-22(e)(1).

<sup>13</sup> 17 CFR 240.17Ad-22(e)(1).

<sup>14</sup> ICE Clear Europe Circular C19/046 (March 8, 2019), available at [https://www.theice.com/publicdocs/clear\\_europe/circulars/C19046.pdf](https://www.theice.com/publicdocs/clear_europe/circulars/C19046.pdf).



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 such filings will also be available for inspection and copying at the principal office of ICE Clear Europe and on ICE Clear Europe's website at <https://www.theice.com/clear-europe/regulation>. 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-ICEEU-2019-020 and should be submitted on or before November 7, 2019.

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

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2019-22593 Filed 10-16-19; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87274; File No. SR-CBOE-2019-098]

### Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating To Amend the Appointment Weight Table in Rule 5.50 in the Shell Structure for the Exchange's Rulebook

October 10, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 4, 2019, Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") 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 Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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

Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to amend the appointment weight table in Rule 5.50 in the shell structure for the Exchange's Rulebook that will become effective upon the migration of the Exchange's trading platform to the same system used by the Cboe Affiliated Exchanges (as defined below) ("shell Rulebook"). The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange's Office of the Secretary, 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 Exchange 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 Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

##### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

In 2016, the Exchange's parent company, Cboe Global Markets, Inc. (formerly named CBOE Holdings, Inc.) ("Cboe Global"), which is also the parent company of Cboe C2 Exchange, Inc. ("C2"), acquired Cboe EDGA Exchange, Inc. ("EDGA"), Cboe EDGX Exchange, Inc. ("EDGX" or "EDGX Options"), Cboe BZX Exchange, Inc. ("BZX" or "BZX Options"), and Cboe

BYX Exchange, Inc. ("BYX" and, together with Cboe Options, C2, EDGX, EDGA, and BZX, the "Cboe Affiliated Exchanges"). The Cboe Affiliated Exchanges are working to align certain system functionality, retaining only intended differences, between the Cboe Affiliated Exchanges, in the context of a technology migration. Cboe Options intends to migrate its trading platform to the same system used by the Cboe Affiliated Exchanges, which the Exchange expects to complete on October 7, 2019. In connection with this technology migration, the Exchange has a shell Rulebook that resides alongside its current Rulebook, which shell Rulebook will contain the Rules that will be in place upon completion of the Cboe Options technology migration.

The Exchange proposes to amend an inadvertent error currently in the appointment weight table in shell Rule 5.50(g). Currently, the appointment weight table shows "Options on the iPath S&P 500 VIX Short-Term Futures" with an appointment weight of .100 in one row of the table and "Index ETN (VXX)" with a weight of .001 in the row directly below. The Exchange notes that this is incorrect and should be displayed in a single row containing "Options on the iPath S&P 500 VIX Short-Term Futures Index ETN (VXX)" with a weight of .100. A formatting error occurred that inadvertently broke apart Options on the iPath S&P 500 VIX Short-Term Futures Index ETN (VXX) into two rows.<sup>5</sup> Indeed, the Exchange notes that neither Options on the iPath S&P 500 VIX Short-Term Futures, nor Index ETN, are separate products on the Exchange and instead, Options on the iPath S&P 500 VIX Short-Term Futures Index ETN (symbol: VXX) is, in fact, the correct name of the product.<sup>6</sup> Therefore, the Exchange now proposes to correct this in the appointment table to show Options on the iPath S&P 500 VIX Short-Term Futures Index ETN (VXX) with an appointment weight of .100. Additionally, the proposed rule change also removes the rows in the appointment table which refer to Options on the NASDAQ 100 Index

<sup>5</sup> See Securities and Exchange Act Release No. 81879 (October 16, 2017), 82 FR 48858 (October 20, 2017) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To List and Trade S&P Select Sector Index Options) (SR-CBOE-2017-065), wherein the Exhibit 5 to SR-CBOE-2017-065 it shows, correctly, Options on the iPath S&P 500 VIX Short-Term Futures Index ETN (VXX), as one product with an appointment cost (the prior term) of .10.

<sup>6</sup> See Cboe Options on Volatility-based ETPs (October 4, 2019), available at <http://www.cboe.com/products/options-on-single-stocks-and-exchange-traded-products/options-on-exchange-traded-products/cboe-options-on-volatility-based-etps>.

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

<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)(iii).

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