

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act²⁵ and paragraph (f) of Rule 19b-4 thereunder.²⁶ 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.

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-FICC-2018-009 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.
- All submissions should refer to File Number SR-FICC-2018-009. 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 FICC and on DTCC's website (<http://dtcc.com/legal/sec-rule-filings.aspx>). 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-FICC-2018-009 and should be submitted on or before November 9, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁷

Eduardo A. Aleman,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84423; File No. SR-GEMX-2018-35]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Delete Current Rules on Arbitration, Under Chapter 18

October 15, 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 October 9, 2018, Nasdaq GEMX, LLC ("GEMX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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 delete the current rules on arbitration ("Current Arbitration Rules"), under Chapter 18, and incorporate by reference The Nasdaq Stock Market LLC's ("Nasdaq") rules on arbitration at General 6 ("Proposed Arbitration Rules"), into General 6 of the Exchange's rulebook's ("Rulebook") shell structure.³

²⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Recently, the Exchange added a shell structure to its Rulebook with the purpose of improving efficiency and readability and to align its rules

The text of the proposed rule change is available on the Exchange's website at <http://nasdaqgemx.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 delete the rules on arbitration, currently under Chapter 18, and incorporate by reference the Nasdaq rules on arbitration at General 6 of Nasdaq's rulebook into General 6 of the Exchange's Rulebook.

The Exchange adopted the Current Arbitration Rules to ensure a fair and efficient manner in which to handle any dispute, claim or controversy arising out of, or in connection with, the business of any Member of the Exchange. To help administer the process of dispute resolution, the Exchange and FINRA are parties to a Regulatory Contract, pursuant to which FINRA has agreed to perform certain functions and provide access to certain services, including: Member regulation and registration; non-real time market surveillance; examinations and investigations; and dispute resolution. FINRA currently operates the largest securities dispute resolution forum in the United States,⁴ and has given the Exchange access to these services. Under the Current Arbitration Rules, Members and associated persons of a Member are

closer to those of its five sister exchanges, The Nasdaq Stock Market LLC; Nasdaq BX, Inc.; Nasdaq PHLX LLC; Nasdaq ISE, LLC; and Nasdaq MRX, LLC ("Affiliated Exchanges"). The shell structure currently contains eight (8) Chapters which, once complete, will apply a common set of rules to the Affiliated Exchanges. See Securities Exchange Act Release No. 82171 (November 29, 2017), 82 FR 57516 (December 5, 2017) (SR-GEMX-2017-54).

⁴ <http://www.finra.org/arbitration-and-mediation>.

²⁵ 15 U.S.C. 78s(b)(3)(A).

²⁶ 17 CFR 240.19b-4(f).

subject to the FINRA Code of Arbitration Procedure.

Because the Affiliated Exchanges are also parties to similar Regulatory Contracts with FINRA that make their members and associated persons of such members subject to the FINRA Code of Arbitration Procedure, the Exchange believes it is pertinent that a common set of rules on arbitration be included in the General section of the Rulebook's shell. Nasdaq completed this process recently⁵ and, pursuant to subsequent filings, the intention is to replace the existing arbitration rules for each of the Affiliated Exchanges by incorporating the Nasdaq rules on arbitration by reference.

Therefore, the Exchange will incorporate by reference the Proposed Arbitration Rules in "General 6 Arbitration" of the shell's "General Rules" section.

The relocation and harmonization of the arbitration rules is part of the Exchange's continued effort to promote efficiency and conformity of its processes with those of its Affiliated Exchanges.⁶ The Exchange believes that the adoption and placement of the Proposed Arbitration Rules to their new location in the shell will facilitate the use of the Rulebook by Members of the Exchange who are members of other Affiliated Exchanges. Moreover, the proposed changes are of a conforming nature and will not amend the substance of the adopted rules other than to update the language to that of the Proposed Arbitration Rules, and to make conforming cross-reference changes.

GEMX will continue to file proposed rule changes to amend its General 6 Rules until such time as it receives an exemption from the Securities and Exchange Commission, pursuant to its authority under Section 36 of the Exchange Act of 1934 ("Act") and Rule 0-12⁷ thereunder, from the Section 19(b) filing requirements to separately file a proposed rule change to amend General 6.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ 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 promoting efficiency and structural conformity of the Exchange's processes with those of the Affiliated Exchanges and to make the Exchange's Rulebook easier to read and more accessible to its Members. The Exchange believes that the adoption and harmonization of the arbitration rules and cross-reference updates are of a non-substantive nature.

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 proposed changes do not impose a burden on competition because, as previously stated, they are (i) of a non-substantive nature, (ii) intended to harmonize the structure of the Exchange's rules with those of its Affiliated Exchanges, and (iii) intended to organize the Rulebook in a way that it will ease the Members' navigation and reading of the rules across the Affiliated Exchanges.

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 Act¹⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹¹

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 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. Please include File Number SR-GEMX-2018-35 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-GEMX-2018-35. 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.

⁵ See Securities Exchange Act Release No. 83834 (August 13, 2018), 83 FR 41115 (August 17, 2018) (SR-NASDAQ-2018-067).

⁶ See footnote 3.

⁷ See 17 CFR 240.0-12; Securities Exchange Act Release No. 39624 (February 5, 1998), 63 FR 8101 (February 18, 1998).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78s(b)(3)(A)(iii).

¹¹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

All submissions should refer to File Number SR–GEMX–2018–35 and should be submitted on or before November 9, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Eduardo A. Aleman,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–84424; File No. SR–ICC–2018–010]

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to ICC’s Stress Testing Framework and ICC’s Liquidity Risk Management Framework

October 15, 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 October 1, 2018, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change described in Items I, II, and III below, which Items have been prepared primarily by ICC. ICC filed the proposed rule changes pursuant to Section 19(b)(3)(A) of the Act,³ and Rule 19b–4(f)(4)(ii) thereunder,⁴ so that the proposal was immediately effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The principal purpose of the proposed rule change is to revise the ICC Stress Testing Framework and the ICC Liquidity Risk Management Framework. These revisions do not require any changes to the ICC Clearing Rules (“Rules”).

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, ICC 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. ICC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

(A) Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

ICC proposes revising its Stress Testing Framework and its Liquidity Risk Management Framework. Specifically, ICC proposes clarifying changes regarding current aspects of its stress testing and liquidity stress testing practices to address comments received from independent validations, as well as additional clean-up changes. The independent validator comments revolve around clarification updates that do not change ICC’s current stress testing and liquidity stress testing practices. ICC’s proposed changes to address the independent validator comments include updates to correct inconsistencies between section numbering and the table of contents, ensure that scenarios are categorized consistently across the ICC Stress Testing Framework and the ICC Liquidity Risk Management Framework, define potentially unclear terminology, and clarify or include additional detail relating to potentially ambiguous phrases or text such that ICC’s documentation provides a clearer view of its stress testing and liquidity stress testing practices. ICC believes such revisions will facilitate the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts, and transactions for which it is responsible. The proposed revisions are described in detail as follows.

Stress Testing Framework

ICC proposes revisions to the Stress Testing Framework to address independent validator comments and to make clarification and clean-up changes to enhance readability. ICC proposes clean-up changes to the Table of Contents to add two sections, which are not new to the document, but were previously excluded from the Table of Contents. ICC also proposes, for clarity, updates to the ‘Overview’ section to abbreviate “Risk Committee” to “RC.” ICC proposes corresponding changes throughout the document.

ICC proposes amendments to the ‘Predefined Scenarios’ section of the Stress Testing Framework. ICC proposes

to divide the predefined scenarios into four categories. Previously, the Stress Testing Framework divided the predefined scenarios into three categories by combining the Historically Observed Extreme but Plausible Market Scenarios: Severity of Losses in Response to a Baseline Credit Event and the Hypothetically Constructed (Forward Looking) Extreme but Plausible Market Scenarios into one category. ICC proposes to separate these scenarios into two categories to maintain uniformity throughout the Stress Testing Framework since each represents a distinct sub-section in the ‘Predefined Scenarios’ section of the Stress Testing Framework. Additionally, ICC proposes to categorize the Discordant Spread Scenarios (*i.e.*, scenarios designed to reproduce significant discordant outcomes during the considered period) and the Opposite Discordant Spread Scenarios (*i.e.*, scenarios constructed using the opposite discordant outcomes to those observed during the considered period) as Historically Observed Extreme but Plausible to ensure consistency with the scenarios classified as Historically Observed Extreme but Plausible in the Liquidity Risk Management Framework, which include the Discordant Spread Scenarios and the Opposite Discordant Spread Scenarios.

ICC proposes clarifying changes to the ‘Display of Discordant Behavior among Instrument Groups’ section. ICC proposes to more clearly define discordant change as discordant relative spread move. ICC proposes to add clarifying language to define the market depth of sovereign reference entities in terms of the observed weekly trading volumes from the Depository Trust & Clearing Corporation (“DTCC”). In addition, ICC proposes to include language to clarify that the historical period selected to represent the greatest combined discordant change for sovereign reference entities can be different from the one selected for corporate single names (“SNs”).

ICC proposes enhancements to the ‘Reverse Stress Testing: Guaranty Fund Adequacy Analysis’ section to provide additional clarity regarding how ICC performs such analysis. Specifically, ICC proposes to add explanatory language to note that, upon the simultaneous default of two Clearing Participant (“CP”) affiliate groups (“AGs”), ICC considers additional adverse spread realizations and idiosyncratic credit events associated with reference obligations on which the stress tested CP sold protection.

ICC proposes enhancements to the ‘Interest Rate Sensitivity Analysis’

¹² 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b–4(f)(4)(ii).