

will result in Participants being charged or credited appropriately for their PIP and COPIP transactions and is designed to enhance competition in Auction transactions on BOX. Submitting an order is entirely voluntary and Participants can determine which type of order they wish to submit, if any, to the Exchange.

Finally, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing exchanges. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the

Exchange Act¹⁴ and Rule 19b-4(f)(2) thereunder,¹⁵ because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further 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-BOX-2018-36 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-BOX-2018-36. 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 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-BOX-2018-36, and should be submitted on or before January 9, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Eduardo A. Aleman,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84816; File No. SR-CboeBZX-2018-066]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change To Permit the Listing and Trading of P.M.-Settled Series on Certain Broad-Based Index Options on a Pilot Basis

December 13, 2018.

On October 11, 2018, Cboe BZX Exchange, Inc. 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 permit the listing and trading of P.M.-settled series on certain broad-based index options on a pilot basis. The proposed rule change was published for comment in the **Federal Register** on October 30, 2018.³ The Commission has received no comment letters on the proposed rule change.

Section 19(b)(2) of the Act⁴ 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 December 14, 2018. The Commission is extending this 45-day time period.

The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁵ designates January 28, 2019 as the date by which the Commission shall either approve or disapprove or institute proceedings to determine whether to disapprove the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 84480 (Oct. 24, 2018), 83 FR 54635.

⁴ 15 U.S.C. 78s(b)(2).

⁵ *Id.*

¹⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁵ 17 CFR 240.19b-4(f)(2).

¹⁶ 17 CFR 200.30-3(a)(12).

proposed rule change (File Number SR–ChoeBZX–2018–066).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Eduardo A. Aleman,
Deputy Secretary.

[FR Doc. 2018–27406 Filed 12–18–18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–84810; File No. SR–ICEEU–2018–021]

Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the F&O Stress Testing Policy¹

December 13, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),² and Rule 19b–4 thereunder,³ notice is hereby given that on December 6, 2018, ICE Clear Europe Limited (“ICE Clear Europe” or “The Clearing House”) 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 ICE Clear Europe. ICE Clear Europe filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act,⁴ and Rule 19b–4(f)(4)(ii) thereunder,⁵ 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

ICE Clear Europe proposes to update and formalize its Futures and Options Stress Testing Policy (the “F&O Stress Testing Policy”).

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

In its filing with the Commission, ICE Clear Europe 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. ICE Clear Europe 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

ICE Clear Europe proposes to update and formalize its F&O Stress Testing Policy. The Clearing Risk Department is the owner of the F&O Stress Testing Policy and is responsible for ensuring that it remains up-to-date and that it is reviewed in accordance with policy requirements. The policy is to be reviewed annually by the F&O Risk Committee and the Board Risk Committee.

The objective of the F&O Stress Testing Policy is to ensure the F&O Guaranty Fund is adequate to cover at least the two largest Clearing Member uncollateralised losses (*i.e.*, losses over Clearing Member account’s requirements). The F&O Guaranty Fund protects the Clearing House against losses over and above margin that may be experienced during periods of extreme market volatility. Stress tests are used to test the adequacy of the F&O Guaranty Fund size.

The F&O Stress Testing Policy describes ICE Clear Europe’s stress test principles, including frequency and reporting. The stress test results of Clearing Member portfolios are calculated daily and reported internally on a daily basis. The F&O Risk Committee reviews historical daily stress test results on a bi-monthly basis. The Clearing House will review internally the stress scenarios on a regular basis and inform the F&O Risk Committee where additions or changes to the scenarios employed have a material impact on the stress results. The F&O Stress Testing Policy also provides an overview of ICE Clear Europe’s stress loss calculation and stress shock calibration methodologies.

The F&O Stress Testing Policy describes and defines the types of F&O stress testing scenarios and their application. The Clearing House has two types of scenarios used to size the F&O Guaranty Fund: Historical and theoretical scenarios. The historical stress scenarios aim to select the most significant historic events in terms of extreme price movement of the relevant underlyings, and then replicate as accurately as possible the historic event that has been selected across the full

range of cleared products and apply these stress tests to contemporary positions. Theoretical scenarios are constructed using plausible combinations of extreme price moves that are not contained within the set of historical scenarios, including group or sector specific stresses. The development of these hypothetical and extreme scenarios is tailored to the specific risks of the products and markets served. They are designed to measure the response of Clearing Members’ portfolios to extreme conditions, and to assess the sufficiency of the available Guaranty Fund. Additionally, for other theoretical scenarios, ICE Clear Europe constructs theoretical scenarios, which are constructed of changes to macroeconomic events that are considered plausible given qualitative analysis of current market and geopolitical conditions. These scenarios are labelled “hypothetical”.

The policy also describes ICE Clear Europe’s reverse stress testing practices, which act as a tool to supplement existing stress analysis. Such scenarios follow the similar frequency and reporting as the standard stress test scenarios. Rather than sizing the F&O Guaranty Fund, these scenarios examine the magnitude of the stress required to exhaust the F&O Guaranty Fund size. Both historical reverse stress tests and theoretical reverse stress tests are performed. Reverse stress test scenarios results are reviewed and presented monthly to the F&O Risk Committee.

The F&O Stress Testing Policy describes how ICE Clear Europe aggregates stress test results. The uncollateralised stress losses across all scenarios per Clearing Member and sub-account⁶ are calculated. The worst case result for each Clearing Member, by sub-account including segregated sponsored principal accounts, is then compared with the margin account’s requirements in respect of the Clearing Member. Where the stress testing result is greater than the margin account’s requirements, by sub-account, this modelled loss above requirement or shortfall is recorded as an uncollateralised stress testing loss. In order to derive the two largest uncollateralised losses, individual uncollateralised stress loss at each Clearing Member account is aggregated into the financial institution group.

The F&O Stress Testing Policy also describes how stress test results are reviewed and escalated. As noted above, daily stress testing results must be

⁶ Sub-account refers to the definition of Margin Account as per the Rules.

⁶ 17 CFR 200.30–3(a)(31).

¹ Capitalized terms used but not defined herein have the meanings specified in the Rules.

² 15 U.S.C. 78s(b)(1).

³ 17 CFR 240.19b–4.

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b–4(f)(4)(ii).