

This Notice will be published in the **Federal Register**.

Erica A. Barker,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-93788; File No. SR-NYSEArca-2021-90]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To List and Trade Shares of Grayscale Bitcoin Trust (BTC) Under NYSE Arca Rule 8.201-E

December 15, 2021.

On October 19, 2021, NYSE Arca, Inc. ("NYSE Arca") 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 list and trade shares of Grayscale Bitcoin Trust (BTC) under NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares). The proposed rule change was published for comment in the **Federal Register** on November 8, 2021.³

Section 19(b)(2) of the Act⁴ provides that within 45 days of the publication of notice of the filing of a proposed rule change, 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 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 December 23, 2021. The Commission is extending this 45-day time period.

The Commission finds that it is 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 proposed rule change and the comments received.

Accordingly, pursuant to Section 19(b)(2) of the Act,⁵ the Commission designates February 6, 2022, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-NYSEArca-2021-90).

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

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2021-27543 Filed 12-20-21; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-93795; File No. SR-ICC-2021-022]

Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change Relating to the ICC End-of-Day Price Discovery Policies and Procedures

December 15, 2021.

I. Introduction

On October 13, 2021, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to revise ICC's End-of-Day Price Discovery Policies and Procedures (the "Pricing Policy"). The Pricing Policy formalizes ICC's end-of-day ("EOD") price discovery process that provides prices for cleared credit default swap ("CDS") contracts based on submissions from ICC's Clearing Participants.³ The proposed rule change was published for comment in the **Federal Register** on November 2, 2021.⁴ The Commission did not receive comments regarding the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change.

II. Description of the Proposed Rule Change

As part of ICC's current EOD price discovery process to obtain reliable,

market-driven prices of cleared CDS instruments, ICC Clearing Participants ("CPs") are required to submit daily EOD prices for cleared single name CDS instruments, index CDS instruments, and options on index CDS instruments related to their open positions at ICC in accordance with the Pricing Policy. ICC uses the resulting EOD prices for risk management purposes. ICC is proposing to revise the Pricing Policy with respect to CPs' EOD price submissions for index CDS instruments ("index submissions").⁵

The Pricing Policy currently allows CPs to provide index submissions in either spread convention or price convention. The proposed rule change would remove the ability for CPs to provide index submissions in spread convention and would require CPs to provide all index submissions in price convention, which ICC explains would standardize its instrument submission requirements and allow ICC to avoid converting between spread and price.⁶ ICC represents that it intends to implement the proposed rule change in a phased approach following Commission approval and the completion of any other required governance or internal processes.⁷ The proposed specific amendments are summarized as follows.

ICC proposes to amend Subsection 2.2.3 of the Pricing Policy, which sets out the submission format requirements for index instruments. Currently, index submissions may be provided in spread convention or price convention depending on the instrument, as illustrated in Table 8. Under the proposed changes, index submissions would be provided only in price convention, which has two acceptable types, price or upfront. The proposed changes remove Table 8 and language regarding the submission of recovery rates, which relate to submissions provided in spread terms. ICC proposes minor changes to renumber the tables in the Pricing Policy accordingly, and to spell out an abbreviated term "RR" as "recovery rate" in this subsection.

ICC proposes to amend Subsection 2.2.4 related to the standardization of submissions. Currently, the cross-and-lock algorithm used by ICC to determine EOD prices and potential trades requires inputs in bid-offer format and executes in price terms or spread terms depending on the convention for the considered instrument. Currently, ICC standardizes CP submissions into bid-

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 93504 (Nov. 2, 2021), 86 FR 61804. Comments received on the proposed rule change are available at: <https://www.sec.gov/comments/sr-nysearca-2021-90/srnysearca202190.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ *Id.*

⁶ 17 CFR 200.30-3(a)(31).

⁷ 15 U.S.C. 78s(b)(1).

⁸ 17 CFR 240.19b-4.

⁹ Capitalized terms used but not defined herein have the meanings specified in the Pricing Policy.

¹⁰ Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing of Proposed Rule Change Relating to the ICC End-of-Day Price Discovery Policies and Procedures, Exchange Act Release No. 93432 (Oct. 27, 2021); 86 FR 60493 (Nov. 2, 2021) (SR-ICC-2021-022) ("Notice").

¹¹ The description herein is substantially excerpted from the Notice.

¹² See Notice at 60494.

¹³ *Id.*

offer format in either price or spread terms, depending on the convention. Under the proposed changes, the cross-and-lock algorithm would execute in price terms only. The proposed changes would remove language referencing spread terms and distinguishing between price and spread terms. The proposed changes also would remove language differentiating between submissions in price or spread in subpart (a) of Subsection 2.2.4.

ICC proposes similar changes to Subsection 2.3 (End-of-Day Levels and Potential-Trades). As proposed, ICC would no longer determine EOD levels in terms of either spread or price. Specifically, the proposed changes would remove language requiring ICC to execute the cross-and-lock algorithm in spread-space for index instruments with a quote convention of spread, in price-space for index instruments with a quote convention of price, and in price-space for all single name and index option instruments. Under Subsection 2.3.1(g) of the Pricing Policy, ICC currently adjusts outlying submission trade prices for index option, single name, and index instruments with a cross-and-lock convention of price and outlying submission trade spreads for index instruments with a cross-and-lock convention of spread. For index instruments with a cross-and-lock convention of spread, ICC performs a conversion between trade price and spread. The proposed changes would remove the need for ICC to adjust outlying submission trade spreads, including the need for a conversion between trade price and spread.

III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization.⁸ For the reasons given below, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act and Rule 17Ad-22(e)(6)(iv) thereunder.⁹

A. Consistency With Section 17A(b)(3)(F) of the Act

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of ICC be designed to promote the prompt and accurate clearance and settlement of securities transactions

and, to the extent applicable, derivative agreements, contracts, and transactions.¹⁰

As noted above, the proposed rule change would amend several subsections of the Pricing Policy to require CPs to provide all index submissions in price convention rather than in spread convention. Specifically, in Subsection 2.2.3, ICC would remove Table 8 given that ICC's submission requirements for index instruments would no longer accommodate spread convention, and also related language regarding the submission of recovery rates, which relate to submissions provided in spread terms. In Subsection 2.2.4, ICC would amend the cross-and-lock algorithm to execute in price terms (rather than in price or spread terms depending on the convention for the considered instrument), and remove language referencing spread terms and other language that distinguishes or differentiates between price and spread terms. In Subsection 2.3, ICC would remove language requiring ICC to execute the cross-and-lock algorithm in spread-space for index instruments with a quote convention of spread, in price-space for index instruments with a quote convention of price, and in price-space for all single name and index option instruments, and also eliminate the need to adjust outlying submission trade spreads, including the need for conversion between trade price and spread for index instruments with a cross-and-lock convention of spread.

The Commission believes that these aspects of the proposed rule change would simplify the EOD price discovery process for index CDS instruments with standardized submission requirements, and thereby facilitate ICC's risk management of such instruments. Specifically, the Commission believes that, by requiring CPs to provide all index submissions in price convention, ICC would avoid spending additional time and resources for adjusting outlying submission trade spreads and converting between trade price and spread, thereby helping to reduce potential operational risks and inefficiencies in ICC's EOD price discovery and risk management processes for cleared index CDS instruments. The Commission believes that reducing operational risk and inefficiencies by simplifying the EOD submission process would, in turn, enhance the efficiency of ICC's EOD price discovery process and help promote the prompt and accurate clearance and settlement of index CDS.

As noted above, the proposed rule change includes administrative revisions designed to support the substantive changes relating to simplification of the EOD submission process (e.g., removal of Table 8; deletion of language regarding the submission of recovery rates; renumbering of other tables in the Pricing Policy; and providing a complete reference to an abbreviated term). The Commission believes that these administrative changes would also promote the prompt and accurate clearance and settlement of such instruments to the extent such changes support the substantive changes described above.

Therefore, the Commission believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act.¹¹

B. Consistency With Rule 17Ad-22(e)(6)(iv) Under the Act

Rule 17Ad-22(e)(6)(iv)¹² requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to cover its credit exposures to its participants by establishing a risk-based margin system that, at a minimum, uses reliable sources of timely price data and uses procedures and sound valuation models for addressing circumstances in which pricing data are not readily available or reliable. The Commission believes the proposed rule change, by amending several subsections of the Pricing Policy, as described above, to require CPs to provide all index submissions only in price convention rather than allowing submission in either price or spread, should help ICC establish more timely price data on which it may rely when calculating margin requirements that will account for the risks posed by index CDS instruments as part of its overall risk-based margin system and risk management processes.

The Commission believes that the proposed rule change is therefore consistent with Rule 17Ad-22(e)(6)(iv).¹³

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 and Rule 17Ad-22(e)(6)(iv) thereunder.¹⁴

¹¹ 15 U.S.C. 78q-1(b)(3)(F).

¹² 17 CFR 240.17Ad-22(e)(6)(iv).

¹³ 17 CFR 240.17Ad-22(e)(6)(iv).

¹⁴ 17 CFR 240.17Ad-22(e)(6)(iv).

⁸ 15 U.S.C. 78s(b)(2)(C).

⁹ 17 CFR 240.17Ad-22(e)(6)(iv).

¹⁰ 15 U.S.C. 78q-1(b)(3)(F).

It is therefore ordered pursuant to Section 19(b)(2) of the Act¹⁵ that the proposed rule change (SR-ICC-2021-022), be, and hereby is, approved.¹⁶

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

J. Matthew DeLesDernier,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-93789; File No. SR-NASDAQ-2021-099]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change To Amend Nasdaq Rule 5815 Regarding the Use of a Panel Monitor Following a Compliance Determination by a Nasdaq Listings Qualification Hearings Panel

December 15, 2021.

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 December 10, 2021, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) 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 Rule 5815 regarding the use of a Panel Monitor following a compliance determination by a Nasdaq Listings Qualification Hearings Panel.

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules>, 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 Exchange 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 Exchange 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

Nasdaq administers a series of rules that govern the initial and continued listing qualifications required of companies listed on the Exchange.³ In the event that a company fails to maintain compliance with the Listing Rules, Nasdaq Listings Qualifications Staff (“Staff”) will issue a notification informing the company of the deficiency. Where allowed by Nasdaq’s rules, Staff’s notification may provide for a cure or compliance period or allow the company to submit a plan of compliance for Staff to review.

However, where a company has previously been deficient with a listing requirement and regained compliance pursuant to an exception (“exception”)⁴ from a continued listing standard granted by an industry Hearings Panel (“Hearings Panel”) pursuant to Rule 5815(c)(1)(A), under certain circumstances, Nasdaq rules do not allow that company a cure or compliance period or the opportunity to submit a plan to regain compliance in the event it incurs another deficiency within one year of regaining compliance with a previous deficiency. Instead, Exchange Rules 5815(d)(4)(A) or (B) apply. Both rules set out a process by which Staff will issue a Delisting

Determination⁵ for a company that fails to maintain compliance with one or more listing requirements within one year of having regained compliance with one or more listing requirements pursuant to an exception granted by a Hearings Panel. Once a Delisting Determination letter has been issued to a company pursuant to Rules 5815(d)(4)(A) or 5815(d)(4)(B), the company may then request a hearing before a Hearings Panel to argue in favor of maintaining its Exchange listing. Unless specifically outlined in proposed Rule 5815(d)(4)(C), the process for conducting a review of a Staff Delisting Determination will continue to be governed by Rule 5815.

Rule 5815(d)(4)(A), entitled “Hearings Panel Monitor,” provides a Hearings Panel with discretion to monitor a company for a period of up to one year after the date a company regains compliance with a listing standard if it concludes that there is a likelihood that a company will fail to maintain compliance with one or more listing standards during that period (including requirements with which the company was not previously deficient). During this one-year monitoring period, Staff will monitor the company, to confirm compliance with all listing requirements. While Staff monitors all listed companies for compliance with the Exchange’s listing standards, if Staff identifies a deficiency with any listing requirement for companies that are being monitored under Rule 5815(d)(4)(A), staff may not provide the company with a cure or compliance period, nor the opportunity to submit a plan to regain compliance with the deficiency. Instead, Staff will issue a Delisting Determination for these companies.

Rule 5815(d)(4)(B) provides that a company that received an exception from a Hearings Panel with respect to the stockholder’s equity requirement, periodic filing requirement or a bid price requirement where the company was ineligible for a bid price compliance period under Listing Rule 5810(c)(3)(A)(iii) or (iv), and subsequently regained compliance with the listing requirement that was the subject of the exception, will not be allowed a cure or compliance period or the opportunity to submit a plan of compliance for Staff to review as allowed under Listing Rule 5810(c)(2) if, within one year of regaining compliance, the company subsequently

³ See Nasdaq Rules 5300, 5400, and 5500 Series, outlining requirements for companies seeking to conduct an initial listing on Nasdaq Global Select Market, Nasdaq Global Market and Nasdaq Capital Market, respectively, as well as requirements for continued listing once an initial listing has been completed.

⁴ See Rule 5815(c)(1): When the Hearings Panel review is of a deficiency related to continued listing standards, the Hearings Panel may, where it deems appropriate: (A) Grant an exception to the continued listing standards for a period not to exceed 180 days from the date of the Staff Delisting Determination with respect to the deficiency for which the exception is granted.

⁵ See Rule 5805(h): “Staff Delisting Determination” or “Delisting Determination” is a written determination by the Listing Qualifications Department to delist a listed Company’s securities for failure to meet a continued listing standard.

¹⁵ 15 U.S.C. 78s(b)(2).

¹⁶ 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).

¹⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.