

should be submitted on or before May 29, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83159; File No. SR-NYSEAMER-2018-16]

### Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Certificate of Incorporation of Its Parent Company NYSE Group, Inc.

May 3, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on April 25, 2018, NYSE American LLC (the “Exchange” or “NYSE American”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II 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 Article X of the certificate of incorporation of its parent company NYSE Group, Inc. (“NYSE Group”) and make certain technical and conforming changes. 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 Article X (Confidential Amendment) of the Sixth Amended and Restated Certificate of Incorporation of NYSE Group (“NYSE Group Certificate”) and make certain technical and conforming changes.

NYSE Group owns all of the equity interest in the Exchange and its national securities exchange affiliates, the New York Stock Exchange LLC (“NYSE LLC”), NYSE Arca, Inc. (“NYSE Arca”), and NYSE National, Inc. (“NYSE National”). In turn, NYSE Group is a wholly-owned subsidiary of NYSE Holdings LLC (“NYSE Holdings”), which is wholly owned by Intercontinental Exchange Holdings, Inc. (“ICE Holdings”). ICE Holdings is wholly owned by Intercontinental Exchange Inc. (“ICE”).<sup>4</sup>

In 2017, the Exchange amended the certificates of incorporation, bylaws, and operating agreements, as applicable, of ICE, ICE Holdings, NYSE Holdings and NYSE Group (collectively, the “Governing Documents”).<sup>5</sup> The changes to the Governing Documents included, among other things, amendments streamlining references to ICE subsidiaries that either are or control national securities exchanges, deleting references to other ICE subsidiaries, and amending provisions relating to confidential information.<sup>6</sup> As a result of

<sup>4</sup> ICE is a publicly traded company listed on the NYSE.

<sup>5</sup> The Governing Documents are the Fourth Amended and Restated Certificate of Incorporation of Intercontinental Exchange, Inc. (“ICE Certificate”); Eighth Amended and Restated Bylaws of Intercontinental Exchange, Inc. (“ICE Bylaws”); Ninth Amended and Restated Certificate of Incorporation of Intercontinental Exchange Holdings, Inc. (“ICE Holdings Certificate”); Sixth Amended and Restated Bylaws of Intercontinental Exchange Holdings, Inc. (“ICE Holdings Bylaws”); Ninth Amended and Restated Limited Liability Company Agreement of NYSE Holdings LLC (“NYSE Holdings Operating Agreement”); Fourth Amended and Restated Bylaws of NYSE Group, Inc. (“NYSE Group Bylaws”); and the NYSE Group Certificate.

<sup>6</sup> See Securities Exchange Act Release Nos. 82082 (November 15, 2017), 82 FR 55466 (November 21, 2017) (SR-NYSEAmer-2017-29) (notice of filing and immediate effectiveness of proposed rule change to amend the governing documents of the Exchange’s intermediate parent companies) (“Holding Companies Release”); and 80752 (May

the changes, “Exchange” is defined in each Governing Document as a national securities exchange registered under Section 6 of the Exchange Act<sup>7</sup> that is directly or indirectly controlled by the relevant entity.<sup>8</sup>

In making such changes, lists of specific entities were replaced with “Exchange” or “Exchanges,” as applicable.<sup>9</sup> For example, in Article XII, clause (b) of the NYSE Group Certificate, “the boards of directors of New York Stock Exchange, NYSE Arca, NYSE Arca Equities, NYSE MKT and NYSE National or the boards of directors of their successors” was amended to “the boards of directors of each Exchange.”<sup>10</sup>

However, the NYSE Group Certificate retains one list of specific entities, which it proposes to amend now. Specifically, in the first sentence of Article X of the NYSE Group Certificate, the Exchange proposes to replace “New York Stock Exchange, NYSE Arca, NYSE Arca Equities, NYSE MKT and NYSE National” with “any Exchange, in each case to the extent that such entities continue to be controlled, directly or indirectly, by the Corporation.”<sup>11</sup>

The proposed change would not have a substantive effect on what entities the provision covers. As national securities exchanges registered under Section 6 of the Exchange Act<sup>12</sup> that are directly controlled by NYSE Group, each of the NYSE, NYSE Arca, NYSE MKT (now NYSE American LLC)<sup>13</sup> and NYSE National are “Exchanges” within the

24, 2017), 82 FR 25018 (May 31, 2017) (SR-NYSE-2017-13; SR-NYSEArca-2017-29; SR-NYSEMKT-2017-17; SR-NYSENat-2017-01) (order approving proposed rule changes to amend the certificate and bylaws of the exchange’s ultimate parent company) (“Parent Company Release”).

<sup>7</sup> 15 U.S.C. 78f.

<sup>8</sup> See Holding Companies Release, *supra* note 6, at 55467; ICE Certificate, Article V, Section A(3)(a); ICE Bylaws, Article III, Section 3.15; ICE Holdings Certificate, Article V, Section A(1); ICE Holdings Bylaws, Article III, Section 3.15; NYSE Holdings Operating Agreement, Article 1, Section 1.1; NYSE Group Bylaws, Article VII, Article 7.9(b); and NYSE Group Certificate, Article IV, Section 4(b)(1)(A).

<sup>9</sup> See Holding Companies Release, *supra* note 6, at 55467, and Parent Company Release, *supra* note 6, at 25019. Similarly, the terms “U.S. Regulated Subsidiary,” “U.S. Regulated Subsidiaries,” “Regulated Subsidiary,” and “Regulated Subsidiaries” were replaced with “Exchange” or “Exchanges,” as applicable.

<sup>10</sup> See Holding Companies Release, *supra* note 6, note 12.

<sup>11</sup> The Exchange’s affiliates NYSE LLC, NYSE Arca, and NYSE National have each submitted substantially the same proposed rule change to propose the changes described herein. See SR-NYSE-2018-18, SR-NYSEArca-2018-26, and SR-NYSENat-2018-05.

<sup>12</sup> 15 U.S.C. 78f.

<sup>13</sup> “NYSE MKT LLC” changed its name to “NYSE American LLC” in 2017. See Securities Exchange Act Release Nos. 80283 (March 21, 2017), 82 FR 15244 (March 27, 2017) (SR-NYSEMKT-2017-14).

<sup>22</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.

scope of the definition. The reference to NYSE Arca Equities is obsolete, as it has been merged out of existence.<sup>14</sup> As a result, the change is non-substantive.

The Exchange notes that the proposed amendment would make the first sentence of Article X of the NYSE Group Certificate more consistent with the use of “Exchange” throughout the Governing Documents, particularly in the confidential information provisions of the ICE Bylaws, the ICE Holdings Bylaws, and the NYSE Holdings Operating Agreement, all of which have the text “any Exchange, in each case to the extent that such entities continue to be controlled, directly or indirectly, by the” Corporation or Company, as applicable.<sup>15</sup>

In addition, technical and conforming changes would be made to the title, recitals, effective time, date and signature line of the NYSE Group Certificate.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Exchange Act<sup>16</sup> in general, and with Section 6(b)(1)<sup>17</sup> in particular, in that it enables the Exchange to be so organized as to have the capacity to be able to carry out the purposes of the Exchange Act and to comply, and to enforce compliance by its exchange members and persons associated with its exchange members, with the provisions of the Exchange Act, the rules and regulations thereunder, and the rules of the Exchange.

The Exchange believes that the proposed rule change would enable the Exchange to continue to be so organized as to have the capacity to carry out the purposes of the Exchange Act and comply and enforce compliance with the provisions of the Exchange Act by its members and persons associated with its members, because the proposed change would add further clarity and transparency to the Exchange’s rules without having a substantive effect on which entities the provision would cover. As national securities exchanges registered under Section 6 of the Exchange Act<sup>18</sup> that are directly controlled by NYSE Group, each of the NYSE LLC, NYSE Arca, NYSE American

and NYSE National fall within the scope of the definition of “Exchange.” In addition, removing the obsolete reference to NYSE Arca Equities would contribute to the orderly operation of the Exchange by adding clarity and transparency to the Exchange’s rules. The Exchange believes that the proposed technical and conforming changes to the title, recitals, effective time, date and signature line of the NYSE Group Certificate would contribute to the orderly operation of the Exchange by adding clarity and transparency to its rules.

Further, the Exchange notes that the Exchange Act definition of “exchange” states that “exchange” “includes the market place and the market facilities maintained by such exchange.”<sup>19</sup> Accordingly, any market places and market facilities maintained by the Exchange would fall within the definition of “Exchange” and therefore would fall within the scope of Article X of the NYSE Group Certificate.

For similar reasons, the Exchange also believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>20</sup> in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system by simplifying and streamlining the Exchange’s rules and removing an obsolete reference, thereby ensuring that market participants can more easily navigate, understand and comply with its rules. In this manner, the proposed change would ensure that persons subject to the Exchange’s jurisdiction, regulators, and the investing public can more easily navigate and understand the NYSE Group Certificate.

In addition, the Exchange believes that the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system, because the proposed change would conform the text of Article X with the use of “Exchange” throughout the Governing Documents, generally, and with the confidential information provisions of

the ICE Bylaws, the ICE Holdings Bylaws, and the NYSE Holdings Operating Agreement, more specifically. As a result, the Governing Documents would be more consistent and persons subject to the Exchange’s jurisdiction, regulators, and the investing public could more easily navigate and understand the NYSE Group Certificate and the other Governing Documents.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The proposed rule change is not designed to address any competitive issue but rather is meant to update and streamline the NYSE Group Certificate to make it more consistent with the use of “Exchange” throughout the Governing Documents and the confidential information provisions in the ICE Bylaws, the ICE Holdings Bylaws, and the NYSE Holdings Operating Agreement. The Exchange believes that the proposed rule change will serve to promote clarity and consistency, thereby reducing burdens on the marketplace and facilitating investor protection. The proposed rule change would result in no concentration or other changes of ownership of exchanges.

## C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not:

- (i) Significantly affect the protection of investors or the public interest;
- (ii) impose any significant burden on competition; and

(iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.<sup>21</sup>

<sup>21</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time

<sup>14</sup> See Securities Exchange Act Release No. 81419 (August 17, 2017), 82 FR 40044 (August 23, 2017) (SR-NYSEArca-2017-40).

<sup>15</sup> See ICE Bylaws, Article VIII, Section 8.1; ICE Holdings Bylaws, Article VIII, Section 8.1; and NYSE Holdings Operating Agreement, Article XII, Section 12.1. See also Holding Companies Release, *supra* note 6, at 55469.

<sup>16</sup> 15 U.S.C. 78f(b).

<sup>17</sup> 15 U.S.C. 78f(b)(1).

<sup>18</sup> 15 U.S.C. 78f.

<sup>19</sup> 15 U.S.C. 78c(a)(1).

<sup>20</sup> 15 U.S.C. 78f(b)(5).

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.

#### 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-NYSEAmer-2018-16 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-NYSEAmer-2018-16. 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

as designated by the Commission. The Exchange has satisfied this requirement.

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-NYSEAmer-2018-16, and should be submitted on or before May 29, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

**Eduardo A. Aleman,**

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83154; File No. SR-FINRA-2018-016]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to FINRA Rule 3310 to Conform FINRA Rule 3310 to FinCEN's Final Rule on Customer Due Diligence Requirements for Financial Institutions

May 2, 2018.

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> notice is hereby given that on April 20, 2018, Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as constituting a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4 under the Act,<sup>3</sup> which renders the proposal effective upon receipt of this filing by the Commission. 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

FINRA is proposing to amend FINRA Rule 3310 (Anti-Money Laundering Compliance Program) to reflect the Financial Crimes Enforcement Network's ("FinCEN") adoption of a final rule on Customer Due Diligence Requirements for Financial Institutions

("CDD Rule"). Specifically, the proposed amendments would conform FINRA Rule 3310 to the CDD Rule's amendments to the minimum regulatory requirements for member firms' anti-money laundering ("AML") compliance programs by requiring such programs to include risk-based procedures for conducting ongoing customer due diligence. This ongoing customer due diligence element for AML programs includes: (1) Understanding the nature and purpose of customer relationships for the purpose of developing a customer risk profile; and (2) conducting ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information.

The text of the proposed rule change is available on FINRA's website at <http://www.finra.org>, at the principal office of FINRA 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, FINRA 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. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

###### 1. Purpose

###### a. Background

The Bank Secrecy Act<sup>4</sup> ("BSA"), among other things, requires financial institutions,<sup>5</sup> including broker-dealers, to develop and implement AML programs that, at a minimum, meet the statutorily enumerated "four pillars."<sup>6</sup> These four pillars currently require broker-dealers to have written AML programs that include, at a minimum:

- The establishment and implementation of policies, procedures and internal controls reasonably designed to achieve compliance with the applicable provisions of the BSA and implementing regulations;

<sup>22</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> 17 CFR 240.19b-4(f)(6).

<sup>4</sup> 31 U.S.C. 5311, *et seq.*

<sup>5</sup> See 31 U.S.C. 5312(a)(2) (defining "financial institution").

<sup>6</sup> 31 U.S.C. 5318(h)(1).