

whether the proposed rule should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-MIAX-2016-23 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 No. SR-MIAX-2016-23. 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 Web site (<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 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 inspection and copying at the principal office of the MIAAX. 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 No. SR-MIAX-2016-23 and should be submitted on or before September 2, 2016.

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

**Robert W. Errett,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

Upon Written Request, Copy Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

#### Extension:

Rule 0-4, SEC File No. 270-569, OMB Control No. 3235-0633.

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

Rule 0-4 (17 CFR 275.0-4) under the Investment Advisers Act of 1940 ("Act" or "Advisers Act") (15 U.S.C. 80b-1 *et seq.*) entitled "General Requirements of Papers and Applications," prescribes general instructions for filing an application seeking exemptive relief with the Commission. Rule 0-4 currently requires that every application for an order for which a form is not specifically prescribed and which is executed by a corporation, partnership or other company and filed with the Commission contain a statement of the applicable provisions of the articles of incorporation, bylaws or similar documents, relating to the right of the person signing and filing such application to take such action on behalf of the applicant, and a statement that all such requirements have been complied with and that the person signing and filing the application is fully authorized to do so. If such authorization is dependent on resolutions of stockholders, directors, or other bodies, such resolutions must be attached as an exhibit to or quoted in the application. Any amendment to the application must contain a similar statement as to the applicability of the original statement of authorization. When any application or amendment is signed by an agent or

attorney, rule 0-4 requires that the power of attorney evidencing his authority to sign shall state the basis for the agent's authority and shall be filed with the Commission. Every application subject to rule 0-4 must be verified by the person executing the application by providing a notarized signature in substantially the form specified in the rule. Each application subject to rule 0-4 must state the reasons why the applicant is deemed to be entitled to the action requested with a reference to the provisions of the Act and rules thereunder, the name and address of each applicant, and the name and address of any person to whom any questions regarding the application should be directed. Rule 0-4 requires that a proposed notice of the proceeding initiated by the filing of the application accompany each application as an exhibit and, if necessary, be modified to reflect any amendment to the application.

The requirements of rule 0-4 are designed to provide Commission staff with the necessary information to assess whether granting the orders of exemption are necessary and appropriate in the public interest and consistent with the protection of investors and the intended purposes of the Act.

Applicants for orders under the Advisers Act can include registered investment advisers, affiliated persons of registered investment advisers, and entities seeking to avoid investment adviser status, among others. Commission staff estimates that it receives up to 3 applications per year submitted under rule 0-4 of the Act seeking relief from various provisions of the Advisers Act and, in addition, up to 9 applications per year submitted under Advisers Act rule 206(4)-5, which addresses certain "pay to play" practices and also provides the Commission the authority to grant applications seeking relief from certain of the rule's restrictions. Although each application typically is submitted on behalf of multiple applicants, the applicants in the vast majority of cases are related entities and are treated as a single respondent for purposes of this analysis. Most of the work of preparing an application is performed by outside counsel and, therefore, imposes no hourly burden on respondents. The cost outside counsel charges applicants depends on the complexity of the issues covered by the application and the time required. Based on conversations with applicants and attorneys, the cost for applications ranges from approximately \$12,800 for preparing a well-precedent, routine (or otherwise less involved)

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

application to approximately \$200,000 to prepare a complex or novel application. We estimate that the Commission receives 1 of the most time-consuming applications annually, 2 applications of medium difficulty, and 9 of the least difficult applications subject to rule 0-4.<sup>1</sup> This distribution gives a total estimated annual cost burden to applicants of filing all applications of \$402,200 [(1 × \$200,000) + (2 × \$43,500) + (9 × \$12,800)]. The estimate of annual cost burden is made solely for the purposes of the Paperwork Reduction Act, and is not derived from a comprehensive or even representative survey or study of the costs of Commission rules and forms.

The requirements of this collection of information are required to obtain or retain benefits. Responses will not be kept confidential. 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, Chief Information Officer, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549; or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: August 9, 2016.

**Robert W. Errett,**

*Deputy Secretary.*

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<sup>1</sup> The estimated 9 least difficult applications include the estimated 9 applications per year submitted under Advisers Act rule 206(4)-5.

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78501; File No. SR-ICC-2016-007]

### Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change To Revise the ICC End-of-Day Price Discovery Policies and Procedures

August 8, 2016

#### I. Introduction

On April 22, 2016, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change relating to ICC's End-of-Day Price Discovery Policies and Procedures (the "EOD Policy"). The proposed rule change was published for comment in the **Federal Register** on May 11, 2016.<sup>3</sup> On June 23, 2016, 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 August 9, 2016.<sup>4</sup> The Commission did not receive comments on the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change.

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

The principal purpose of the proposed rule change is to revise the EOD Policy to change the calculation of single name firm trade ("Firm Trade") notional limits to be at a Clearing Participant ("CP") affiliate group level.

As part of ICC's end-of-day price discovery process, ICC CPs are required to submit end-of-day prices for specific instruments related to their open interest at ICC. ICC determines end-of-day levels directly from these CP price submissions using a proprietary algorithm. To encourage CPs to provide high quality end-of-day submissions, on random days, ICC selects a subset of instruments which are eligible for Firm Trades. In order to determine Firm Trade requirements, the algorithm sorts and ranks all CP submissions and identifies "crossed and/or locked markets." Crossed markets are pairs of

CP submitted prices generated by the sorting and ranking process for which the bid price of one CP is above the offer price of the matched CP. The algorithm identifies locked markets, where the bid and the offer are equal, in a similar fashion.

ICC designates certain crossed and/or locked markets as Firm Trades and CPs are entered into cleared transactions. ICC establishes pre-defined notional amounts for Firm Trades. According to ICC, no single Firm Trade can have a larger notional amount than specified by the pre-defined notional amount for the relevant instrument. On a given Firm Trade day, all potential-trades resulting from the cross-and-lock algorithm in any Firm Trade eligible instrument are designated Firm Trades, unless they breach a CP's notional limits.

Currently single name Firm Trade notional limits are set at the CP level. According to ICC, it designed the Firm Trade system to incentivize trading desks to provide quality end-of-day price submissions for use in its end-of-day price discovery process, while limiting the total overnight risk that a given institution may be required to manage in case of submission errors or outlying pricing submissions which may lead to Firm Trades. One mechanism introduced to provide these protections was single name Firm Trade notional limits per CP. ICC believes that at the time of its introduction, this mechanism achieved its goal of limiting overnight risk limits per institution. However, with the increase in client clearing and in multiple CP memberships per holding company, ICC asserts that the limit provided to a given institution is multiples of that originally contemplated.

In addition, because of recent changes to the EOD Policy to extend the process for determining Firm Trades to include all submissions, including those classified as outlying pricing submissions (or "obvious errors"),<sup>5</sup> ICC asserts that CPs are eligible to receive Firm Trades on a wider range of price submissions. Due to the broadened scope of the Firm Trade process, ICC asserts a heightened interest in adjusting the allocation process so that CPs are not over-penalized for Firm Trades in terms of overnight risk exposure.

In order to maintain the original intent of the end-of-day price discovery process, ICC has proposed changes to its EOD Policy to implement single name Firm Trade notional limits at the CP affiliate group level, as opposed to the

<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. 34-77771 (May 5, 2016), 81 FR 29309 (May 11, 2016) (SR-ICC-2016-007).

<sup>4</sup> Securities Exchange Act Release No. 34-78144 (June 23, 2016), 81 FR 42018 (June 28, 2016) (SR-ICC-2016-007).

<sup>5</sup> See Securities Exchange Act Release No. 34-74053 (January 14, 2015), 80 FR 2985 (January 21, 2015) (SR-ICC-2015-001).