

accessible using the SLIM routing strategy, including, for example, The Nasdaq Stock Market LLC (“Nasdaq”) and Cboe EDGX Exchange, Inc. (“EDGX”), charge a taker fee of \$0.00300 per share.<sup>14</sup> The Exchange believes that the proposed increased routing fee for these orders reflects an appropriate blended rate for accessing liquidity on those markets, and would appropriately compensate the Exchange for the costs associated with routing to such venues. Furthermore, the Exchange believes that the changes to the System routing table would reduce the chance that an order is routed to a high cost venue since routing to low cost protected market centers is prioritized.

Finally, the Exchange believes that the proposed changes are equitable and not unfairly discriminatory as the proposed fees and rebates would apply equally to all members that use the Exchange to route orders using the associated routing strategy. The proposed fees are designed to reflect the fees charged and rebates offered by certain away trading centers that are accessed by Exchange routing strategies, and are being made in conjunction with changes to the System routing table designed to provide members with low cost executions for their routable order flow. Furthermore, if members do not favor the proposed pricing, they can send their routable orders directly to away markets instead of using routing functionality provided by the Exchange. Routing through the Exchange is voluntary, and the Exchange operates in a competitive environment where market participants can readily direct order flow to competing venues or providers of routing services if they deem fee levels to be excessive.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. The proposed routing fee changes are designed to reflect changes being made to the System routing table used to determine where to send certain routable orders, and generally provide better pricing to members for orders routed to low cost protected market centers using the Exchange’s routing strategies. The Exchange operates in a highly competitive market in which market participants can readily direct their order flow to competing venues. In

such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed fee changes reflect 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) of the Act<sup>15</sup> and paragraph (f) of Rule 19b-4<sup>16</sup> thereunder. 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 will institute proceedings to determine whether the proposed rule change 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-CboeBYX-2019-002 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-CboeBYX-2019-002. 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-CboeBYX-2019-002 and should be submitted on or before March 13, 2019.

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

**Eduardo A. Aleman,**  
*Deputy Secretary.*

[FR Doc. 2019-02734 Filed 2-19-19; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

### **Proposed Collection; Comment Request**

*Upon Written Request Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

#### *Extension:*

Form T-4, SEC File No. 270-124, OMB Control No. 3235-0107

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection

<sup>14</sup> See Nasdaq, Equity Rules, Pricing Schedule; EDGX U.S. Equities Exchange Fee Schedule, Fee Codes and Associated Fees.

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

<sup>16</sup> 17 CFR 240.19b-4(f).

<sup>17</sup> 17 CFR 200.30-3(a)(12).

of information to the Office of Management and Budget for approval.

Form T-4 (17 CFR 269.4) is a form used by an issuer to apply for an exemption under Section 304(c) (15 U.S.C. 77ddd(c)) of the Trust Indenture Act of 1939 (77 U.S.C. 77aaa *et seq.*). Form T-4 takes approximately 5 hours per response to prepare and is filed by approximately 3 respondents. We estimate that 25% of the 5 burden hours (1 hour per response) is prepared by the filer for a total reporting burden of 3 hours (1 hour per response × 3 responses).

Written comments are invited on: (a) Whether this proposed collection of information is necessary for the performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collection of information; (c) ways to enhance the quality, utility, and clarity of the information 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 control number.

Please direct your written comments to Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Candace Kenner, 100 F Street NE, Washington, DC 20549; or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: February 13, 2019.

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2019-02756 Filed 2-19-19; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85128; File No. SR-ICEEU-2018-024]

### Self-Regulatory Organizations; ICE Clear Europe Limited; Order Approving Proposed Rule Change, as Modified by Amendment No. 1, Relating to the ICE Clear Europe Model Risk Governance Framework

February 13, 2019.

#### I. Introduction

On November 21, 2018, ICE Clear Europe Limited (“ICE Clear Europe”) filed with the Securities and Exchange Commission (“Commission”), 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> a proposed rule change to adopt a Model Risk Governance Framework (“MRGF”) and related Independent Validator Selection Guidelines (“Guidelines”). On December 21, 2018, ICE Clear Europe filed Amendment No. 1 to the proposed rule change. <sup>3</sup> The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on December 31, 2018. <sup>4</sup> The Commission did not receive comments on the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change.

#### II. Description of the Proposed Rule Change

The proposed rule change would adopt a new MRGF and related Guidelines. The MRGF would establish overall standards and principles for managing and mitigating model risk for all product categories that ICE Clear Europe clears. <sup>5</sup> Specifically, the MRGF would (1) establish a definition of model and model risk; (2) establish and define criteria for assessing the materiality and significance of models and model changes; (3) establish procedures for oversight and validation of models and model changes; and (4) establish related governance structures. The MRGF would apply to models developed internally, third-party models, and models shared with other

group entities (but not to models in research and development or that are already retired), and would apply throughout the life cycle of all such models used by the Clearing House. In addition, the Guidelines would establish standards for the independence and competence of the persons that validate models pursuant to the MRGF.

#### A. Definition of Model and Model Changes

The MRGF would define a “model” as a quantitative method, system or approach that applies statistical, economic, financial or mathematical theories, techniques and assumptions to process input data into quantitative estimates. <sup>6</sup> The MRGF would also define “model risk” as the risk that a model does not perform as it was designed, either due to error or failure in the model specification or inappropriate use. <sup>7</sup>

The MRGF would assess the materiality of models based on the potential impact the related model risk may have on ICE Clear Europe and its clearing members. In particular, the MRGF would treat a model as material where the output of the model is the primary factor affecting risk management decisions relating to counterparty and liquidity risk. <sup>8</sup> The MRGF may also treat a model as material if it has a high error potential with sizeable impact resulting from: (1) Complexities in the data model and inputs (like complex manipulation of input data); (2) the modelling approach (such as reliance on a large number of assumptions); (3) the model output (such as a large number of other models dependent on the output); or (4) model users and operations (such as a large number of independent systems that use the model). <sup>9</sup>

With respect to model changes, the MRGF would categorize changes as significant and not significant. In determining whether a model change is significant, the MRGF would consider the size of resulting changes in risk requirements calculated by the model, alterations in the scope of model use and the risk profile of products covered, and the development of new model features. <sup>10</sup>

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

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

<sup>3</sup> The amendment clarified Items 1(a) and 2(a) in the Form 19b-4 but did not change any other items in Form 19b-4, any exhibits to the filing, or the text of the proposed rule change.

<sup>4</sup> Securities Exchange Act Release No. 84933 (Dec. 21, 2018), 83 FR 67810 (Dec. 31, 2018) (SR-ICEEU-2018-024) (“Notice”).

<sup>5</sup> Capitalized terms not otherwise defined herein have the meaning given to them in the MRGF or the ICE Clear Europe rulebook.

<sup>6</sup> Notice, 84 FR at 67811.

<sup>7</sup> Notice, 84 FR at 67811.

<sup>8</sup> Notice, 84 FR at 67811.

<sup>9</sup> Notice, 84 FR at 67811, n.5.

<sup>10</sup> Notice, 84 FR at 67811.