

believes that in doing so the proposed rule change would improve the efficiency and accuracy of communications regarding default auctions, which may help to avoid delays or miscommunications that could delay the completion of an auction. Thus, in requiring use of the DMS, the Commission believes the proposed rule change would help to promote the prompt resolution of default auctions. Similarly, the Commission believes that all or nothing bidding would enhance ICC's ability to sell all of the open CDS contracts in an initial default auction by providing a means for a single bidder to take all of the contracts and requiring that ICC allocate such contracts to that bidder if the all or nothing bid meets the Auction Clearing Price. Finally, the Commission believes that the updates to the defined terms and the clarification regarding a Clearing Participant's ability to transfer its minimum requirement to an affiliate would support and enhance ICC's ability to implement these changes.

Through default auctions, ICC allocates the open CDS contracts of a defaulting Clearing Participant to other, non-defaulting Clearing Participants. Thus, in improving the efficiency of such auctions, the Commission believes the proposed rule change would promote the prompt and accurate clearance and settlement of the CDS transactions resulting from such auctions. Moreover, the Commission believes that the default of a Clearing Participant, if not promptly resolved, could cause losses for ICC. The Commission believes the proposed rule change would help to avoid these losses by promoting the prompt resolution of default auctions, and therefore the prompt resolution of a Clearing Participant's default. Because losses resulting from the default of a Clearing Participant could disrupt ICC's ability to operate and therefore threaten ICC's access to securities and funds, the Commission believes the proposed rule change also would help to assure the safeguarding of securities and funds in ICC's custody and control. Finally, for these reasons, the Commission believes that the proposed rule change would, in general, protect investors and the public interest.

Therefore, the Commission finds that the proposed rule change would promote the prompt and accurate clearance and settlement of securities transactions, assure the safeguarding of securities and funds in ICC's custody and control, and, in general, protect investors and the public interest,

consistent with the Section 17A(b)(3)(F) of the Act.<sup>10</sup>

#### *B. Consistency With Rule 17Ad-22(d)(11)*

Rule 17Ad-22(d)(11) requires that ICC establish, implement, maintain and enforce written policies and procedures reasonably designed to make key aspects of its default procedures publicly available and establish default procedures that ensure that ICC can take timely action to contain losses and liquidity pressures and to continue meeting its obligations in the event of a participant default.<sup>11</sup> As discussed above, the Commission believes the proposed rule change would improve the efficiency and accuracy of communications regarding default auctions and increase the likelihood that ICC is able to allocate all open CDS contracts in an initial auction by providing a means for a single bidder to take all of the contracts up for auction. The Commission believes that these changes would help ICC to resolve defaults quickly through auctions. The Commission believes, in turn, that resolving defaults quickly through auctions would therefore help to ensure that ICC can take timely action to contain losses and liquidity pressures and to continue meeting its obligations in the event of a Clearing Participant's default.

Therefore, for the above reasons the Commission finds that the proposed rule change is consistent with Rule 17Ad-22(d)(11).<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(d)(11) 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-2019-011), be, and hereby is, approved.<sup>16</sup>

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

<sup>11</sup> 15 U.S.C. 17Ad-22(d)(11).

<sup>12</sup> 15 U.S.C. 17Ad-22(d)(11).

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

<sup>14</sup> 17 CFR 240.17Ad-22(d)(11).

<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).

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

**J. Matthew DeLesDernier,**  
*Assistant Secretary.*

[FR Doc. 2019-27872 Filed 12-26-19; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[SEC File No. 2019-072, OMB Control No. 3235-0076]**

### **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:  
Form D

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Form D (17 CFR 239.500) is a notice of sales filed by issuers making an offering of securities in reliance on an exemption under Regulation D (17 CFR 230.501 *et seq.*) or Section 4(a)(5) of the Securities Act of 1933 (15 U.S.C. 77d(a)(5)). Regulation D sets forth rules governing the limited offer and sale of securities without Securities Act registration. The purpose of Form D is to collect empirical data, which provides a continuing basis for action by the Commission either in terms of amending existing rules and regulations or proposing new ones. In addition, the Form D allows the Commission to elicit information necessary in assessing the effectiveness of Regulation D (17 CFR 230.501 *et seq.*) and Section 4(6) of the Securities Act of 1933 (15 U.S.C. 77d(6)) as capital-raising devices for all businesses. Approximately 23,571 issuers file Form D and it takes approximately 4 hours per response. We estimate that 25% of 4 hours per response (1 hour per response) is prepared by the issuer for an annual reporting burden 23,571 hours (1 hour per response × 23,571 responses).

Written comments are invited on: (a) Whether this collection of information

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

is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collection of information; (c) ways to enhance the quality, utility, and clarity of the information 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.

Please direct your written comments to Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street NE, Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: December 19, 2019.

**J. Matthew DeLesDernier,**  
Assistant Secretary.

[FR Doc. 2019-27863 Filed 12-26-19; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87803; File No. SR-NYSE-2019-70]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change, as Modified by Partial Amendment No. 1, To Amend the Fees for NYSE BBO and NYSE Trades

December 19, 2019.

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 December 4, 2019, New York Stock Exchange LLC ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. On December 17, 2019, the Exchange filed Partial Amendment No. 1 to the proposed rule change.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Partial

Amendment No. 1, from interested persons.

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

The Exchange proposes to (1) amend the fees for NYSE BBO and NYSE Trades by modifying the application of the Access Fee; (2) amend the fees for NYSE Trades by adopting a credit applicable to the Redistribution Fee; and (3) adopt a one-month free trial for all NYSE market data products. The Exchange also proposes to remove certain obsolete text. The Exchange proposes to implement the proposed fee changes on February 3, 2020. 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 Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange proposes to decrease the fees for certain NYSE market data products, as set forth on the NYSE Proprietary Market Data Fee Schedule ("Fee Schedule"). These fee decreases, taken together with fee decreases filed by the Exchange's affiliated exchanges, NYSE Arca, Inc. ("NYSE Arca") and NYSE American LLC ("NYSE American"),<sup>4</sup> will reduce the fees associated with the NYSE BQT proprietary data product, which competes directly with similar products offered by both the Nasdaq and Cboe families of U.S. equity exchanges. Collectively, the proposed fee decreases are intended to respond to the competition posed by similar products offered by the other exchange groups.

Specifically, the Exchange proposes to (1) reduce the Access Fees by more than 93% for subscribers of NYSE BBO and NYSE Trades that receive a data feed and use those market data products in a display-only format; (2) provide for a credit applicable to the Redistribution Fee for subscribers of NYSE Trades that use that market data product for display purposes; and (3) adopt a one-month free trial for all NYSE market data products. The Exchange also proposes non-substantive changes to remove certain obsolete text from the Fee Schedule. All of the proposed changes would decrease fees for market data on the Exchange.

The Exchange proposes to implement these proposed fee changes on February 3, 2020.

#### Background

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>5</sup>

As the Commission itself recognized, the market for trading services in NMS stocks has become "more fragmented and competitive."<sup>6</sup> Indeed, equity trading is currently dispersed across 13 exchanges,<sup>7</sup> 31 alternative trading systems,<sup>8</sup> and numerous broker-dealer internalizers and wholesalers, all competing for order flow. Based on publicly-available information, no single exchange currently has more than 18% market share (whether including or excluding auction volume).<sup>9</sup>

With the NYSE BQT market data product, NYSE and its affiliates compete

<sup>5</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37495, 37499 (June 29, 2005) (S7-10-04) (Final Rule) ("Regulation NMS Adopting Release").

<sup>6</sup> See Securities Exchange Act Release No. 51808, 84 FR 5202, 5253 (February 20, 2019) (File No. S7-05-18) (Transaction Fee Pilot for NMS Stocks Final Rule) ("Transaction Fee Pilot").

<sup>7</sup> See Cboe Global Markets, U.S. Equities Market Volume Summary, available at [http://markets.cboe.com/us/equities/market\\_share/](http://markets.cboe.com/us/equities/market_share/). See generally <https://www.sec.gov/fast-answers/divisionsmarketregmrexchangesshtml.html>.

<sup>8</sup> See FINRA ATS Transparency Data, available at <https://otctransparency.finra.org/otctransparency/AtsIssueData>. A list of alternative trading systems registered with the Commission is available at <https://www.sec.gov/foia/docs/atstlist.htm>.

<sup>9</sup> See Cboe Global Markets U.S. Equities Market Volume Summary, available at [http://markets.cboe.com/us/equities/market\\_share/](http://markets.cboe.com/us/equities/market_share/).

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> In Partial Amendment No. 1, the Exchange provided an additional example in support of the proposed rule change.

<sup>4</sup> See SR-NYSEArca-2019-88 and SR-NYSEAmer-2019-55.