

the-counter quotation medium immediately prior thereto. Such regulatory halt will be terminated when the DMM opens the security, and is for the limited purpose of precluding other markets from trading a security until the Exchange has completed the initial pricing process. The Commission believes this proposed change also should facilitate the initial opening by the DMM of certain securities not listed in connection with an underwritten IPO, and thereby promote fair and orderly markets and the protection of investors.<sup>64</sup>

For the reasons set forth above, the Commission finds that the proposed rule change, as modified by Amendment No. 3, is consistent with the Exchange Act.

### V. Solicitation of Comments on Amendment No. 3

Interested persons are invited to submit written data, views, and arguments concerning whether Amendment No. 3 is consistent with the Exchange 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-NYSE-2017-30 on the subject line.

#### Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to File Number SR-NYSE-2017-30. 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 amendments, all written statements

<sup>64</sup> The proposed regulatory halt allows the Exchange to have a similar opening procedure for securities listed pursuant to Footnote (E) as an IPO security under Section 12(f) of the Exchange Act and Rule 12f-2, since such securities raise similar issues in terms of initial pricing on the first day of trading. See 15 U.S.C. 78l(f); 17 CFR 240.12f-2. Similar to unlisted trading privilege rules that prevent other exchanges from trading an IPO security until the primary listing market has reported the first opening trade, the regulatory halt will allow the DMM to complete the initial pricing and open the security before other markets can trade.

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 filing also will be available for inspection and copying at the principal office of the Exchange. 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-NYSE-2017-30, and should be submitted on or before March 1, 2018.

### VI. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 3

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 3, prior to the thirtieth day after the date of publication of the notice of Amendment No. 3 in the **Federal Register**. The Commission notes that the proposed rule change, as modified by Amendment No. 3 remains identical to the version published for notice and comment on August 24, 2017,<sup>65</sup> except for the proposed deletion described above,<sup>66</sup> and that the only comments the Commission received on this proposed rule change were in support of the proposal. The Commission also has found that the proposal, as modified by Amendment No. 3, is consistent with the Exchange Act for the reasons discussed herein. Accordingly, the Commission finds good cause for approving the proposed rule change, as modified by Amendment No. 3, on an accelerated basis, pursuant to Section 19(b)(2) of the Exchange Act.<sup>67</sup>

### VII. Conclusion

It is Therefore Ordered, pursuant to Section 19(b)(2) of the Exchange Act,<sup>68</sup> that the proposed rule change (SR-NYSE-2017-30), as modified by

<sup>65</sup> See Notice, *supra* note 8.

<sup>66</sup> See note 11, *supra*.

<sup>67</sup> 15 U.S.C. 78s(b)(2).

<sup>68</sup> *Id.*

Amendment No. 3 thereto, be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority,<sup>69</sup>

**Brent J. Fields,**  
Secretary.

[FR Doc. 2018-02501 Filed 2-7-18; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82623; File No. SR-IEX-2018-01]

### Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify the Default Handling of Market Orders Entered With a Time-in-Force of DAY

February 2, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on January 22, 2018, the Investors Exchange LLC ("IEX" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 ("Act"),<sup>4</sup> and Rule 19b-4 thereunder,<sup>5</sup> Investors Exchange LLC ("IEX" or "Exchange") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to modify the default handling of market orders<sup>6</sup> entered with a time-in-force of DAY.<sup>7</sup> The Exchange has designated this rule change as "non-controversial" under Section 19(b)(3)(A) of the Act<sup>8</sup> and provided the Commission with the notice required by Rule 19b-4(f)(6) thereunder.<sup>9</sup> The text of the proposed

<sup>69</sup> 17 CFR 200.30-3(a)(12).

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

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

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

<sup>4</sup> 15 U.S.C. 78s(b)(1).

<sup>5</sup> 17 CFR 240.19b-4.

<sup>6</sup> See Rule 11.190(a)(2).

<sup>7</sup> See Rule 11.190(c)(3).

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4.

rule change is available at the Exchange's website at [www.iextrading.com](http://www.iextrading.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

The purpose of this proposed rule change is to modify the default handling of market orders entered with a time-in-force of DAY (hereinafter referred to as "market DAY orders").

Pursuant to Rule 11.190(a)(2), the Exchange offers Users a market order, which is an order type that allows Users to buy or sell a stated amount of a security that is to be executed at or better than the NBBO at the time the order reaches the Exchange.<sup>10</sup> Specifically, pursuant to Rule 11.190(a)(2), market orders do not trade through Protected Quotations,<sup>11</sup> consistent with Rule 611(a)(1) of Regulation NMS.<sup>12</sup> Moreover, any portion of a market order that is designated as an IEX Only order<sup>13</sup> will be canceled if, upon receipt by the System,<sup>14</sup> it cannot be executed by the Exchange in accordance with the Exchange's order execution rules.<sup>15</sup> Any portion of a market order that is not designated as an IEX Only order (*i.e.*, routable orders as described in IEX Rule 11.230(b)) that cannot be executed in full in accordance with the Exchange's order execution rules when reaching the Exchange will be eligible for routing

<sup>10</sup> A market order is always non displayed, may be a MQTY (as defined in Rule 11.190(b)(11)), may be routable or IEX Only, may not be designated as an ISO (as defined in Rule 11.190(b)(12)), and may not be submitted with a limit price. See Rules 11.190(a)(2)(B)-(D), and (F)-(G).

<sup>11</sup> See Rule 1.160(bb).

<sup>12</sup> See 17 CFR 242.611(a)(1).

<sup>13</sup> See Rule 11.190(b)(6).

<sup>14</sup> See Rule 1.160(nn).

<sup>15</sup> See Rules 11.230 and 11.230(a).

away pursuant to IEX Rule 11.230(a)(2). A routable market order will trade at increasingly aggressive prices, fully satisfying all Protected Quotations, until the order is fully filled, reaches the LULD Price Band,<sup>16</sup> or reaches the Router Constraint.<sup>17</sup>

Pursuant to Rule 11.190(a)(2)(A), market orders must have a time-in-force of IOC, FOK, or, DAY, depending on the User election.<sup>18</sup> Pursuant to Rule 11.190(a)(2)(E)(iii), market DAY orders, by default, are rejected, unless the User specifically elects to configure one or more of its connectivity ports to accept market DAY orders.<sup>19</sup> Market orders with a time-in-force of IOC and FOK are accepted and eligible to trade during the Regular Market Session only.<sup>20</sup> Market DAY orders are eligible to trade or route during the Regular Market Session and treated by the System as having a time-in-force of IOC. Furthermore, market DAY orders submitted before the open of the Regular Market Session are queued by the System until the Opening Auction (or Halt Auction, as applicable)<sup>21</sup> for IEX-listed securities, or until the Opening Process for non-IEX listed securities pursuant to IEX Rule 11.231, except market DAY orders that are designated to route pursuant to Rule 11.230(c).

Furthermore, pursuant to Rule 11.190(f)(1), market orders, including market DAY orders entered during continuous trading are subject to the IEX Order Collar, which prevents any incoming order or order resting on the Order Book, including those marked ISO, from executing at a price outside the Order Collar price range (*i.e.*, prevents buy orders from trading at prices above the collar and prevents sell orders from trading at prices below the collar). The order collar price range is calculated using the numerical guidelines for clearly erroneous executions.

The default treatment for market DAY orders was implemented based on informal discussions with various market participants who indicated that such orders are not typically utilized by market participants during continuous

<sup>16</sup> See Rule 11.280(e)(5)(A).

<sup>17</sup> See Rule 11.190(f)(2).

<sup>18</sup> Market orders with a time-in-force of GTT, GTX, and SYS, are rejected. See Rules 11.190(a)(2)(E)(iv)-(vi).

<sup>19</sup> A User can elect for the Exchange to accept market orders with a time-in-force of DAY on the Equities Port Request Form on pages 8-9 of its initial IEX Connectivity Agreement and Forms. A User may also change an existing connectivity port to accept market orders with a time-in-force of DAY by submitting an updated Equities Port Request Form to [marketops@iextrading.com](mailto:marketops@iextrading.com).

<sup>20</sup> See Rule 1.160(gg).

<sup>21</sup> See Rule 11.350(c).

trading because of their aggressive trading characteristics. As a result, the Exchange determined that the default treatment for market DAY orders was appropriate.

On August 4, 2017, the Commission approved a proposed rule change filed by the Exchange to adopt rules governing auctions for IEX-listed securities, including Opening and Closing Auction processes that establish IEX Official Opening and Closing Prices for each trading day, as well as IPO, Halt, and Volatility Auction processes utilized to conduct initial public offerings, and resume trading after a regulatory trading halt or pause in an IEX-listed security (collectively, "IEX Auctions").<sup>22</sup>

During the iterative process of designing IEX Auctions, informal discussions with various market participants indicated that notwithstanding the atypical use-case for the entry of market DAY orders during continuous trading, such orders are in fact ordinarily utilized by investors to interact with the auction processes of certain primary listing markets, because market DAY orders retain their aggressive pricing characteristics, which increases the likelihood of execution and adds depth of liquidity in the auction, while remaining constrained to the auction match price, therefore passively benefiting from the price discovery process.<sup>23</sup> Accordingly, as proposed, the Exchange will instead allow all connectivity port sessions across all Members to accept market DAY orders by default.

Accordingly, the Exchange designed the IEX Auction processes to account for market DAY orders by queueing such orders on the Auction Book<sup>24</sup> for participation in an upcoming auction when the order type is not eligible for trading in the current market session (*i.e.*, during the Pre-Market Session for the Opening Auction), or when there is no active continuous trading (*i.e.*, during the Order Acceptance Period<sup>25</sup> before an IPO, Halt, or Volatility Auction), and then immediately canceling any unfilled portion immediately after the auction. This design allows Users to leverage the benefits of interacting with the IEX Auction processes using market DAY orders while mitigating the potentially

<sup>22</sup> See Securities Exchange Act Release No. 81316 (August 4, 2017), 82 FR 37474 (August 10, 2017)(SR-IEX-2017-10). See also Rules 11.350(a)(12) and (10), respectively.

<sup>23</sup> See *e.g.*, Cboe BZX Exchange, Inc. ("Bats") Rules 11.9(a)(2) and 11.23(a)(8).

<sup>24</sup> See Rule 11.350(a)(1).

<sup>25</sup> See Rules 11.1350(a)(29)(A)-(C).

harmful impact of such orders that could manifest during continuous trading. Specifically, pursuant to Rule 11.350(a)(1):

- The Opening and IPO Auction Books include market orders with a time-in-force of DAY entered during the Order Acceptance Period, and in the case of the Opening Auction, before the Opening Auction Lock-In Time;<sup>26</sup>
- The Halt Auction Book includes market orders with a time-in-force of DAY received during the Order Acceptance Period within the Regular Market Session, or queued prior to the Regular Market Session for securities that have not traded during the Regular Market Session on that trading day (*i.e.*, market orders with a time-in-force of DAY entered during the Pre-Market Session for the Opening Auction that are participating in a Halt Auction pursuant to Rule 11.350(c)(2)(D) or (E)(ii)); and
- The Volatility Auction Book includes market orders with a time-in-force of DAY received during the Order Acceptance Period within the Regular Market Session.

However, if a User does not have their connectivity ports properly configured to allow market DAY orders, such auction interest would be rejected by default. While, as noted above, a User can elect for the Exchange to accept market DAY orders by submitting an Equities Port Request Form, the process of making system changes to modify, test, and deploy the configuration adds additional complexity for Members and the Exchange. Therefore, to simplify User interaction with the System and allow Users to efficiently leverage the benefits of interacting with the IEX Auction processes using market DAY orders, the Exchange is proposing to eliminate the default rejection of market DAY orders and the corresponding User elected connectivity port settings for the acceptance of market DAY orders. As proposed, the Exchange will instead allow all connectivity port sessions across all Members to accept market DAY orders by default.

The proposed changes do not amend the behavior of market DAY orders, as described above. Moreover, notwithstanding the potentially aggressive trading characteristics of market orders generally, the Exchange believes that there are sufficient limitations on execution of market orders, as described above, to mitigate against such concerns.

As announced in IEX Trading Alerts #2017-015 and #2017-046, the Exchange intends to become a primary listing exchange and support its first IEX-listed security in 2018.<sup>27</sup> In

addition, as part of the listings initiative, the Exchange is providing a series of industry wide weekend tests for the Exchange and its Members to exercise the various technology changes required to support IEX Auctions and listings functionality.<sup>28</sup> Accordingly, the Exchange is proposing to amend the default acceptance of market DAY orders in advance of the industry wide testing period in order to allow Members and other market participants time to develop, test, and deploy any necessary changes to support the handling of market DAY orders for participation in IEX Auctions.

## 2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b)<sup>29</sup> of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>30</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The proposed rule change is consistent with the protection of investors and the public interest, because it does not alter the substantive behavior of market DAY orders, but instead simplifies the process of entering market DAY orders for all Members. Specifically, the proposed changes are designed to simplify User interaction with the System and allow Users to efficiently leverage the benefits of interacting with the IEX Auction processes by eliminating the default rejection of market DAY orders and the corresponding User elected connectivity port settings for the acceptance of market DAY orders. The Exchange further believes that since the proposed changes do not amend the behavior of

market DAY orders, the proposed rule changes are consistent with the protection of investors and the public interest because the limitations on execution of market orders, as discussed in the purpose section, would continue to mitigate against potential adverse market impact from such orders during continuous trading.

Additionally, IEX notes that no other exchange utilizes default rejection of orders comparable to market DAY order types.<sup>31</sup>

Moreover, the Exchange believes that the proposed rule changes are consistent with the protection of investors and the public interest because the Exchange is proposing to amend the default behavior of market DAY orders during the industry wide testing period for Members and other market participants to test with IEX as a primary listing exchange, and in advance of the first listing transferring to IEX, which will allow Members and other market participants time to develop, test, and deploy any necessary changes to support the handling of market DAY orders for participation in IEX Auctions.<sup>32</sup>

Furthermore, as discussed in the purpose section, the process of making system changes to modify, test, and deploy the port setting configurations on a Member-by-Member basis adds additional technical complexities for Members and the Exchange. Thus, the Exchange believes the proposed rule changes are consistent with the protection of investors and the public interest in that the Exchange is proposing to simplify the process of entering market DAY orders, thereby reducing overall technical complexities within the System that raise risks to Exchange operations, Members, and their investor clients.

Lastly, the Exchange believes that the proposed rule change would not result in unfair discrimination, since the proposed changes amend the default behavior of market DAY orders across all connectivity ports. Thus, all Members will be eligible to enter market DAY orders on a fair and equal basis.

## B. Self-Regulatory Organization's Statement on Burden on Competition

IEX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed changes do not impact inter-market competition since it is merely designed

Timelines), May 31, 2017. *See also* IEX Trading Alert #2017-046 (IEX Listings Timeline Update), originally published on Monday, October 30, 2017, and re-published on Tuesday, October 31, 2017.

<sup>28</sup> *See, e.g.*, IEX Trading Alert #2017-028 (First Listings Functionality Industry Test on Saturday, August 26), August 17, 2017; IEX Trading Alert #2017-037 (Second Listings Functionality Industry Test on Saturday, September 9), September 7, 2017; IEX Trading Alert #2017-039 (Third Listings Functionality Industry Test on Saturday, September 23), September 18, 2017; IEX Trading Alert #2017-040 (Rescheduled 4th Listing Functionality Industry Test), September 29, 2017; IEX Trading Alert #2017-046 (IEX Listings Timeline Update), originally published on Monday, October 30, 2017, and re-published on Tuesday, October 31, 2017; and IEX Trading Alert #2017-047 (Fourth Listings Functionality Industry Test on Saturday, November 4), October 31, 2017.

<sup>29</sup> 15 U.S.C. 78f.

<sup>30</sup> 15 U.S.C. 78f(b)(5).

<sup>31</sup> *See, e.g.*, Bats Rule 11.9(a)(2).

<sup>32</sup> *See supra* note 28.

<sup>26</sup> *See* Rule 11.350(a)(22).

<sup>27</sup> *See* IEX Trading Alert #2017-015 (Listings Specifications, Testing Opportunities, and

to simplify the entry of market DAY orders for all Members, without substantively changing the approved rules governing the behavior of such orders. Moreover, as noted above, no competing exchanges impose a similar requirement.

In addition, the Exchange does not believe that the proposed changes will have any impact on intra-market competition, because as discussed in purpose section, the proposed changes amend the default behavior of market DAY orders across all connectivity ports. Thus, all Members will be eligible to enter market DAY orders on a fair and equal basis.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

Written comments were neither solicited nor received.

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

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) <sup>33</sup> of the Act and Rule 19b-4(f)(6) <sup>34</sup> thereunder. Because the 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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) <sup>35</sup> of the Act to determine whether the proposed rule change 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 Number SR-IEX-2018-01 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-IEX-2018-01. This file number should be included in 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 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 Section, 100 F Street NE, Washington, DC 20549-1090. Copies of the filing will also be available for inspection and copying at the IEX's principal office and on its internet website at [www.iextrading.com](http://www.iextrading.com). 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-IEX-2018-01 and should be submitted on or before March 1, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>36</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2018-02483 Filed 2-7-18; 8:45 am]

**BILLING CODE 8011-01-P**

<sup>36</sup> 17 CFR 200.30-3(a)(12).

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-82631; File No. SR-NSCC-2017-808]

### **Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of Advance Notice, as Modified by Amendment No. 1, To Enhance the Calculation of the Volatility Component of the Clearing Fund Formula That Utilizes a Parametric Value-at-Risk Model and Eliminate the Market Maker Domination Charge**

February 5, 2018.

Pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act entitled the Payment, Clearing, and Settlement Supervision Act of 2010 ("Clearing Supervision Act") <sup>1</sup> and Rule 19b-4(n)(1)(i) under the Securities Exchange Act of 1934, as amended ("Act"),<sup>2</sup> notice is hereby given that on December 28, 2017, National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the advance notice SR-NSCC-2017-808. On January 10, 2018, NSCC filed Amendment No. 1 to the advance notice.<sup>3</sup> The advance notice, as modified by Amendment No. 1 (hereinafter, the "Advance Notice") is described in Items I, II and III below, which Items have been prepared by the clearing agency.<sup>4</sup> The Commission is publishing this notice to solicit comments on the Advance Notice from interested persons.

#### **I. Clearing Agency's Statement of the Terms of Substance of the Advance Notice**

The advance notice of NSCC consists of modifications to NSCC's Rules &

<sup>1</sup> 12 U.S.C. 5465(e)(1).

<sup>2</sup> 17 CFR 240.19b-4(n)(1)(i).

<sup>3</sup> In Amendment No. 1 to the advance notice, NSCC amended and replaced in its entirety the originally filed confidential Exhibit 3a with a new confidential Exhibit 3a in order to remove references to a practice that is not to be considered as part of this filing.

<sup>4</sup> On December 28, 2017, NSCC filed this Advance Notice as a proposed rule change (SR-NSCC-2017-020) with the Commission pursuant to Section 19(b)(1) of the Act, 15 U.S.C. 78s(b)(1), and Rule 19b-4 thereunder, 17 CFR 240.19b-4. On January 10, 2018, NSCC filed Amendment No. 1 to the proposed rule change to amend and replace in its entirety the originally filed confidential Exhibit 3a with a new confidential Exhibit 3a in order to remove references to a practice that is not to be considered as part of this filing. A copy of the proposed rule change, as modified by Amendment No. 1, is available at <http://www.dtcc.com/legal/sec-rule-filings>.

<sup>33</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>34</sup> 17 CFR 240.19b-4(f)(6).

<sup>35</sup> 15 U.S.C. 78s(b)(2)(B).