

losses materialize, is calculated as the greatest of three estimated amounts, one of which is this Recovery/Wind-down Capital Requirement. Therefore, NSCC believes the R&W Plan, as it interrelates with the Capital Policy, is consistent with Rule 17Ad-22(e)(15)(ii).<sup>72</sup>

*(B) Clearing Agency's Statement on Burden on Competition*

NSCC does not believe the proposal would have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purpose of the Act.<sup>73</sup> The proposal would apply uniformly to all Members and Limited Members. NSCC does not anticipate that the proposal would affect its day-to-day operations under normal circumstances, or in the management of a typical Member default scenario or non-default event. NSCC is not proposing to alter the standards or requirements for becoming or remaining a Member, or otherwise using its services. NSCC also does not propose to change its methodology for calculation of margin or Clearing Fund contributions. The proposal is intended to (1) address the risk of loss events and identify the tools and resources available to it to withstand and recover from such events, so that it can restore normal operations, and (2) provide a framework for its orderly wind-down and the transfer of its business in the event those recovery tools do not restore NSCC to financial viability, as described herein.

The R&W Plan and each of the Proposed Rules have been developed and documented in order to satisfy applicable regulatory requirements, as discussed above.

With respect to the Recovery Plan, the proposal generally reflects NSCC's existing tools and existing internal procedures. Existing tools that would have a direct impact on the rights, responsibilities or obligations of Members are reflected in the existing Rules or are proposed to be included in the Rules. Accordingly, the Recovery Plan and the proposed Force Majeure Rule are intended to provide a roadmap, define the strategy and identify the tools available to NSCC in connection with its recovery efforts. By proposing to enhance NSCC's existing internal management and its regulatory compliance related to its recovery efforts, NSCC does not believe the Recovery Plan or the proposed Force Majeure Rule would have any impact, or impose any burden, on competition.

With respect to the Wind-down Plan, the proposed Corporation Default Rule, and the proposed Wind-down Rule, which facilitate the execution of the Wind-down Plan, the proposal would operate to effect the transfer of all eligible Members and Limited Members to the Transferee, and would not prohibit any market participant from either bidding to become the Transferee or from applying for membership with the Transferee. The proposal also would not prohibit any Member or Limited Member from withdrawing from NSCC prior to the Transfer Time, as is permitted under the Rules today, or from applying for membership with the Transferee. Therefore, as the proposal would treat each similarly situated Member identically under the Wind-down Plan and under these Proposed Rules, NSCC does not believe the Wind-down Plan, the proposed Corporation Default Rule, or the proposed Wind-down Rule would have any impact, or impose any burden, on competition.

NSCC does not believe that the proposed change to the Rule numbers would have any impact on competition because this proposed change is technical in nature and would not change NSCC's current practices or the rights or obligations of Members

*(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

While NSCC has not solicited or received any written comments relating to this proposal, NSCC has conducted outreach to Members in order to provide them with notice of the proposal. NSCC will notify the Commission of any written comments received by NSCC.

**III. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing. 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-NSCC-2017-017 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-NSCC-2017-017. 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 NSCC and on DTCC's website (<http://dtcc.com/legal/sec-rule-filings.aspx>). 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-NSCC-2017-017 and should be submitted on or before August 3, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>74</sup>

**Eduardo A. Aleman,**  
*Assistant Secretary.*

[FR Doc. 2018-15367 Filed 7-18-18; 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:**

Regulation SCI, Form SCI; SEC File No. 270-653, OMB Control No. 3235-0703.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission

<sup>72</sup> *Id.*

<sup>73</sup> 15 U.S.C. 78q-1(b)(3)(I).

<sup>74</sup> 17 CFR 200.30-3(a)(12).

("Commission") is soliciting comments on the collection of information provided for in Regulation Systems Compliance and Integrity ("Regulation SCI") (17 CFR 242.1000–1007) and Form SCI (17 CFR 249.1900) under the Securities Exchange Act of 1934 ("Exchange Act") (15 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for extension and approval.

Regulation SCI requires certain key market participants to, among other things: (1) Have comprehensive policies and procedures in place to help ensure the robustness and resiliency of their technological systems, and also that their technological systems operate in compliance with the federal securities laws and with their own rules; and (2) provide certain notices and reports to the Commission to improve Commission oversight of securities market infrastructure.

Regulation SCI advances the goals of the national market system by enhancing the capacity, integrity, resiliency, availability, and security of the automated systems of entities important to the functioning of the U.S. securities markets, as well as reinforcing the requirement that such systems operate in compliance with the Exchange Act and rules and regulations thereunder, thus strengthening the infrastructure of the U.S. securities markets and improving its resilience when technological issues arise. In this respect, Regulation SCI establishes an updated and formalized regulatory framework, thereby helping to ensure more effective Commission oversight of such systems.

Respondents consist of national securities exchanges and associations, registered clearing agencies, exempt clearing agencies, plan processors, and alternative trading systems. There are currently 42 respondents, and the Commission staff estimates that, on average, 2 new respondents may become SCI entities each year, 1 of which would be a self-regulatory organization. Accordingly, Commission staff estimates that over the next three years there will be an average of 44 respondents per year.

Rule 1001(a) requires each SCI entity to establish, maintain, and enforce written policies and procedures reasonably designed to ensure that its SCI systems and, for purposes of security standards, indirect SCI systems, have levels of capacity, integrity, resiliency, availability, and security, adequate to maintain the SCI entity's operational capability and promote the maintenance of fair and orderly markets.

The Commission staff estimates that the total annual initial recordkeeping burden for 2 new respondents will be 1,388 hours (694 hours per respondent  $\times$  2 respondents), and the annual ongoing recordkeeping burden for all respondents will be, on average, 10,208 hours (232 hours per respondent  $\times$  44 respondents). The Commission staff estimates that the 2 new respondents would incur, on average, an annual initial internal cost of compliance of \$465,656 (\$232,828 per respondent  $\times$  2 respondents), as well as outside legal or consulting costs of \$94,000 (\$47,000 per respondent  $\times$  2 respondents). In addition, all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$3,426,632 (\$77,878 per respondent  $\times$  44 respondents).

Rule 1001(b) requires each SCI entity to establish, maintain, and enforce written policies and procedures reasonably designed to ensure that its SCI systems operate in a manner that complies with the Exchange Act and the rules and regulations thereunder and the entity's rules and governing documents, as applicable. The Commission staff estimates that the total annual initial recordkeeping burden for 2 new respondents will be 540 hours (270 hours per respondent  $\times$  2 respondents), and the annual ongoing recordkeeping burden for all respondents will be, on average, 6,820 hours (175 hours per SRO respondent  $\times$  33 respondents + 95 hours per non-SRO respondent  $\times$  11 non-SRO respondents). The Commission staff estimates that the 2 new respondents would incur an initial internal cost of compliance of \$203,160 (\$101,580 per respondent  $\times$  2 respondents), as well as outside legal or consulting costs of \$54,000 (\$27,000 per respondent  $\times$  2 respondents). In addition, all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$2,155,780 (\$86,230 per respondent  $\times$  44 respondents).

Rule 1001(c) requires each SCI entity to establish, maintain, and enforce reasonably designed written policies and procedures that include the criteria for identifying responsible SCI personnel, the designation and documentation of responsible SCI personnel, and escalation procedures to quickly inform responsible SCI personnel of potential SCI events. The Commission staff estimates that the total annual initial recordkeeping burden for 2 new respondents will be 228 hours (114 hours per respondent  $\times$  2 respondents), and the annual ongoing recordkeeping burden for all respondents will be, on average, 1,716

hours (39 hours per respondent  $\times$  44 respondents). The Commission staff estimates that the 2 new respondents would incur an initial internal cost of compliance of \$85,056 (\$42,528 per respondent  $\times$  2 respondents), and all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$684,112 (\$15,548 per respondent  $\times$  44 respondents).

Rule 1004 requires each SCI entity to establish standards for the designation of certain members or participants for BC/DR plan testing, to designate members or participants in accordance with these standards, to require participation by designated members or participants in such testing at least annually, and to coordinate such testing on an industry- or sector-wide basis with other SCI entities. The Commission staff estimates that the total annual initial recordkeeping burden for 2 new respondents will be 720 hours (360 hours per respondent  $\times$  2 respondents), and the annual ongoing recordkeeping burden for all respondents that are not plan processors will be, on average, 5,670 hours (135 hours per respondent  $\times$  42 respondents). The Commission staff estimates that the 2 new respondents would incur an initial internal cost of compliance of \$214,596 (\$107,298 per respondent  $\times$  2 respondents). In addition, all respondents that are not plan processors will incur, on average, an estimated ongoing annual internal cost of compliance of \$1,508,850 (\$35,925 per respondent  $\times$  42 respondents). In addition, the Commission staff estimates that the 2 plan processor respondents will incur an estimated ongoing annual cost of \$108,000 for outside legal services (\$54,000 per plan processor respondent  $\times$  2 respondents).

Rule 1002(b)(1) requires each SCI entity, upon any responsible SCI personnel having a reasonable basis to conclude that an SCI event has occurred, to notify the Commission immediately. The Commission staff estimates that the total annual ongoing burden for all respondents will be, on average, 352 hours (8 hours per respondent  $\times$  44 respondents). The Commission staff estimates that respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$108,394 (\$2,463.25 per respondent  $\times$  44 respondents).

Rule 1002(b)(2) requires each SCI entity, within 24 hours of any responsible SCI personnel having a reasonable basis to conclude that the SCI event has occurred, to submit a written notification to the Commission pertaining to the SCI event on a good faith, best efforts basis. These

notifications are required to be submitted on Form SCI. The Commission staff estimates that the total annual ongoing burden for all respondents will be, on average, 5,280 hours (120 hours per respondent  $\times$  44 respondents). The Commission staff estimates that respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$1,739,540 (\$39,535 per respondent  $\times$  44 respondents).

Rule 1002(b)(3) requires each SCI entity to provide updates to the Commission pertaining to an SCI event on a regular basis, or at such frequency as reasonably requested by a representative of the Commission, until the SCI event is resolved and the SCI entity's investigation of the SCI event is closed. The Commission staff estimates that the total annual ongoing burden for all respondents will be, on average, 462 hours (10.5 hours per respondent  $\times$  44 respondents). The Commission staff estimates that all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$144,309 (\$3,279.75 per respondent  $\times$  44 respondents).

Rule 1002(b)(4) requires each SCI entity to submit written interim reports, as necessary, and a written final report regarding an SCI event to the Commission. These reports are required to be submitted on Form SCI. The Commission staff estimates that the total annual ongoing burden for all respondents will be, on average, 7,700 hours (175 hours per respondent  $\times$  44 respondents). The Commission staff estimates that all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$2,686,860 (\$61,065 per respondent  $\times$  44 respondents).

Rule 1002(b)(5) requires each SCI entity to submit to the Commission quarterly reports containing a summary description of any systems disruption or systems intrusion that has had, or the SCI entity reasonably estimates would have, no or a de minimis impact on the SCI entity's operations or on market participants. These reports are required to be submitted on Form SCI. The Commission staff estimates that the total annual ongoing burden for all respondents will be, on average, 7,040 hours (160 hours per respondent  $\times$  44 respondents). The Commission staff estimates that respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$2,378,728 (\$54,062 per respondent  $\times$  44 respondents).

In addition, the Commission staff estimates that respondents will incur, on average, annual costs of \$255,200

(\$5,800  $\times$  44 respondents) for outside legal advice in preparation of certain notifications required by Rule 1002(b).

Rule 1002(c)(1)(i) requires each SCI entity, promptly after any responsible SCI personnel has a reasonable basis to conclude that an SCI event (other than a systems intrusion) has occurred, to disseminate certain information to its members or participants. The Commission staff estimates that the total annual ongoing burden for all respondents will be, on average, 924 hours (21 hours per respondent  $\times$  44 respondents). The Commission staff estimates that all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$604,230 (\$13,732.50 per respondent  $\times$  44 respondents).

Rule 1002(c)(1)(ii) requires each SCI entity, when known, to promptly disseminate additional information about an SCI event (other than a systems intrusion) to its members or participants. Rule 1002(c)(1)(iii) requires each SCI entity to provide to its members or participants regular updates of any information required to be disseminated under Rules 1002(c)(1)(i) and (ii) until the SCI event is resolved. The Commission staff estimates that the total annual ongoing burden for all respondents will be, on average, 5,148 hours (117 hours per respondent  $\times$  44 respondents). The Commission staff estimates that all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$2,033,856 (\$46,224 per respondent  $\times$  44 respondents).

Rule 1002(c)(2) requires each SCI entity to disseminate certain information regarding a systems intrusion to its members or participants, and provides an exception when the SCI entity determines that dissemination of such information would likely compromise the security of its SCI systems or indirect SCI systems, or an investigation of the systems intrusion, and documents the reasons for such determination. The Commission staff estimates that the total annual ongoing burden for all respondents will be, on average, 440 hours (10 hours per respondent  $\times$  44 respondents). The Commission staff estimates that all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$173,415 (\$3,941.25 per respondent  $\times$  44 respondents).

In addition, the Commission staff estimates that all respondents will incur, on average, annual costs of \$146,080 (\$3,320  $\times$  44 respondents) for outside legal advice in preparation of certain notifications required by Rule 1002(c).

Rule 1003(a)(1) requires each SCI entity to submit to the Commission quarterly reports describing completed, ongoing, and planned material changes to its SCI systems and security of indirect SCI systems during the prior, current, and subsequent calendar quarters. These reports are required to be submitted on Form SCI. The Commission staff estimates that the total annual ongoing burden for all respondents will be, on average, 22,000 hours (500 hours per respondent  $\times$  44 respondents). The Commission staff estimates that all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$6,570,520 (\$149,330 per respondent  $\times$  44 respondents).

Rule 1003(a)(2) requires each SCI entity to promptly submit a supplemental report notifying the Commission of a material error in or material omission from a report previously submitted under Rule 1003(a)(1). These reports are required to be submitted on Form SCI. The Commission staff estimates that the total annual ongoing burden for all respondents will be, on average, 660 hours (15 hours per respondent  $\times$  44 respondents). The Commission staff estimates that all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$209,176 (\$4,754 per respondent  $\times$  44 respondents).

Rule 1003(b)(1) requires each SCI entity to conduct an SCI review of its compliance with Regulation SCI not less than once each calendar year, with an exception for penetration test reviews, which are required to be conducted not less than once every three years. Rule 1003(b)(1) also provides an exception for assessments of SCI systems directly supporting market regulation or market surveillance, which are required to be conducted at a frequency based on the risk assessment conducted as part of the SCI review, but in no case less than once every three years. Rule 1003(b)(2) requires each SCI entity to submit a report of the SCI review to senior management no more than 30 calendar days after completion of the review. The Commission staff estimates that the total annual ongoing burden for all respondents will be, on average, 30,360 hours (690 hours per respondent  $\times$  44 respondents). The Commission staff estimates that all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$9,724,660 (\$221,015 per respondent  $\times$  44 respondents).

Rule 1003(b)(3) requires each SCI entity to submit the report of the SCI review to the Commission and to its

board of directors or the equivalent of such board, together with any response by senior management, within 60 calendar days after its submission to senior management. These reports are required to be submitted on Form SCI. The Commission staff estimates that the total annual ongoing burden for all respondents will be, on average, 44 hours (1 hour per respondent  $\times$  44 respondents). The Commission staff estimates that all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$18,128 (\$412 per respondent  $\times$  44 respondents).

In addition, the Commission staff estimates that all respondents will incur, on average, annual costs of \$2,200,000 (\$50,000  $\times$  44 respondents) for outside legal advice in preparation of certain notifications required by Rule 1003(b).

Rule 1006 requires each SCI entity, with a few exceptions, to file any notification, review, description, analysis, or report to the Commission required under Regulation SCI electronically on Form SCI through the EFFFs. An SCI entity will submit to the Commission an EAUF to register each individual at the SCI entity who will access the EFFFs system on behalf of the SCI entity. The Commission staff estimates that the total annual initial burden for 2 new respondents will be 0.6 hours (0.3 hours per respondent  $\times$  2 respondents), and the annual ongoing burden for all respondents will be, on average, 6.6 hours (0.15 hours per respondent  $\times$  44 respondents). The Commission staff estimates that the 2 new respondents would incur an initial internal cost of compliance of \$248 (\$124 per respondent  $\times$  2 respondents), as well as outside costs to obtain a digital ID of \$100 (\$50 per respondent  $\times$  2 respondents). In addition, all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$2,728 (\$62 per respondent  $\times$  44 respondents), as well as outside costs to obtain a digital ID of \$2,200 (\$50 per respondent  $\times$  44 respondents).

Rule 1002(a) requires each SCI entity, upon any responsible SCI personnel having a reasonable basis to conclude that an SCI event has occurred, to begin to take appropriate corrective action. The Commission staff estimates that the total annual initial recordkeeping burden for 2 new respondents will be 228 hours (114 hours per respondent  $\times$  2 respondents), and the annual ongoing recordkeeping burden for all respondents will be, on average, 1,716 hours (39 hours per respondent  $\times$  44 respondents). The Commission staff

estimates that the 2 new respondents would incur an initial internal cost of compliance of \$85,056 (\$42,528 per respondent  $\times$  2 respondents). In addition, all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$677,468 (\$15,397 per respondent  $\times$  44 respondents).

Rule 1003(a)(1) requires each SCI entity to establish reasonable written criteria for identifying a change to its SCI systems and the security of indirect SCI systems as material. The Commission staff estimates that the total annual initial recordkeeping burden for 2 new respondents will be 228 hours (114 hours per respondent  $\times$  2 respondents), and the annual ongoing recordkeeping burden for all respondents will be, on average, 1,188 hours (27 hours per respondent  $\times$  44 respondents). The Commission staff estimates that the 2 new respondents would incur an initial internal cost of compliance of \$85,056 (\$42,528 per respondent  $\times$  2 respondents). In addition, all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$507,584 (\$11,536 per respondent  $\times$  44 respondents).

Regulation SCI also requires SCI entities to identify certain types of events and systems. The Commission staff estimates that the total annual initial recordkeeping burden for 2 new respondents will be 396 hours (198 hours per respondent  $\times$  2 respondents), and the annual ongoing recordkeeping burden for all respondents will be, on average, 1,716 hours (39 hours per respondent  $\times$  44 respondents). The Commission staff estimates that the 2 new respondents would incur an initial internal cost of compliance of \$139,412 (\$69,706 per respondent  $\times$  2 respondents). In addition, all respondents will incur, on average, an estimated ongoing annual internal cost of compliance of \$677,468 (\$15,397 per respondent  $\times$  44 respondents).

Rules 1005 and 1007 establish recordkeeping requirements for SCI entities other than SROs. The Commission staff estimates that for a new respondent that is not an SRO the average annual initial burden would be 170 hours (170 hours  $\times$  1 respondent), and the annual ongoing burden for all respondents will be, on average, 275 hours (25 hours  $\times$  11 respondents). The Commission staff estimates that a new respondent would incur an estimated internal initial internal cost of compliance of \$11,370, as well as a one-time cost of \$900 to modify existing recordkeeping systems. In addition, all respondents will incur, on average, an

estimated ongoing internal cost of compliance of \$18,975 (\$1,725  $\times$  11 respondents).

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be 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 under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Pamela Dyson, 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: July 13, 2018.

**Eduardo A. Aleman,**  
*Assistant Secretary.*

[FR Doc. 2018-15381 Filed 7-18-18; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83635; File No. SR-CHX-2018-004]

**Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing of Amendment Nos. 2 and 3 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendments Nos. 1, 2, and 3 Thereto, in Connection With a Proposed Transaction Involving CHX Holdings, Inc. and the Intercontinental Exchange, Inc.**

July 13, 2018.

### I. Introduction

On May 8, 2018, the Chicago Stock Exchange, Inc. ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange