

change could encourage market participants to submit orders that offset imbalances in constituent option series, thereby reducing the likelihood that a constituent option series will fail to open due to an order imbalance. By reducing the likelihood that constituent option series will fail to open, the proposal is reasonably designed to facilitate an orderly opening for volatility index derivatives.

Nevertheless, the Commission remains mindful of the potential for disruptive or manipulative trading to occur in connection with the opening process in constituent options series on exercise settlement value determination days for volatility index options. The Commission believes that the proposal provides narrowly tailored guidance to market participants to promote participation in the modified HOSS opening procedure on exercise settlement value determination days in a manner that is reasonably designed to support orderly trading in a free and open market, which can benefit investors in those constituent options series and the volatility index derivatives.

Further, the Commission notes that TPHs will continue to be subject to Exchange Rules 4.1 (Just and Equitable Principles of Trade), 4.7 (Manipulation), and 4.18 (Prevention of the Misuse of Material, Nonpublic Information).²² In addition, the Exchange will continue to conduct surveillance to monitor trading in the constituent option series,²³ which the Commission believes is essential to protect investors and the public interest.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²⁴ that the proposed rule change (SR-CBOE-2018-062) is approved.

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

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84439; File No. SR-NASDAQ-2018-070]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change To List and Trade Corporate Non-Convertible Bonds on Nasdaq

October 16, 2018.

On August 27, 2018, 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”)¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade corporate non-convertible bonds on Nasdaq. The proposed rule change was published for comment in the **Federal Register** on September 6, 2018.³ On October 12, 2018, the Exchange filed Amendment No. 1 to the proposed rule change.⁴ The Commission has received no comments on the proposal.

Section 19(b)(2) of the Act⁵ provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is October 21, 2018. The Commission is extending the 45-day time period for Commission action on the proposed rule change.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider this proposed rule change and Amendment No. 1 thereto. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁶ designates December 5, 2018, as the date by which the Commission shall either

approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-NASDAQ-2018-070).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84435; File No. SR-FICC-2018-011]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Allow CCIT Members To Elect To Pay Their Funds-Only Settlement Amount Debits Using a Different Process

October 16, 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 15, 2018, Fixed Income Clearing Corporation (“FICC”) 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 clearing agency. FICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(4) thereunder⁴ so that the proposal was 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 proposed rule change consists of proposed modifications to the FICC Government Securities Division (“GSD”) Rulebook (“Rules”)⁵ that would allow CCIT Members to elect to pay their Funds-Only Settlement Amount debits using a process for debit payments that is different than the current required process described in Section 5 of Rule 13. Under this

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 84001 (August 30, 2018), 83 FR 45289.

⁴ Amendment No. 1 is available at: <https://www.sec.gov/comments/sr-nasdaq-2018-070/srnasdaq2018070-4514560-176013.pdf>.

⁵ 15 U.S.C. 78s(b)(2).

⁶ *Id.*

⁷ 17 CFR 200.30-3(a)(31).

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).

⁵ Capitalized terms not defined herein are defined in the Rules, available at <http://dtcc.com/legal/rules-and-procedures>.

²² See Notice, *supra* note 3, at 46236.

²³ See *id.*

²⁴ 15 U.S.C. 78s(b)(2).

²⁵ 17 CFR 200.30-3(a)(12).