

Commission to consider matters related to negotiated service agreement(s). The request(s) may propose the addition or removal of a negotiated service agreement from the market dominant or the competitive product list, or the modification of an existing product currently appearing on the market dominant or the competitive product list.

Section II identifies the docket number(s) associated with each Postal Service request, the title of each Postal Service request, the request's acceptance date, and the authority cited by the Postal Service for each request. For each request, the Commission appoints an officer of the Commission to represent the interests of the general public in the proceeding, pursuant to 39 U.S.C. 505 (Public Representative). Section II also establishes comment deadline(s) pertaining to each request.

The public portions of the Postal Service's request(s) can be accessed via the Commission's Web site (<http://www.prc.gov>). Non-public portions of the Postal Service's request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3007.40.

The Commission invites comments on whether the Postal Service's request(s) in the captioned docket(s) are consistent with the policies of title 39. For request(s) that the Postal Service states concern market dominant product(s), applicable statutory and regulatory requirements include 39 U.S.C. 3622, 39 U.S.C. 3642, 39 CFR part 3010, and 39 CFR part 3020, subpart B. For request(s) that the Postal Service states concern competitive product(s), applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3015, and 39 CFR part 3020, subpart B. Comment deadline(s) for each request appear in section II.

## II. Docketed Proceeding(s)

1. *Docket No(s)*: CP2014-1; *Filing Title*: Notice of United States Postal Service of Amendment to Parcel Select and Parcel Return Service Contract 5; *Filing Acceptance Date*: May 4, 2017; *Filing Authority*: 39 CFR 3015.5; *Public Representative*: Gregory Stanton; *Comments Due*: May 12, 2017.

2. *Docket No(s)*: MC2017-127 and CP2017-180; *Filing Title*: Request of the United States Postal Service to Add Priority Mail Contract 315 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data; *Filing Acceptance Date*: May 4, 2017; *Filing Authority*: 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*;

*Public Representative*: Katalin K. Clendenin; *Comments Due*: May 12, 2017.

3. *Docket No(s)*: MC2017-128 and CP2017-181; *Filing Title*: Request of the United States Postal Service to Add Priority Mail Contract 316 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data; *Filing Acceptance Date*: May 4, 2017; *Filing Authority*: 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*; *Public Representative*: Katalin K. Clendenin; *Comments Due*: May 12, 2017.

This notice will be published in the **Federal Register**.

Stacy L. Ruble,  
*Secretary*.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80598; File No. SR-DTC-2017-001]

### Self-Regulatory Organizations; The Depository Trust Company; Order Granting Approval of Proposed Rule Change To Establish a Sub-Account for Use With the DTCC Euroclear Global Collateral Ltd Collateral Management Service and Provide for the Authorization of a Representative To Receive Information About the Sub-Account

May 4, 2017.

On March 9, 2017, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-DTC-2017-001 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 March 24, 2017.<sup>3</sup> The Commission did not receive any comment letters on the proposed rule change. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

### I. Description of the Proposed Rule Change

The proposed rule change consists of amendments to the Rules, By-Laws and Organization Certificate of The

Depository Trust Company ("DTC Rules")<sup>4</sup> in order to add new Rule 35 (CMS Reporting). The proposed rule would provide that any DTC participant that is, or is acting on behalf of, a user of certain collateral management services ("CMS")<sup>5</sup> of DTCC Euroclear Global Collateral Ltd. ("DEGCL")<sup>6</sup> may establish one or more sub-Accounts at DTC in connection with CMS (each, a "CMS Sub-Account"). A DTC participant that establishes a CMS Sub-Account pursuant to the proposed rule ("CMS Participant") would thereby: (i) Authorize DEGCL to receive account and transactional information and reports with respect to the CMS Sub-Account, and (ii) direct DTC to provide such information and reports to DEGCL, as described below.

### A. DEGCL Background

DTC states that DEGCL performs information and record-keeping services for CMS users that have entered into user agreements with DEGCL for this purpose ("CMS Users").<sup>7</sup> CMS Users are financial institutions that are counterparties to agreements establishing obligations between them to provide securities collateral with respect to swaps or other types of financing transactions.<sup>8</sup> These bilateral swap or other financing agreements are entered into by such counterparties outside and independent of DEGCL or DTC.<sup>9</sup>

This proposed rule change relates to one of the services that DEGCL proposes to offer, the DEGCL "Allocation Option" (also referred to as "auto-select"). DTC states that the Allocation Option would only be used with DTC eligible securities held in a CMS Sub-Account by a CMS Participant ("CMS

<sup>4</sup> Available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

<sup>5</sup> In particular, there would be a CMS option authorizing DEGCL, on behalf of the CMS User, to propose collateral allocations to satisfy counterparty obligations of the CMS User, referred to by DEGCL as the "Allocation Option" and further explained below.

<sup>6</sup> DEGCL is a joint venture of The Depository Trust & Clearing Corporation ("DTCC"), the corporate parent of DTC, and Euroclear S.A./N.V. ("Euroclear"), the corporate parent of Euroclear Bank, described further below. DTC understands that CMS will be operated by Euroclear Bank and other entities in the Euroclear group, as service providers to DEGCL, in accordance with appropriate agreements between them.

<sup>7</sup> Notice, 82 FR at 15082.

<sup>8</sup> *Id.*

<sup>9</sup> DTC states that a CMS User will typically be a major financial institution or buy-side investor that is a bank, broker dealer, or investment company. CMS Users will enter into a Collateral Management Service Agreement with DEGCL, which includes general terms of conditions and operating procedures ("CMS Agreement"). *Id.*

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

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

<sup>3</sup> See Securities Exchange Act Release No. 80280 (March 20, 2017), 82 FR 15081 (March 24, 2017) (SR-DTC-2017-001) ("Notice").

Securities”).<sup>10</sup> The Allocation Option is dependent on DEGCL receiving certain information from DTC for the applicable CMS Sub-Account of the applicable CMS Participant.<sup>11</sup> The proposed rule change would provide a mechanism for a CMS Participant to authorize DEGCL as the CMS Participant’s “CMS Representative” to receive the necessary information from DTC, and to direct DTC to provide DEGCL with that information, as described below.

#### B. The Proposed Rule Change

The proposed rule change would allow a CMS Participant to establish one or more CMS Sub-Accounts. Upon doing so, a CMS Participant would be able to instruct DTC to transfer securities to the CMS Participant’s CMS Sub-Account. Such securities (*i.e.*, CMS Securities) would then be available for allocation by DEGCL for delivery or pledge by book-entry at DTC in accordance with DTC Rules and Procedures (including risk management controls),<sup>12</sup> in satisfaction of the various collateral obligations of the CMS Participant or the CMS User on behalf of which the CMS Participant is acting.<sup>13</sup>

By establishing a CMS Sub-Account, a CMS Participant would be (i) authorizing DEGCL, as its CMS Representative, to receive in report form, the information defined below regarding CMS Securities credited to the CMS Sub-Account at the time of the report (“CMS Report”), and regarding any delivery or pledge from, or delivery or release to, the CMS Sub-Account (“CMS Delivery Information”);<sup>14</sup> (ii)

representing and warranting that it is duly authorized to instruct DTC to provide the CMS Reports and CMS Delivery Information about such CMS Sub-Account to DEGCL; (iii) directing DTC to provide the CMS Reports and CMS Delivery Information to DEGCL;<sup>15</sup> and (iv) representing and warranting that it would conduct business in such CMS Sub-Account as provided in proposed Rule 35, and otherwise pursuant to the DTC Rules and Procedures, and in compliance with applicable law.

The CMS Report would include, with respect to the CMS Securities credited to a CMS Sub-Account of such CMS Participant at the time of such report, (i) the Committee on Uniform Securities Identification Procedures (“CUSIP”) number, International Securities Identification Number (“ISIN”), or other identification number of the CMS Securities; and (ii) the number of shares or other units or principal amount of the CMS Securities. CMS Delivery Information would be provided in real time, and would include, with respect to each delivery or pledge of CMS Securities from, or delivery or release of CMS Securities to a CMS Sub-Account, a copy of any delivery, pledge, or release message with respect to the CMS Sub-Account, including (i) the CUSIP, ISIN, or other identification number of such CMS Securities, and (ii) the number of shares or other units or principal amount of such CMS Securities.

#### II. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act<sup>16</sup> directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder applicable to such organization. The Commission believes the proposal is consistent with the Act, specifically

provision of the CMS Report and CMS Delivery Information to DEGCL or the receipt and use thereof by DEGCL, except to the extent caused directly by DTC’s gross negligence or willful misconduct. *Id.* at 15083.

<sup>15</sup> The CMS Report and CMS Delivery Information would be transmitted to DEGCL using DTCC’s existing Common Data Transfer Service (“CDTS”) over a dedicated BT Radianz link. *See* CDTS User Guide and Schemas, available at <http://www.dtcc.com/~media/Files/Downloads/Settlement-Asset-Services/Underwriting/CDTS.zip>. BT Radianz is an existing DTCC network service provider. CDTS is DTCC’s proprietary file input and output management system. *Id.* It enables DTCC to securely and reliably automate the exchange of files over a network link with its Participants, Members, and third-parties. *Id.*

<sup>16</sup> 15 U.S.C. 78s(b)(2)(C).

Section 17A(b)(3)(F) of the Act and Rule 17Ad–22(e)(20) under the Act, as discussed below.<sup>17</sup>

#### A. Consistency With Section 17A

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of the clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>18</sup> As described above, the proposed rule change would permit a CMS Participant (*i.e.*, a DTC participant acting for itself or on behalf of a CMS User) to establish a CMS Sub-Account at DTC. Securities transferred to the CMS Sub-Account would then be available for allocation by DEGCL, via DTC, to satisfy various collateral obligations through the DEGCL Allocation Option. By monitoring transactions of a CMS User with multiple counterparties, the Allocation Option could offer efficiency by automating the selection of appropriate securities collateral to satisfy applicable collateral obligations. The proposed rule change could allow CMS Participants to avail themselves of the efficiency of the Allocation Option, such as not needing to transmit delivery and position information to DEGCL, by providing a mechanism for DTC to provide information on behalf of CMS Participants to DEGCL. Therefore, the Commission believes that the proposed rule change could help streamline the settlement of collateral transactions, thereby promoting the prompt and accurate clearance and settlement, consistent Section 17A(b)(3)(F), cited above.

#### B. Consistency With Rule 17Ad–22(e)(20)

Rule 17Ad–22(e)(20) under the Act requires a clearing agency, such as DTC, to establish, implement, maintain and enforce written policies and procedures reasonably designed to identify, monitor, and manage risks related to any link DTC establishes with one or more other clearing agencies, financial market utilities, or trading markets.<sup>19</sup> In developing the proposed rule change, DTC states that it evaluated the risks that could arise by establishing a link with DEGCL.<sup>20</sup> In particular, DTC identified the risk of data error from the communication link or the external communication of a CMS Participant’s proprietary information.<sup>21</sup> DTC determined that the identified risks could be mitigated because (i) the

<sup>17</sup> 15 U.S.C. 78q–1(b)(3)(F); 17 CFR 240.17Ad–22(20).

<sup>18</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>19</sup> 17 CFR 240.17Ad–22(e)(20).

<sup>20</sup> Notice, 82 FR at 15084.

<sup>21</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> The CMS Participant may be a CMS User acting for itself or a DTC participant acting on behalf of a CMS User as the CMS Participant. *Id.*

<sup>12</sup> DTC states that its risk management controls, including Collateral Monitor and Net Debit Cap (as defined in Rule 1, Section 1 of the DTC Rules, *supra* note 4), are designed so that DTC may complete system-wide settlement notwithstanding the failure to settle of its largest participant or affiliated family of participants. The Collateral Monitor tests whether a DTC participant has sufficient collateral for DTC to pledge or liquidate if that participant were to fail to meet its settlement obligation. *Id.* Pursuant to these controls under applicable DTC Rules and Procedures, any delivery instruction order to a CMS Sub-Account that would cause the CMS Participant to exceed its Net Debit Cap or to have insufficient DTC Collateral to secure its obligations to DTC, would not be processed by DTC. *Id.* Deliveries would be processed in the same order and with the same priority as otherwise provided in the DTC Rules and Procedures, *i.e.*, such deliveries would not take precedence over any other type of delivery in the DTC system. *Id.*

<sup>13</sup> *Id.* at 15082–83.

<sup>14</sup> Each CMS Participant would continue to be liable as principal for the actions of its CMS Representative and would indemnify DTC against any claim or loss arising from any act or omission of its CMS Representative, or arising from DTC’s

Allocation Option would not require any material change to DTC's settlement framework, technology, or operating procedures including existing settlement cycles and risk management controls; (ii) DTCC's Technology Risk Management existing control procedures could manage data integrity and authorization provisioning to mitigate information and technology risk; and (iii) DEGCL is only receiving CMS Reports and CMS Delivery Information from a CMS Sub-Account specifically designated for this purpose by a CMS Participant.<sup>22</sup> Therefore, the Commission believes that DTC has sought to identify, monitor, and manage the relevant risks associated with the proposed rule change, consistent with Rule 17Ad-22(e)(20), cited above.

### III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act, in particular the requirements of Section 17A of the Act<sup>23</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that proposed rule change SR-DTC-2017-001 be, and hereby is, *approved*.<sup>24</sup>

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>25</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2017-09426 Filed 5-9-17; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80591; File No. SR-NASDAQ-2017-025]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Granting Approval of Proposed Rule Change, as Modified by Amendment Nos. 3 and 4, To List and Trade Shares of the Hartford Global Impact NextShares™ Fund Under Nasdaq Rule 5745

May 4, 2017.

#### I. Introduction

On March 1, 2017, The NASDAQ Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission

("Commission"), 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> a proposed rule change to list and trade common shares ("Shares") of the Hartford Global Impact NextShares™ Fund ("Fund") under Nasdaq Rule 5745. The proposed rule change was published for comment in the **Federal Register** on March 20, 2017.<sup>3</sup> On April 13, 2017, the Exchange filed Amendment No. 3 to the proposed rule change and, on May 3, 2017, the Exchange filed Amendment No. 4 to the proposed rule change.<sup>4</sup> The Commission

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

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

<sup>3</sup> See Securities Exchange Act Release No. 80237 (March 14, 2017), 82 FR 14395 ("Notice").

<sup>4</sup> On April 4, 2017, the Exchange filed Amendment No. 1 to the proposed rule change and, on April 18, 2017, the Exchange withdrew Amendment No. 1. On April 12, 2017, the Exchange filed Amendment No. 2 to the proposed rule change and, on April 13, 2017, the Exchange withdrew Amendment No. 2. Amendment No. 3 to the proposed rule change replaces and supersedes the original filing in its entirety. In Amendment No. 3, the Exchange: (a) Represents that neither the Adviser nor the Sub-Adviser (as defined herein) is a registered broker-dealer; however, it represents that each of the Adviser and the Sub-Adviser is affiliated with a broker-dealer, and each of the Adviser and the Sub-Adviser has implemented and will maintain a fire wall with respect to its affiliated broker-dealer regarding access to information concerning the composition of, and/or changes to, the Fund's portfolio; (b) represents that personnel who make decisions on the Fund's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material, non-public information regarding the Fund's portfolio; (c) represents that, in the event that the Adviser or the Sub-Adviser registers as a broker-dealer or becomes newly affiliated with a broker-dealer, or any new adviser or a sub-adviser to the Fund is a registered broker-dealer or becomes affiliated with a broker-dealer, such new adviser or sub-adviser will implement and maintain a fire wall with respect to its relevant personnel and/or such broker-dealer affiliate, if applicable, regarding access to information concerning the composition of, and/or changes to, the Fund's portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio; (d) provides additional detail regarding the investments and operation of the Fund and the Master Portfolio (as defined herein); (e) clarifies the public Web sites on which certain information about the Fund would be available; (f) modifies the continued listing representations to conform to Nasdaq rules; and (g) makes other technical, non-substantive corrections in the proposed rule change. Amendment No. 3 is available at: <https://www.sec.gov/comments/sr-nasdaq-2017-025/nasdaq2017025-1701702-149977.pdf>. Amendment No. 4 to the proposed rule change is a partial amendment in which the Exchange clarifies that the Reporting Authority (as defined in Nasdaq Rule 5745) will implement and maintain, or ensure that the Composition File (as defined in Nasdaq Rule 5745) will be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the Fund's portfolio positions and changes in the positions. Because Amendment Nos. 3 and 4 to the proposed rule change do not materially alter the substance of the proposed rule change or raise unique or novel regulatory issues, Amendment Nos. 3 and 4 are not subject to notice and comment.

received no comments on the proposed rule change. This order grants approval of the proposed rule change, as modified by Amendment Nos. 3 and 4.

#### II. Exchange's Description of the Proposed Rule Change

The Exchange proposes to list and trade the Shares of the Fund under Nasdaq Rule 5745, which governs the listing and trading of Exchange-Traded Managed Fund Shares, as defined in Nasdaq Rule 5745(c)(1). The Fund is a series of Hartford Funds NextShares Trust ("Trust").<sup>5</sup> The Exchange represents that the Trust will be registered with the Commission as an open-end investment company and that it has filed a registration statement on Form N-1A ("Registration Statement") with the Commission.<sup>6</sup>

Hartford Funds Management Company, LLC ("Adviser") will be the adviser to the Fund and Wellington Management Company LLP will be the sub-adviser to the Fund ("Sub-Adviser"). ALPS Distributors, Inc. will be the principal underwriter and distributor of the Fund's Shares. Hartford Funds Management Company, LLC will act as the administrator and accounting agent to the Fund. State Street Bank and Trust Company will act as sub-administrator, sub-accounting agent, transfer agent, and custodian to the Fund.

The Exchange has made the following representations and statements in describing the Fund.<sup>7</sup>

<sup>5</sup> According to the Exchange, the Commission has issued an order granting the Trust and certain affiliates of the Trust exemptive relief under the Investment Company Act of 1940 ("1940 Act"). See Investment Company Act Release No. 31607 (May 19, 2015) (File No. 812-14439). The Exchange represents that, in compliance with Nasdaq Rule 5745(b)(5), which applies to Shares based on an international or global portfolio, the Trust's application for exemptive relief under the 1940 Act states that the Trust will comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933, as amended.

<sup>6</sup> See Registration Statement on Form N-1A for the Trust dated November 30, 2016 (File Nos. 333-214842 and 811-23215).

<sup>7</sup> The Commission notes that additional information regarding the Trust, the Fund, and the Shares, including investment strategies, risks, creation and redemption procedures, calculation of net asset value ("NAV"), fees, distributions, and taxes, among other things, can be found in the Notice, Amendment Nos. 3 and 4, and Registration Statement, as applicable. See *supra* notes 3, 4, and 6, respectively, and accompanying text.

<sup>22</sup> *Id.*

<sup>23</sup> 15 U.S.C. 78q-1.

<sup>24</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>25</sup> 17 CFR 200.30-3(a)(12).