reasons for such determination. The proposed rule change was published for notice and comment in the **Federal Register** on June 21, 2018.[8] December 18, 2018 is 180 days from that date, and February 16, 2019 is 240 days from that date. The Commission finds it 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.[9]

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,[10] designates February 16, 2019 as the date by which the Commission should either approve or disapprove the proposed rule change (File No. SR–NYSE–2018–28).

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

Eduardo A. Aleman,

Deputy Secretary.

[FR Doc. 2018–27076 Filed 12–13–18; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–84769; File No. SR–FICC–2018–012]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Remove Certain Fees From the Mortgage-Backed Securities Division Clearing Rules and Electronic Pool Notification Rules

December 10, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on November 26, 2018, Fixed Income Clearing Corporation (''FICC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. FICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act [3] and Rule 19b–4(f)(2) thereunder.[4] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of modifications to the FICC's Mortgage-Backed Securities Division (''MBSD'') Clearing Rules (''Clearing Rules'') and the MBSD electronic pool notification (''EPN'') Rules (''EPN Rules,'' and together with the Clearing Rules, ''Rules'') to remove certain fees, as described below.[5]

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

FICC recently completed a strategic review of its revenue and pricing strategy. The goal of the review was to enhance pricing for the Clearing Members and EPN Users (collectively referred to herein as ''participants'') of MBSD and participants of FICC's Government Securities Division (''GSD'').[6] This effort was intended to align fees for services with the cost of providing those services, reduce the complexity of fee structures, and increase the overall transparency of the fees charged for services.

As a result of this review, FICC is proposing to revise the Rules to remove the following fees: (1) MBSD's Surcharge for Submission Method (''Surcharge''), which is a percent surcharge on post discount trade recording fees as recorded on a Clearing Member's monthly bill that is charged to Clearing Members that submit trade data either on a single batch or multi-batch method; (2) MBSD's account maintenance fee ($50 per month for each trade assignment account); and (3) fees for late payments of EPN bills.

As described further below, FICC has determined that the Surcharge and the fees for late payment of EPN bills are no longer necessary to encourage alternatives to batch processing or prompt payment of bills, respectively. As also described below, FICC is proposing to remove MBSD's account maintenance fee for trade assignment accounts does not offer trade assignment accounts.

Each of these proposed changes is described below.

(i) Surcharge for Submission Method

FICC is proposing to remove the Surcharge from the Clearing Rules' Schedule of Charges for the Broker Account Group (''Broker Schedule'') and the Schedule of Charges for the Dealer Account Group (''Dealer Schedule'').[7]

In 2006, FICC implemented the Surcharge to be imposed on Clearing Members that are either single batch submitters or multi-batch submitters of transaction data.[8] The surcharge is (1) fifty percent (with a minimum of $500) on the post discount trade recording fees, as recorded on the monthly bill of single batch submitters, and (2) twenty percent (with a minimum of $500) on the post discount trade recording fees, as recorded on the monthly bill of multi-batch submitters.[9] The Surcharge was introduced to encourage Clearing Members to submit trades using the interactive messaging submission method through FICC's Real-Time Trade Matching (''RTTM'') Web service, encourage submission of transaction data on a timely basis, and cover the costs of batch processing.[10] The rationale for encouraging the use of interactive messaging through RTTM Web included mitigating (1) the risk associated with the longer time to complete trade comparison and confirmation in batch processing; and

[8] *See supra* note 3.

[9] The Commission notes that on November 30, 2018, the Exchange has filed a separate proposed rule change to extend the pilot period, which is currently set to expire on December 31, 2018, until June 30, 2019. *See* SR–NYSE–2018–59.

[10] 15 U.S.C. 78s(b)(2).

[11] 17 CFR 200.30–3(a)(57).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A).

[4] 17 CFR 240.19b–4(f)(4).

[5] *Available at http://www.dtcc.com/legal/rules-and-procedures.* Capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in the Rules.

[6] Earlier this year, FICC implemented changes to the fee structure of GSD in connection with this initiative. *See* Securities Exchange Act Release No. 83401 (June 8, 2018), 83 FR 27812 (June 14, 2018) (SR–FICC–2018–003). FICC's affiliates, The Depository Trust Company and National Securities Clearing Corporation, are also proposing changes to their respective fees.

[7] *Supra* note 5.

[8] *See* Securities Exchange Act Release No. 53061 (January 5, 2006), 71 FR 2078 (January 12, 2006) (SR–FICC–2005–20).

[9] *See* Broker Schedule and Dealer Schedule, *supra* note 5.

[10] Where Clearing Members previously submitted trades to FICC either once or multiple times during the day in batches (referred to as ''batch submission''), interactive messaging through RTTM Web involves the submission of trades to FICC on a real-time basis and allows Clearing Members to, for example, receive trade status messages and cancel or modify trades.

(2) the operational risk introduced when the parties to a trade submit trade data through different submission methods.[11]

Since the introduction of the Surcharge, the use of the interactive trade submission method through RTTM Web has expanded. As of May 2005, thirty-five percent of Clearing Members used interactive messaging through RTTM Web, representing approximately eighty percent of total par and seventy-four percent of total sides of transactions processed.[12] As of June 2018, all Clearing Members were using interactive messaging through RTTM Web for transaction data submission and, while some Clearing Members submit certain files by batch method from time to time, approximately ninety-seven percent of MBSD's total par and total sides of transactions processed were submitted using interactive messaging through RTTM Web. Given that all Clearing Members have now adopted the technology necessary to submit transaction data using the interactive messaging submission method through RTTM Web, FICC does not anticipate that Clearing Members will revert to using solely a batch submission method.

Therefore, FICC believes the Surcharge is no longer necessary and is proposing to remove it from the Clearing Rules. In order to implement this proposed change, FICC would remove the Surcharge from (1) MBSD Clearing Rules, Brokers Schedule, ''I. Fees,'' and (2) MBSD Clearing Rules, Dealers Schedule, ''I. Fees.''

(ii) Account Maintenance Fee for Trade Assignment Accounts[13]

FICC is proposing to remove the account maintenance fee for ''Trade Assignment Accounts'' from the Dealer Schedule.

While the Dealer Schedule includes an account maintenance fee for trade assignment accounts, FICC does not offer trade assignment accounts, and has not been able to identify any records relating to the establishment, maintenance, or termination of this service. Therefore, the proposed change to remove the related account maintenance fee would merely update the Dealer Schedule to reflect current services available to Clearing Members.

In order to implement this proposed change, FICC would remove the ''Trade Assignment Account'' fee from MBSD Clearing Rules, Dealer Schedule, ''I. Fees, Account Maintenance.''

(iii) Fees for Late Payment of EPN Bills[14]

FICC is proposing to remove the ''Additional Fees for Late Payment of EPN Bills'' from the EPN Schedule of Fees in the EPN Rules.

In 1998, FICC implemented a schedule of fees for late payment of financial obligations to FICC in order to motivate participants to pay their obligations to FICC before the applicable deadlines and compensate MBSD for the costs associated with monitoring such late payments.[15] When these fees were implemented, they were added to the Broker Schedule and Dealer Schedule in the Clearing Rules, and to the EPN Schedule of Charges in the EPN Rules. Within the EPN Rules, these fees range from $50 to $500, and are scaled based on whether the late payment is a first, second, third, or fourth occurrence.

In 2004, FICC revised the Broker Schedule and the Dealer Schedule of the Clearing Rules to characterize these fees as fines.[16] While late payment of financial obligations under the Clearing Rules could represent late payment of margin charges, which create risk to FICC, late payments of EPN bills do not present FICC with the same risk. Therefore, similar changes were not made to the EPN Rules in 2004 and these fees remained unchanged. In connection with its recent review of fees, FICC has determined that late payment of EPN bills are rarely applied.[17] In general, EPN users promptly pay their EPN bills. FICC has determined that it is no longer necessary to retain this fee because, as stated above, such late payments do not present FICC with the same risk as late payment of bills under the Clearing Rules. Therefore, FICC is proposing to remove this fee from the EPN Rules.

In order to implement this proposed change, FICC would remove the ''ADDITIONAL FEES FOR LATE PAYMENT OF EPN BILLS'' from the EPN Rules, EPN Schedule of Charges.

Member Outreach

Beginning in June 2018, FICC has conducted ongoing outreach to participants in order to provide them with notice of the proposed changes. As of the date of this filing, no written comments relating to the proposed changes have been received in response to this outreach. The Commission will be notified of any written comments received.

Implementation Timeframe

FICC would implement this proposal on January 1, 2019. As proposed, a legend would be added to the Broker Schedule and the Dealer Schedule in the Clearing Rules and to the EPN Schedule of Charges in the EPN Rules, as appropriate, stating there are changes that became effective upon filing with the Commission but have not yet been implemented. The proposed legend also would include the date on which such changes would be implemented and the file number of this proposal, and would state that, once this proposal is implemented, the legend would automatically be removed from each of the Broker Schedule, the Dealer Schedule, and the EPN Schedule of Charges.

2. Statutory Basis

FICC believes the proposed changes are consistent with the Section 17A(b)(3)(D) of the Act, which requires, in part, that the Rules provide for the equitable allocation of reasonable dues, fees, and other charges among participants.[18] The proposed change to remove the Surcharge from the Broker Schedule and the Dealer Schedule would provide for the equitable allocation of fees among participants because the proposal would apply to all participants, such that no Clearing Members would be subject to this fee following the implementation of the proposed change. The proposed change to remove the fee for late EPN bills from the EPN Schedule of Fees would also provide for the equitable allocation of fees among participants because this proposal would apply to all participants, such that no EPN Users would be subject to this fee following the implementation of the proposed change. Further, FICC believes these two proposed changes are reasonable because they would eliminate two fees that are no longer necessary, for the reasons described above. Therefore, these proposed changes are consistent with Section 17A(b)(3)(D).[19]

[11] *See supra* note 8.

[12] *Id.* at FN 3.

[13] Per email instruction from FICC's legal staff on December 7, 2018, Commission staff revised this subsection to correct a typographical error, changing the number of this subsection from ''(i)'' to ''(ii).''

[14] Per email instruction from FICC's legal staff on December 7, 2018, Commission staff revised this subsection to correct a typographical error, changing the number of this subsection from ''(ii)'' to ''(iii).''

[15] *See* Securities Exchange Act Release No. 39849 (April 10, 1998), 63 FR 19546 (April 20, 1998) (SR–MBSCC–97–09).

[16] *See* Securities Exchange Act Release No. 50965 (January 5, 2005), 70 FR 2201 (January 12, 2005) (SR–FICC–2004–06).

[17] FICC has not charged these fees to any EPN Users for at least four years as of the date of this filing.

[18] 15 U.S.C. 78q–1(b)(3)(D).

[19] *Id.*

The proposed change to remove the account maintenance fee for trade assignment accounts from the Dealer Schedule would provide for the equitable allocation of fees among participants because removing this fee, which does not relate to a service provided by FICC, would improve the accuracy of the Dealer Schedule for all Clearing Members. FICC believes this proposed change is reasonable because, following implementation of the proposed change, the Dealer Schedule would only include fees that relate to existing services provided by FICC. Therefore, this proposed change is also consistent with Section 17A(b)(3)(D).[20]

Rule 17Ad–22(e)(21) under the Act requires, in part, that FICC establish, implement, maintain and enforce written policies and procedures reasonably designed to be efficient and effective in meeting the requirements of its participants and the markets it serves.[21] The proposed change to eliminate the Surcharge would eliminate a fee that is no longer necessary to discourage batch submission of trades, for the reasons described above. The proposed change to eliminate the late payment for EPN bills would also eliminate a fee that is no longer necessary to discourage late payment of such bills, for the reasons described above. Finally, the proposed change to remove the account maintenance fee for trade assignment accounts from the Dealer Schedule would remove a fee from the Dealer Schedule that does not relate to a service offered by FICC. Each of these proposed changes would simplify and update the Rules, thereby improving the clarity of the Rules and enhancing their transparency to participants. By removing fees that are no longer necessary or do not relate to FICC's services, and improving the clarity of the Rules, the proposed changes would allow FICC to more efficiently and effectively meet the requirements of its participants. Therefore, FICC believes this proposed rule change is also consistent with Rule 17Ad–22(e)(21).[22]

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

FICC does not believe that the proposed rule changes would have any impact, or impose any burden, on competition. The proposed changes would eliminate fees that are no longer necessary, for the reasons described above, and would remove a fee from the Clearing Rules that does not relate to a service provided by FICC. Each of the proposed changes would apply equally to all participants such that no participants would be subject to the eliminated fees following the implementation of the proposed changes, and the Clearing Rules would no longer identify a fee that does not relate to an FICC service. Therefore, FICC does not believe these proposed changes would not have any impact on competition.

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

FICC has not solicited or received any written comments relating to this proposal. FICC will notify the Commission of any written comments that it receives.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [23] and paragraph (f) of Rule 19b–4 thereunder.[24] 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.* Please include File Number SR–FICC–2018–012 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to File Number SR–FICC–2018–012. 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 FICC 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–FICC–2018–012 and should be submitted on or before January 4, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[25]

Eduardo A. Aleman,

Deputy Secretary.

[FR Doc. 2018–27079 Filed 12–13–18; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–84765; File No. SR–Phlx–2018–79]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Update the Trading Floor Qualification Examination

December 10, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1], and Rule 19b–4 thereunder,[2] notice is hereby given that on November 30, 2018, Nasdaq PHLX LLC (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or

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[20] *Id.*

[21] 17 CFR 240.17Ad–22(e)(21).

[22] *Id.*

[23] 15 U.S.C. 78s(b)(3)(A).

[24] 17 CFR 240.19b–4(f).

[25] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.