

## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

#### Upon Written Request Copies Available

From: U.S. Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736.

#### Extension:

Rule 15c2-12, SEC File No. 270-330, OMB Control No. 3235-0372.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 15c2-12—Municipal Securities Disclosure (17 CFR 240.15c2-12) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (“Exchange Act”). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Paragraph (b) of Rule 15c2-12 requires underwriters of municipal securities: (1) To obtain and review an official statement “deemed final” by an issuer of the securities, except for the omission of specified information prior to making a bid, purchase, offer, or sale of municipal securities; (2) in non-competitively bid offerings, to send, upon request, a copy of the most recent preliminary official statement (if one exists) to potential customers; (3) to contract with the issuer to receive, within a specified time, sufficient copies of the final official statement to comply with Rule 15c2-12’s delivery requirement and the rules of the Municipal Securities Rulemaking Board (“MSRB”); (4) to send, upon request, a copy of the final official statement to potential customers for a specified period of time; and (5) before purchasing or selling municipal securities in connection with an offering, to reasonably determine that the issuer or the obligated person has undertaken, in a written agreement or contract, for the benefit of holders of such municipal securities, to provide certain information on a continuing basis to the MSRB in an electronic format as prescribed by the MSRB. The information to be provided consists of: (1) Certain annual financial and operating information and audited financial statements (“annual filings”); (2) notices of the occurrence of any of 14 specific events (“event notices”); and (3) notices of the failure of an issuer or obligated person to make a submission

required by a continuing disclosure agreement (“failure to file notices”).

Rule 15c2-12 is intended to enhance disclosure in the municipal securities market, and thereby reduce fraud, by establishing standards for obtaining, reviewing and disseminating information about municipal securities by their underwriters.

Municipal offerings of less than \$1 million are exempt from the rule, as are offerings of municipal securities issued in large denominations that are sold to no more than 35 sophisticated investors or have short-term maturities.

It is estimated that approximately 20,000 issuers, 250 broker-dealers and the MSRB will spend a total of 115,248 hours per year complying with Rule 15c2-12. Based on data from the MSRB through September 2014 and annualized through December 2014, issuers will submit approximately 62,596 annual filings to the MSRB in 2014.

Commission staff estimates that an issuer will require approximately 45 minutes to prepare and submit annual filings to the MSRB. Therefore, the total annual burden on issuers to prepare and submit 62,596 annual filings to the MSRB is estimated to be 46,947 hours. Based on data from the MSRB through September 2014 and annualized through December 2014, issuers will submit approximately 73,480 event notices to the MSRB in 2014. Commission staff estimates that an issuer will require approximately 45 minutes to prepare and submit event notices to the MSRB. Therefore, the total annual burden on issuers to prepare and submit 73,480 event notices to the MSRB is estimated to be 55,110 hours. Based on data from the MSRB through September 2014 and annualized through December 2014, issuers will submit approximately 7,063 failure to file notices to the MSRB in 2014. Commission staff estimates that an issuer will require approximately 30 minutes to prepare and submit failure to file notices to the MSRB. Therefore, the total annual burden on issuers to prepare and submit 7,063 failure to file notices to the MSRB is estimated to be 3,531 hours. Commission staff estimates that the total annual burden on broker-dealers to comply with Rule 15c2-12 is 300 hours. Finally, Commission staff estimates that the MSRB will incur an annual burden of 9,360 hours to collect, index, store, retrieve and make available the pertinent documents under Rule 15c2-12.

Based on data provided by the MSRB, the Commission estimates that up to 65% of issuers may use designated agents to submit some or all of their continuing disclosure documents to the MSRB. The Commission estimates that

the average total annual cost that may be incurred by issuers that use the services of a designated agent will be \$9,750,000.<sup>1</sup>

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission’s estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be 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.

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 OMB control number.

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

Dated: April 23, 2018.

**Eduardo A. Aleman,**

*Assistant Secretary.*

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83077; File No. SR-Phlx-2018-30]

### Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Incorporate by Reference The Nasdaq Stock Market LLC’s Consolidated Audit Trail Rules Into the Rules of Nasdaq Phlx

April 20, 2018.

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 April 10, 2018, Nasdaq PHLX LLC (“Phlx” or

<sup>1</sup> 20,000 (number of issuers) × .65 (percentage of issuers that may use designated agents) × \$750 (estimated average annual cost for issuer’s use of designated agent) = \$9,750,000.

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

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

“Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to incorporate by reference The Nasdaq Stock Market LLC’s (“Nasdaq”) rule at General 7, entitled “Consolidated Audit Trail Compliance” into Phlx’s General 7.

The text of the proposed rule change is available on the Exchange’s website at <http://nasdaqphlx.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the 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**

The Exchange proposes to incorporate by reference Nasdaq’s rule at General 7, entitled “Consolidated Audit Trail Compliance” into Phlx’s General 7. The rule sets are identical.<sup>3</sup> Phlx proposes to remove the current rule text from General 7 and replace that rule text with the following text:<sup>4</sup>

The rules contained in The Nasdaq Stock Market LLC General 7, as such rules may be

in effect from time to time (the “General 7 Rules”), are hereby incorporated by reference into this Nasdaq Phlx General 7, and are thus Nasdaq Phlx Rules and thereby applicable to Nasdaq Phlx Members. Nasdaq Phlx Members shall comply with the General 7 Rules as though such rules were fully set forth herein. All defined terms, including any variations thereof, contained in the General 7 Rules shall be read to refer to the Nasdaq Phlx related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: The defined term “Exchange” in the General 7 Rules shall be read to refer to the Nasdaq Phlx Exchange; the defined term “Rule” in the General 7 Rules shall be read to refer to the Nasdaq Phlx Rule.

Should any rules which impact trading behavior be added to the Consolidated Audit Trail Compliance Rules in Nasdaq General 7 in the future, those rules shall not become subject to the incorporation by reference and shall be placed elsewhere within Phlx’s Rulebook. The incorporations by reference of Nasdaq General 7 into Phlx’s General 7 Rule are regulatory in nature.<sup>5</sup> The Exchange notes that as a condition of an exemption, which the Exchange will request and will need to be approved by the Commission,<sup>6</sup> Phlx agrees to provide written notice to its members whenever Nasdaq proposes a change to its General 7 Rule.<sup>7</sup> Such notice will alert Phlx members to the proposed Nasdaq rule change and give them an opportunity to comment on the proposal. Phlx will similarly inform its members in writing when the SEC approves any such proposed change.

##### **Implementation**

The Exchange proposes that this rule change become operative at such time as it receives approval for an exemption from the Securities and Exchange Commission, pursuant to its authority under Section 36 of the Exchange Act of

1934 (“Act”) and Rule 0–12<sup>8</sup> thereunder, from the Section 19(b) rule filing requirements to separately file a proposed rule change to amend Phlx General 7.

##### **2. Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>9</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>10</sup> in particular, in that it is designed 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, by consolidating its rules into a single rule set. The Exchange intends to also file similar proposed rule changes for the Nasdaq PHLX LLC; Nasdaq GEMX, LLC; Nasdaq ISE, LLC; and Nasdaq MRX, LLC markets so that the General 7 Rules which govern Consolidated Audit Trail Compliance are conformed.

Incorporating by reference the Nasdaq General 7 Rules into the Phlx General 7 Rules will provide an easy reference for Members seeking to comply with Consolidated Audit Trail on multiple markets. As noted, the Exchange intends to file similar proposed rule changes for other affiliated markets so that Nasdaq General 7 is the source document for all Nasdaq Consolidated Audit Trail rules. The Exchange notes that the current rule is not changing and Phlx members will be required to continue to comply with the General 7 Rules as though such rules are fully set forth in Phlx’s Rulebook. The Exchange desires to conform its rules and locate those rules within the same location in each Rulebook to provide Members the ability to quickly locate rules.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that this rule change does not impose an undue burden on competition because Phlx is merely incorporating by reference the rules of Nasdaq’s General 7 into its own Rulebook. The current General 7 is not being amended and therefore no Member is impacted.

<sup>5</sup> The General 7 Rules are categories of rules that are not trading rules. See 17 CFR 200.30–3(a)(76) (contemplating such requests). In addition, several other SROs incorporate by reference certain regulatory rules of another SRO and have received from the Commission similar exemptions from Section 19(b) of the Exchange Act. See e.g., Securities Exchange Act Release Nos. 57478 (March 12, 2008), 73 FR 14521 (March 18, 2008), 53128 (January 13, 2006), 71 FR 3550 (January 23, 2006); 49260 (February 17, 2004), 69 FR 8500 (February 24, 2004).

<sup>6</sup> The Exchange will request an exemption pursuant to its authority under Section 36 of the Exchange Act of 1934 (“Act”) and Rule 0–12<sup>6</sup> thereunder, from the Section 19(b) rule filing requirements to separately file a proposed rule change to amend Phlx General 7.

<sup>7</sup> Phlx will provide such notice via a posting on the same website location where Phlx posts its own rule filings pursuant to Rule 19b–4 within the timeframe require by such Rule. The website posting will include a link to the location on the Nasdaq website where the applicable proposed rule change is posted.

<sup>8</sup> See 17 CFR 240.0–12; Exchange Act Release No. 39624 (February 5, 1998), 63 FR 8101 (February 18, 1998).

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>3</sup> See Securities Exchange Act Release Nos. 82601 (January 30, 2018), 83 FR 4949 (February 2, 2018) (SR–Phlx–2018–11); 82604 (January 30, 2018), 83 FR 5154 (February 5, 2018) (SR–NASDAQ–2018–007); 82597 (January 30, 2018), 83 FR 4942 (February 2, 2018) (SR–BX–2018–007); 82599 (January 30, 2017), 83 FR 4947 (February 2, 2018) (SR–ISE–2018–09); 82598 (January 30, 2018), 83 FR 4936 (February 2, 2018) (SR–GEMX–2018–02); and 82600 (January 30, 2018), 83 FR 4934 (February 2, 2018) (SR–MRX–2018–03).

<sup>4</sup> Phlx shall include a hyperlink to Nasdaq’s General 7 for ease of reference.

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

No written comments were either solicited or received.

**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)(iii) of the Act<sup>11</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>12</sup>

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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine 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 Number SR-Phlx-2018-30 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-Phlx-2018-30. 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 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 the 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-Phlx-2018-30 and should be submitted on or before May 17, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

**Eduardo A. Aleman,**  
*Assistant Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-83080; File No. SR-18-31]

**Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Exchange's Pricing Schedule at Section II To Clarify Fees Applicable To Correcting "As/of" or "Reversal" Trades**

April 20, 2018.

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 April 17,

2018, Nasdaq PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend the Exchange's Pricing Schedule at Section II to clarify fees applicable to correcting "as/of" or "reversal" trades, as described below. The text of the proposed rule change is available on the Exchange's website at <http://nasdaqphlx.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the 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

The purpose of the proposed rule change is to amend Section II of the Exchange's Pricing Schedule to clarify that when the Exchange processes an "as/of" or "reversal" trade at the request of a member to correct clearing, the new trade will incur the "Floor" category of Options Transaction Charges for the correction, even if the underlying trade that the Exchange is correcting was electronic, because the Exchange must process all corrections manually and in accordance with procedures applicable to Floor trades.

Pursuant to its Policy for Amended Billing Information, which is set forth in the introduction to the Pricing Schedule, the Exchange entertains written requests (with supporting documentation) that its members submit

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>12</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

<sup>13</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.