

in the settlement system to smooth settlement activity. Again, the Commission believes this additional description would help to clarify LCH SA's sources of liquidity and how it manages settlement and funding flows. Finally, the proposed rule change would add a general explanation of the LCR and how it relates to the Basel III framework. The proposed rule change similarly would add further explanations of some of the assumptions used in calculating the LCR, such as settlement risk associated with American-style options, liquidity needs arising from variation margin, and that when considering multiple defaults Clearing Members with the worst credit quality are assumed defaulting first. Because LCH SA uses the LCR to ensure that it has sufficient liquidity, the Commission believes that the additional description would help to clarify the LCR and therefore how LCH SA manages its liquidity risk. Thus, the Commission believes these aspects of the proposed rule change generally would be consistent with Rule 17Ad-22(e)(7).²³

Rule 17Ad-22(e)(7)(ix), in particular, requires that LCH SA establish, implement, maintain and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by LCH SA, including measuring, monitoring, and managing its settlement and funding flows on an ongoing and timely basis, and its use of intraday liquidity by, at a minimum describing LCH SA's process to replenish any liquid resources that LCH SA may employ during a stress event.²⁴ As discussed in Part II.B above, the proposed rule change would add description to the Framework of LCH SA's group policy that allows LCH SA to perform an extraordinary margin call if liquidity deteriorates and description of the overdraft facility in place with Citibank that allows the LCH SA to source non-Euro currencies in case of liquidity needs. The Commission believes that these clarifications would help to describe LCH SA's process to replenish any liquid resources that LCH SA may employ during a stress event, consistent with Rule 17Ad-22(e)(7)(ix).²⁵

Thus, the Commission finds that these aspects of the proposed rule change are consistent with Rule 17Ad-22(e)(7) generally and (e)(7)(ix) in particular.²⁶

Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act, and in particular, with the requirements of Section 17A(b)(3)(F) of the Act²⁷ and Rules 17Ad-22(e)(5), (e)(7), and (e)(7)(ix).²⁸

It is therefore ordered pursuant to Section 19(b)(2) of the Act²⁹ that the proposed rule change (SR-LCH SA-2021-002) be, and hereby is, approved.³⁰

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³¹

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-93173; File No. SR-CboeBZX-2021-024]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To List and Trade Shares of the WisdomTree Bitcoin Trust Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares

September 29, 2021.

On March 26, 2021, Cboe BZX Exchange, Inc. ("BZX") 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 shares of the WisdomTree Bitcoin Trust under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares. The proposed rule change was published for comment in the **Federal Register** on April 15, 2021.³

²⁷ 15 U.S.C. 78q-1(b)(3)(F).

²⁸ 17 CFR 240.17Ad-22(e)(5), (e)(7), and (e)(7)(ix).

²⁹ 15 U.S.C. 78s(b)(2).

³⁰ In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

³¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 91521 (April 9, 2021), 86 FR 19917 (April 15, 2021). Comments on the proposed rule change can be found at: <https://www.sec.gov/comments/sr-cboebzx-2021024/sr-cboebzx2021024.htm>.

On May 26, 2021, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ On July 13, 2021, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposed rule change.⁷

Section 19(b)(2) of the Act⁸ provides that, after initiating proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for comment in the **Federal Register** on April 15, 2021.⁹ The 180th day after publication of the proposed rule change is October 12, 2021. The Commission is extending the time period for approving or disapproving the proposed rule change for an additional 60 days. The Commission finds that it is appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change and the issues raised in the comment letters that have been submitted in connection therewith. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,¹⁰ designates December 11, 2021, as the date by which the Commission shall either approve or disapprove the proposed rule change (File Number SR-CboeBZX-2021-024).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

J. Matthew DeLesDernier,
Assistant Secretary.

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⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 92032 (May 26, 2021), 86 FR 29611 (June 2, 2021).

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 92392 (July 13, 2021), 86 FR 38154 (July 19, 2021).

⁸ 15 U.S.C. 78s(b)(2).

⁹ See *supra* note 3.

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ 17 CFR 200.30-3(a)(57).

²³ 17 CFR 240.17Ad-22(e)(7).

²⁴ 17 CFR 240.17Ad-22(e)(7)(ix).

²⁵ 17 CFR 240.17Ad-22(e)(7)(ix).

²⁶ 17 CFR 240.17Ad-22(e)(7) and (e)(7)(ix).