

*www.prc.gov*, Docket Nos. MC2023–185, CP2023–189.

**Sean Robinson,**

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**BILLING CODE 7710–12–P**

## POSTAL SERVICE

### Product Change—First-Class Package Service & Parcel Select Service Negotiated Service Agreement

**AGENCY:** Postal Service™.

**ACTION:** Notice.

**SUMMARY:** The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule’s Competitive Products List.

**DATES:** *Date of required notice:* July 20, 2023.

**FOR FURTHER INFORMATION CONTACT:**

Sean C. Robinson, 202–268–8405.

**SUPPLEMENTARY INFORMATION:**

The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on June 23, 2023, it filed with the Postal Regulatory Commission a *USPS Request to Add First-Class Package Service & Parcel Select Service Contract 4 to Competitive Product List*. Documents are available at *www.prc.gov*, Docket Nos. MC2023–176, CP2022–180.

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**BILLING CODE 7710–12–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–97908; File No. SR–ICC–2023–005]

### Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change Relating to the Clearance of Additional Credit Default Swap Contracts

July 14, 2023.

#### I. Introduction

On March 30, 2023, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934 (the “Act”)<sup>1</sup> and Rule 19b–4

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

thereunder,<sup>2</sup> a proposed rule change to clear an additional credit default swap (“CDS”) contract. The proposed rule change was published for comment in the **Federal Register** on April 18, 2023.<sup>3</sup> On May 11, 2023, the Commission designated a longer period for Commission action on the proposed rule change until July 17, 2023.<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.

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

ICC is registered with the Commission as a clearing agency for the purpose of clearing CDS contracts. Chapter 26 of ICC’s Rulebook covers the CDS contracts that ICC clears, with each subchapter of Chapter 26 defining the characteristics and additional Rules applicable to the various specific categories of CDS contracts that ICC clears. Among other CDS contracts, ICC currently clears Standard Emerging Market Sovereign Single Name CDS (“SES”) contracts.

The purpose of the proposed rule change is to amend ICC’s rules to permit ICC to clear an additional SES contract, specifically, SES contracts on the Dominican Republic. To carry out this change, the proposed rule change would amend Subchapter 26D of Chapter 26. In Rule 26D–102 (Definitions), “Eligible SES Reference Entities,” the proposed rule change would add the Dominican Republic to the list of specific Eligible SES Reference Entities to be cleared by ICC.

As discussed below, this additional SES contract has terms consistent with the other SES contracts that ICC is already clearing. As such, to clear this additional contract, ICC will be able to rely on its existing Risk Management Framework and other policies and procedures without making any changes.

#### III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act requires the Commission to approve a proposed

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Proposed Rule Change Relating to the Clearance of Additional Credit Default Swap Contracts; Exchange Act Release No. 97293 (Apr. 12, 2023), 88 FR 23711 (Apr. 18, 2023) (File No. SR–ICC–2023–005) (“Notice”).

<sup>4</sup> Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Designation of Longer Period for Commission Action on Proposed Rule Relating to the Clearance of Additional Credit Default Swap Contracts; Exchange Act Release No. 97482 (May 11, 2023), 88 FR 31554 (May 17, 2023) (File No. SR–ICC–2023–005).

rule change of a self-regulatory organization if it finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the organization.<sup>5</sup> For the reasons given below, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act<sup>6</sup> and Rule 17Ad–22(e)(1) thereunder.<sup>7</sup>

#### A. Consistency With Section 17A(b)(3)(F) of the Act

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of ICC be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions.<sup>8</sup>

The Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act.<sup>9</sup> The Commission has reviewed the terms and conditions of the additional SES contract proposed for clearing and has determined that those terms and conditions are substantially similar to the terms and conditions of the other contracts listed in Subchapter 26D of the ICC Rules, all of which ICC currently clears, with the key difference being the underlying reference obligations. For the additional SES contract, the underlying reference obligations will be issuances by the Dominican Republic.

After reviewing the Notice and ICC’s Rules, policies, and procedures, the Commission also finds that ICC would be able to clear the additional SES contract pursuant to its existing clearing arrangements and related financial safeguards, protections, and risk management procedures. Commission staff also conducted a review of data on volume, open interest, and the number of ICC Clearing Participants (“CPs”) that currently trade in the SES contracts, as well as certain model parameters for the additional contracts. Based on this review, as well as its own experience and expertise, the Commission finds that ICC’s Rules, policies, and procedures are reasonably designed to price and measure the potential risk presented by the additional SES contract, collect financial resources in proportion to such risk, and liquidate the additional contracts in the event of a CP default. This should help ensure ICC’s ability to maintain the financial

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

<sup>6</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>7</sup> 17 CFR 240Ad–22(e)(1).

<sup>8</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>9</sup> 15 U.S.C. 78q–1(b)(3)(F).

resources it needs to provide its critical services and function as a central counterparty, thereby promoting the prompt and accurate settlement of the additional SES contracts and other credit default swap transactions.

Therefore, the Commission finds that clearance of the additional SES contract would promote the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act.<sup>10</sup>

#### *B. Consistency With Rule 17Ad-22(e)(1)*

Rule 17Ad-22(e)(1) requires ICC to establish, implement, maintain, and enforce written policies and procedures reasonably designed to provide for a well-founded, clear, transparent, and enforceable legal basis for each aspect of its activities in all relevant jurisdictions.<sup>11</sup>

The Commission believes that the proposed rule change would help provide a well-founded, clear, transparent, and enforceable legal basis for ICC's clearance of SES contracts on the Dominican Republic. By amending Rule 26D-102 to add the Dominican Republic to the list of specific Eligible SES Reference Entities to be cleared by ICC, the proposed rule change would help to ensure that ICC can clear SES contracts on the Dominican Republic pursuant to its existing rules in Subchapter 26D. The Commission believes Subchapter 26D would provide a well-founded, clear, transparent, and enforceable legal basis for ICC to clear these contracts, consistent with the requirements of Rule 17Ad-22(e)(1).<sup>12</sup>

#### **IV. 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 Act<sup>13</sup> and Rule 17Ad-22(e)(1) thereunder.<sup>14</sup>

*It is therefore ordered* pursuant to Section 19(b)(2) of the Act<sup>15</sup> that the proposed rule change (SR-ICC-2023-005), be, and hereby is, approved.<sup>16</sup>

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

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

[FR Doc. 2023-15355 Filed 7-19-23; 8:45 am]

**BILLING CODE 8011-01-P**

### **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-97909; File No. SR-NYSE-2023-26]**

#### **Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Its Price List**

July 14, 2023.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on June 30, 2023, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### **I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange proposes to amend its Price List to provide for an alternate way for member organizations to qualify for the market at-the-close (“MOC”) and limit at-the-close (“LOC”) Tier 3. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

#### **II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the self-regulatory organization 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 those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

#### *A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change*

##### 1. Purpose

The Exchange proposes to amend its Price List to provide for an alternate way for member organizations to qualify for the MOC/LOC Tier 3.

The proposed changes respond to the current competitive environment where order flow providers have a choice of where to direct closing orders in NYSE-listed securities by providing an alternate way for member organizations to send additional auction flow that will incentivize member organizations to send closing liquidity to achieve lower fees and encourage greater liquidity at the closing auction.

The Exchange proposes to implement the fee changes effective July 3, 2023.

##### Competitive Environment

The Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”<sup>4</sup>

While Regulation NMS has enhanced competition, it has also fostered a “fragmented” market structure where trading in a single stock can occur across multiple trading centers. When multiple trading centers compete for order flow in the same stock, the Commission has recognized that “such competition can lead to the fragmentation of order flow in that stock.”<sup>5</sup> Indeed, cash equity trading is

<sup>4</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (File No. S7-10-04) (Final Rule) (“Regulation NMS”).

<sup>5</sup> See Securities Exchange Act Release No. 61358, 75 FR 3594, 3597 (January 21, 2010) (File No. S7-02-10) (Concept Release on Equity Market Structure).

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

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>10</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>11</sup> 17 CFR 240.17Ad-22(e)(1).

<sup>12</sup> 17 CFR 240.17Ad-22(e)(1).

<sup>13</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>14</sup> 17 CFR 240Ad-22(e)(1).

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

<sup>16</sup> 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).