

investors with greater ability to hold Shares based on underlying indexes that may accord more closely with an investor's assessment of market risk.

B. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act,¹³ the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would explicitly permit Exchange listing and trading under Rule 19b-4(e) of Shares based on indexes that include cash as a component, which would enhance competition among market participants, to the benefit of investors and the marketplace.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will: (a) By order approve or disapprove such proposed rule change; or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

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-BatsBZX-2017-26 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-BatsBZX-2017-26. 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 Web site (<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 Web site 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 such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BatsBZX-2017-26, and should be submitted on or before June 15, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017-10686 Filed 5-24-17; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80735; File No. SR-NYSE-2017-11]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change Amending Its Listing Standards for Special Purpose Acquisition Companies To Modify the Initial and Continued Distribution Requirements

May 19, 2017.

On March 20, 2017, the New York Stock Exchange LLC ("NYSE" or "Exchange") 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 amend its listing standards for Special Purpose Acquisition Companies ("SPAC") to modify the initial and continued distribution requirements, and to make other minor changes. The proposed rule change was published for comment in the **Federal Register** on April 6, 2017.³ The Commission received no comments on the proposal.

Section 19(b)(2) of the Act⁴ provides that within 45 days of the notice publication of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is May 21, 2017. The Commission is extending this 45-day time period. The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposal. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁵ designates July 5, 2017, as the date by which the Commission shall either approve or disapprove, or institute

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 80358 (March 31, 2017), 82 FR 16865 (April 6, 2017) ("Notice").

⁴ 15 U.S.C. 78s(b)(2).

⁵ *Id.*

¹³ 15 U.S.C. 78f(b)(8).

¹⁴ 17 CFR 200.30-3(a)(12).

proceedings to determine whether to disapprove, the proposed rule change (File No. SR-NYSE-2017-11).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2017-10691 Filed 5-24-17; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80731; File Nos. SR-DTC-2017-801; SR-FICC-2017-804; SR-NSCC-2017-801]

Self-Regulatory Organizations; The Depository Trust Company; Fixed Income Clearing Corporation; National Securities Clearing Corporation; Notice of No Objection to Advance Notices To Enhance the Credit Risk Rating Matrix and Make Other Changes

May 19, 2017.

On March 22, 2017, The Depository Trust Company (“DTC”), Fixed Income Clearing Corporation (“FICC”), and National Securities Clearing Corporation (“NSCC,” each a “Clearing Agency,” and collectively, “Clearing Agencies”) filed with the Securities and Exchange Commission (“Commission”), respectively advance notices SR-DTC-2017-801, SR-FICC-2017-804, and SR-NSCC-2017-801 (collectively, the “Advance Notices”) pursuant to section 806(e)(1) of the Payment, Clearing, and Settlement Supervision Act of 2010 (“Clearing Supervision Act”)¹ and Rule 19b-4(n)(1)(i)² under the Securities Exchange Act of 1934 (“Exchange Act”).³ The Advance Notices were published for comment in the **Federal Register** on April 7, 2017.⁴ The

Commission received no comments to the Advance Notices. This publication serves as notice that the Commission does not object to the changes set forth in the Advance Notices.

I. Description of the Advance Notices

The Advance Notices consist of proposed modifications to the Rules, By-Laws and Organizational Certificate of DTC (“DTC Rules”), the Rulebook of GSD (“GSD Rules”), the Clearing Rules of MBSD (“MBSD Rules”), and the Rules & Procedures of NSCC (“NSCC Rules”) (collectively, the “Rules”).⁵ The Advance Notices are proposals by the Clearing Agencies to amend the Rules to: (i) Enhance their shared credit risk rating matrix (“Credit Risk Rating Matrix” or “CRRM”), which was developed by the Clearing Agencies to evaluate the credit risks posed by certain Clearing Agency members to the Clearing Agencies (and by implication to all of the Clearing Agency members), as a result of providing services to such members; and (ii) make other amendments to the Rules, both related and unrelated to the CRRM, to provide more transparency and description regarding the Clearing Agencies’ current ongoing membership monitoring process, as described below.

Currently, the CRRM rates the credit risk presented by members of the Clearing Agencies that are U.S. broker-dealers and U.S. banks. The CRRM assigns a credit rating based on certain quantitative factors (“Credit Rating”), which vary based upon whether the member is a broker-dealer or bank.⁶ The current CRRM also uses a relative scoring approach (*i.e.*, rating

participants on a curve) and relies on peer grouping of members to calculate the Credit Rating of a member. Ultimately, the ratings generated are based on a 7-point rating system, with “1” being the strongest Credit Rating and “7” being the weakest Credit Rating. Although the current CRRM does not directly consider qualitative factors, the Clearing Agencies’ credit risk staff may manually downgrade a particular member’s Credit Rating based on various qualitative factors.⁷ Members that receive a Credit Rating of 5, 6, or 7 are placed on the Clearing Agencies’ “Watch List,” as these members present a greater risk of default.⁸

To improve the coverage and the effectiveness of the current CRRM, the Clearing Agencies are proposing three enhancements, as discussed below. In addition to the enhancements, the Clearing Agencies also propose to make other changes to their Rules to more fully describe the Clearing Agencies’ current ongoing membership monitoring process, both related and unrelated to the CRRM, also discussed below.⁹

A. Proposed CRRM Enhancements

Currently, the CRRM is comprised of two Credit Rating models—one for U.S. broker-dealers and one for U.S. banks. The first proposed enhancement would expand the CRRM by adding a third model that would enable the CRRM to generate Credit Ratings for members that are foreign banks or foreign trust companies that have audited financial data that is publicly available. The Credit Rating for these particular members would be based on both quantitative and qualitative factors, as indicated in the second enhancement, below. According to the Clearing Agencies, the expected benefit of this expansion and enhancement of the CRRM would be that the Clearing Agencies could better evaluate the default risk of their foreign bank or foreign trust company members.

The second proposed enhancement would supplement the Clearing Agencies’ ability to manually downgrade members by incorporating

changes were published for comment in the **Federal Register** on April 11, 2017. Securities Exchange Act Release Nos. 30383 (April 5, 2017), 82 FR 17468 (April 11, 2017) (SR-FICC-2017-006); 80382 (April 5, 2017), 82 FR 17483 (April 11, 2017) (SR-DTC-2017-002); and 80381 (April 5, 2017), 82 FR 17475 (April 11, 2017) (SR-NSCC-2017-002). The Commission did not receive any comments on the proposed rule changes.

⁵ Available at <http://www.dtcc.com/en/legal/rules-and-procedures>. FICC is comprised of two divisions: The Government Securities Division (“GSD”) and the Mortgage-Backed Securities Division (“MBSD”). Each division serves as a central counterparty, becoming the buyer and seller to each of their respective members’ securities transactions and guarantying settlement of those transactions, even if a member defaults. GSD provides, among other things, clearance and settlement for trades in U.S. Government debt issues. MBSD provides, among other things, clearance and settlement for trades in mortgage-backed securities. GSD and MBSD maintain separate sets of rules, margin models, and clearing funds.

⁶ For U.S. broker-dealers, the Clearing Agencies consider size (*i.e.*, total excess net capital), capital, leverage, liquidity, and profitability. For U.S. banks, the Clearing Agencies consider size, capital, asset quality, earnings, and liquidity.

⁷ Quantitative factors currently considered by the Clearing Agencies include: (a) Available news reports and/or regulatory observations relating to the member; (b) member’s liquidity arrangements; and (c) material changes to the member’s organizational structure.

⁸ Members on the Watch List are subject to enhanced surveillance by the Clearing Agencies and additional margin charges.

⁹ Although each of the Clearing Agencies uses the CRRM uniformly, the description of the respective Clearing Agencies’ Rules regarding the CRRM are different. To address this issue, the Clearing Agencies propose to adopt similar Rules at each Clearing Agency.

⁶ 17 CFR 200.30-3(a)(31).

¹ 12 U.S.C. 5465(e)(1). The Financial Stability Oversight Council designated the Clearing Agencies systemically important financial market utilities on July 18, 2012. Financial Stability Oversight Council 2012 Annual Report, Appendix A, <http://www.treasury.gov/initiatives/fsoc/Documents/2012%20Annual%20Report.pdf>. Therefore, the Clearing Agencies are required to comply with the Clearing Supervision Act and file advance notices with the Commission. 12 U.S.C. 5465(e).

² 17 CFR 240.19b-4(n)(1)(i).

³ 15 U.S.C. 78s(b)(1).

⁴ Securities Exchange Act Release Nos. 80395 (April 7, 2017), 82 FR 17921 (April 13, 2017) (SR-NSCC-2017-801); 80396 (April 7, 2017), 82 FR 17906 (April 13, 2017) (SR-FICC-2017-804); and 80394 (April 7, 2017), 82 FR 17901 (April 13, 2017) (SR-DTC-2017-801) (“Notices”). The Clearing Agencies also filed proposed rule changes with the Commission pursuant to section 19(b)(1) of the Exchange Act and Rule 19b-4 thereunder, seeking approval of changes to their Rules necessary to implement the proposal. 15 U.S.C. 78s(b)(1) and 17 CFR 240.19b-4, respectively. The proposed rule