

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>37</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88330; File No. SR-NYSEArca-2020-01]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Amend the Rule 11.6800 Series, the Exchange's Compliance Rule Regarding the National Market System Plan Governing the Consolidated Audit Trail

March 5, 2020.

On January 3, 2020, NYSE Arca, Inc. ("NYSE Arca" or "Exchange") 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 amend the Exchange's compliance rule regarding the National Market System Plan Governing the Consolidated Audit Trail. The proposed rule change was published for comment in the **Federal Register** on January 23, 2020.<sup>3</sup> The Commission has received no comment letters on the proposed rule change.

Section 19(b)(2) of the Act<sup>4</sup> 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 for this filing is March 8, 2020.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. 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, pursuant to Section 19(b)(2)(A)(ii)(I) of the Act<sup>5</sup> and for the reasons stated above, the Commission designates April 22, 2020, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-NYSEArca-2020-01).

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

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88337; File No. SR-ICC-2020-001]

### Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change Relating To Revising the ICC Clearing Rules To Consider the Possibility of ICC Receiving Proceeds From Default Insurance

March 5, 2020.

#### I. Introduction

On January 9, 2020, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to revise its Clearing Rules (the "Rules")<sup>3</sup> to consider the possibility of ICC receiving proceeds from default insurance. The proposed rule change was published for comment in the **Federal Register** on January 21, 2020.<sup>4</sup> The Commission did not receive comments regarding the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change.

<sup>5</sup> 15 U.S.C. 78s(b)(2)(A)(ii)(I).

<sup>6</sup> 17 CFR 200.30-3(a)(31).

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

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

<sup>3</sup> Capitalized terms used but not defined herein have the meanings specified in the Rules.

<sup>4</sup> Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice Relating to the ICC Clearing Rules; Exchange Act Release No. 87958 (Jan. 14, 2020); 85 FR 3446 (Jan. 21, 2020) ("Notice").

## II. Description of the Proposed Rule Change

The proposed rule change would amend Chapters 1 and 8 of the ICC Rules to allow ICC to receive proceeds from an insurance policy in the event of the default of a Clearing Participant ("CP"). The proposed rule change would incorporate these proceeds from insurance into ICC's default waterfall and therefore treat them similar to other resources that ICC uses to cover losses from CP defaults, like the guaranty fund. In terms of incorporating insurance proceeds into ICC's default waterfall, under the proposed rule change, generally ICC would use proceeds from insurance before using guaranty fund resources from non-defaulting CPs. Although the proposed rule change would establish the legal framework for ICC to maintain insurance and use insurance proceeds in the event of a CP's default, the proposed rule change would not require that ICC maintain such insurance.

With respect to Chapter 1 of the ICC Rules, which sets out the defined terms used in the Rules, the proposed rule change would add to ICC Rule 102 ("Definitions") the term "Insurance Proceeds" and would refer to proposed Rule 802(b)(i)(A)(4), where the term would be defined. Proposed Rule 802(b)(i)(A)(4) would define the term "Insurance Proceeds" to mean insurance proceeds, if any, received by ICC in connection with a CP's default. Additionally, proposed Rule 802(b)(i)(A)(4) would state that ICC shall not be obligated to obtain or maintain any insurance policy with respect to the default of a CP, thus making explicit the point described above that the proposed rule change would not require that ICC maintain insurance against defaults.

With respect to Chapter 8 of the ICC Rules, the proposed rule change would first amend ICC Rule 802(a). ICC Rule 802(a) provides that ICC may charge against a defaulting CP's contributions to the guaranty fund losses suffered from the CP's default. Rule 802(a) lists the types of losses and expenses that ICC may charge against the defaulting CP's contributions to the guaranty fund, ordered by priority. Rule 802(a) also explains how ICC would pay out any surplus remaining after paying all of the other listed items. As explained in Rule 802(a), ICC may pay the surplus to ICC or to whomever may be lawfully entitled to receive the surplus, including any insurer, surety, or guarantor of the obligations of ICC. The proposed rule change would add to this any insurer, surety, or guarantor with respect to the obligations of the

<sup>37</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 87987 (January 16, 2020), 85 FR 4011.

<sup>4</sup> 15 U.S.C. 78s(b)(2).