

requirements of operational risk management in Rule 17Ad-22(e)(17)¹⁴ and the requirements of Regulation SCI.¹⁵

B. Clearing Agency's Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.¹⁶ LCH SA does not believe that the proposed rule change would impose burdens on competition that are not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the proposed changes to the Rule Book, Supplement and Procedures would apply equally to all Clearing Members and their Clients are Matched Buyers and Matched Sellers. All Clearing Members and their designated Clients who are Exercise Delegation Beneficiaries will be required to use EEP to exercise Exercise Cleared Transactions. The proposed rule change and implementation of EEP will require Clearing Members and their Clients to connect to LCH SA's systems through opening a portal account and therefore, may impose burdens on Clearing Members and their Clients but such burdens would be necessary and appropriate to manage LCH SA's operational risks and to implement an automated electronic system to capture all exercises of Option Intents. Therefore, LCH SA does not believe that the proposed rule change would impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments relating to the proposed rule change have not been solicited or received. LCH SA will notify the Commission of any written comments received by LCH SA.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which

the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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. Please include File Number SR-LCH SA-2018-004 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-LCH SA-2018-004. 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 LCH SA and on LCH SA's website at: <https://www.lch.com/resources/rules-and-regulations/proposed-rule-changes-0>. 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-LCH SA-2018-004 and should be submitted on or before September 26, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018-19147 Filed 9-4-18; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

TIME AND DATE: 2:00 p.m. on Thursday, September 6, 2018.

PLACE: Closed Commission Hearing Room 10800.

STATUS: This meeting will be closed to the public.

MATTERS TO BE CONSIDERED:

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Jackson, as duty officer, voted to consider the items listed for the closed meeting in closed session.

The subject matters of the closed meeting will be:

- Institution and settlement of injunctive actions;
- Institution and settlement of administrative proceedings;
- Resolution of litigation claims; and
- Other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

CONTACT PERSON FOR MORE INFORMATION:

For further information and to ascertain what, if any, matters have been added, deleted or postponed; please contact Brent J. Fields from the Office of the Secretary at (202) 551-5400.

¹⁷ 17 CFR 200.30-3(a)(12).

¹⁴ 17 CFR 240.17Ad-22(e)(17).

¹⁵ 17 CFR 242.1000-1007.

¹⁶ 15 U.S.C. 78q-1(b)(3)(I).

Dated: August 30, 2018.

Brent J. Fields,

Secretary.

[FR Doc. 2018-19258 Filed 8-31-18; 11:15 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83988; File No. SR-NASDAQ-2018-068]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change To Extend the Cutoff Times for Accepting On Close Orders Entered for Participation in the Nasdaq Closing Cross

August 29, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 15, 2018, The Nasdaq Stock Market LLC (“Nasdaq” or “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 extend the cutoff times for accepting on close orders entered for participation in the Nasdaq Closing Cross, and make related changes.

The text of the proposed rule change is available on the Exchange’s website at <http://nasdaq.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 extend the cutoff times for accepting on close orders entered for participation in the Nasdaq Closing Cross. The Nasdaq Closing Cross provides a transparent auction process that determines a single price for the close. As the equities markets continue to evolve and become more efficient and automated, the Exchange believes that the current cutoff times are overly restrictive to market participants that wish to participate in the Nasdaq Closing Cross and that typically have to tie up on close interest for ten minutes or more at the end of the trading day to participate in the cross. Similar to cutoffs provided by other equities exchanges that operate a closing auction, the Exchange believes that the proposed cutoff times would give Participants greater control over their on close orders while still leaving enough time at the end of the trading day for Participants to react to and offset Imbalances. Last, the Exchange is proposing to begin disseminating the Order Imbalance Indicator at the new Closing Cross Cutoff.

Current Cutoff Times

Generally, Market On Close (“MOC”)³ and Limit on Close (“LOC”)⁴ Orders are accepted today until immediately prior to 3:50 p.m. ET (“Closing Cross Cutoff”)⁵ when the Exchange begins disseminating an Order Imbalance Indicator⁶ that contains information about the Nasdaq Closing Cross. Imbalance Only (“IO”) Orders, on the other hand, are designed to allow

³ A MOC Order is an Order Type entered without a price that may be executed only during the Nasdaq Closing Cross. See Rule 4702(b)(11).

⁴ A LOC Order is an Order Type entered with a price that may be executed only in the Nasdaq Closing Cross, and only if the price determined by the Nasdaq Closing Cross is equal to or better than the price at which the LOC Order was entered. See Rule 4702(b)(12).

⁵ As used in this proposed rule change, the term “Closing Cross Cutoff” refers to the various 3:50 p.m. ET cutoff times described herein for the Nasdaq Closing Cross, including the regular cutoff time for entering MOC/LOC Orders described above and the related cutoff time for cancelling or modifying IO Orders, which is currently at or after 3:50 p.m. ET in contrast to MOC/LOC Orders whose cutoff times are immediately prior to 3:50 p.m. ET.

⁶ “Order Imbalance Indicator” means a message disseminated by electronic means containing information about MOC, LOC, IO, and Close Eligible Interest and the price at which those orders would execute at the time of dissemination.

Participants to offset Imbalances, and may therefore be entered until the time of execution of the Nasdaq Closing Cross, but may not be cancelled or modified at or after the Closing Cross Cutoff, except to correct legitimate errors as described below.⁷

The Exchange also continues to accept LOC Orders between the Closing Cross Cutoff and immediately prior to 3:55 p.m. ET (“Late Cutoff”)⁸ provided that there is a First Reference Price.⁹ In order to promote price stability in the Nasdaq Closing Cross, such LOC Orders entered during this period are either canceled or re-priced to the First Reference Price, based on the Participant’s instruction, if the LOC Order’s limit price is more aggressive than the First Reference Price.¹⁰ Imbalance Only (“IO”) Orders,¹¹ meanwhile, are designed to permit Participants to offset Imbalances and therefore may be entered until 4:00 p.m. ET when the Exchange executes the Nasdaq Closing Cross and disseminates the executions via the consolidated tape.¹²

Participants may also be able to cancel and/or modify their on close orders between the Closing Cross Cutoff and immediately prior to the Late Cutoff in limited circumstances. Specifically, during this time period: (1) MOC Orders and IO Orders can be cancelled and/or modified,¹³ and (2) LOC Orders can be cancelled but not modified,¹⁴ in each case to correct a legitimate error in the order (e.g., Side, Size, Symbol, or Price, or duplication of an Order).

Proposed Cutoff Times

The Exchange now proposes to change the Closing Cross Cutoff to 3:55 p.m. ET and the Late Cutoff to 3:58 p.m. ET.¹⁵ The Exchange believes that this

⁷ See Rule 4702(b)(13)(A).

⁸ As used in this proposed rule change, the term “Late Cutoff” refers to the various 3:55 p.m. ET cutoff times described herein for the Nasdaq Closing Cross, including the cutoff time for entering the LOC Orders described above and the cutoff time for correcting legitimate errors in an on close order.

⁹ “First Reference Price” shall mean the Current Reference Price in the first Order Imbalance Indicator disseminated at or after 3:50 p.m. ET. See Rule 4754(a)(9).

¹⁰ See Rule 4702(b)(12)(A).

¹¹ An IO Order is an Order entered with a price that may be executed only in the Nasdaq Closing Cross and only against MOC Orders or LOC Orders. See Rule 4702(b)(13).

¹² See Rule 4702(b)(13)(A).

¹³ See Rule 4702(b)(11)(A), (13)(A). As provided in these rules, MOC and IO Orders cannot be cancelled or modified at or after the Late Cutoff for any reason.

¹⁴ See Rule 4702(b)(12)(A).

¹⁵ The Exchange proposes to reflect the proposed cutoff times throughout the Nasdaq rulebook, including Rule 4702(b)(11)–(13), which defines

Continued

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.