

should be submitted on or before March 25, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁶

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-94330; File No. SR-ICC-2022-001]

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to ICC's Fee Schedules

February 28, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934,¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 17, 2022, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission the proposed rule change, as described in Items I, II and III below, which Items have been prepared primarily by ICC. ICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ such that the proposed rule change was immediately effective upon filing with the Commission. 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 principal purpose of the proposed rule change is to modify ICC's

fee schedules to implement reduced fees for credit default index swaptions ("Index Options") through calendar year 2022. These revisions do not require any changes to the ICC Clearing Rules.

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

In its filing with the Commission, ICC included statements concerning the purpose of and basis for the proposed rule change, security-based swap submission, or advance notice and discussed any comments it received on the proposed rule change, security-based swap submission, or advance notice. The text of these statements may be examined at the places specified in Item IV below. ICC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

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

(a) Purpose

The proposed changes are intended to modify ICC's fee schedules to implement reduced fees for Index Options through calendar year 2022.⁵ ICC maintains a Clearing Participant ("CP") fee schedule⁶ and client fee schedule⁷ (collectively, the "fee schedules") that are publicly available

⁵ Pursuant to an Index Option, one party (the "Swaption Buyer") has the right (but not the obligation) to cause the other party (the "Swaption Seller") to enter into an index credit default swap transaction at a pre-determined strike price on a specified expiration date on specified terms. In the case of Index Options that may be cleared by ICC, the underlying index credit default swap is limited to certain CDX and iTraxx index credit default swaps that are accepted for clearing by ICC, and which would be automatically cleared by ICC upon exercise of the Index Option by the Swaption Buyer in accordance with its terms.

⁶ CP fee details available at: https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Fees_Clearing_Participant.pdf.

⁷ Client fee details available at: https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Fees.pdf. As specified, all fees are charged directly to a client's CP.

on its website, which ICC proposes to update. Clearing fees are due by CPs and clients in accordance with the product, amount and currency set out in the fee schedules and subject to any incentive program described in the fee schedules. The proposed changes to the fee schedules are set forth in Exhibit 5A and Exhibit 5B and described in detail as follows. ICC proposes to make such changes effective March 1, 2022 (the "Effective Date"), subject to the completion of any applicable regulatory review process.

The amended CP fee schedule would reduce Index Option fees to \$1/million or €1/million through calendar year 2022. Under the current CP fee schedule, Index Option fees are \$3/million or €3/million, subject to an incentive program that provides a tiered discount schedule based on U.S. Dollar equivalent, non-discounted Index Option fees billed since the start of the year. ICC also offered certain other incentive programs that discounted Index Option fees as part of the CP fee schedule, which expired at the end of calendar year 2021 and are removed from Exhibit 5A.⁸ Under the proposed changes, in addition to updating the fee table, ICC would include a footnote to indicate that the listed fees of \$1/million or €1/million are applicable from the Effective Date through calendar year 2022 and reflect a discount from ICC's regular Index Option fees of \$3/million or €3/million. On the first business day of 2023, ICC would remove this discount and the listed fees would revert to ICC's regular Index Option fees on this schedule dated January 2023.

⁸ A description of these incentive programs is included in prior filings. SEC Release No. 34-90524 (November 27, 2020) (notice), 85 FR 78157 (December 3, 2020) (SR-ICC-2020-013); SEC Release No. 34-91922 (May 18, 2021) (notice), 86 FR 27938 (May 24, 2021) (SR-ICC-2021-014).

³⁶ 17 CFR 200.30-3(a)(12).

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)(2).

The amended client fee schedule would also reduce Index Option fees to \$1/million or €1/million through calendar year 2022. Under the current client fee schedule, Index Option fees are \$4/million or €4/million. ICC also offered an incentive program that discounted Index Option fees as part of the client fee schedule, which expired at the end of calendar year 2021 and is removed from Exhibit 5B.⁹ Under the proposed changes, in addition to updating the fee table, ICC would indicate in a footnote that the listed fees of \$1/million or €1/million are applicable from the Effective Date through calendar year 2022 and reflect a discount from ICC's regular Index Option fees of \$4/million or €4/million. On the first business day of 2023, ICC would remove this discount and the listed fees would revert to ICC's regular Index Option fees on this schedule dated January 2023.

(b) Statutory Basis

ICC believes that the proposed rule change is consistent with the requirements of the Act, including Section 17A of the Act¹⁰ and the regulations thereunder applicable to it. More specifically, the proposed rule change establishes or changes a member due, fee or other charge imposed by ICC under Section 19(b)(3)(A)(ii) of the Act¹¹ and Rule 19b-4(f)(2)¹² thereunder. ICC believes the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC, in particular, to Section 17A(b)(3)(D),¹³ which requires that the rules of the clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.

ICC believes that the proposed discounts in the fee schedules have been set at an appropriate level. In determining the appropriate discount level, ICC considered factors such as volume, revenue, and market participation in the clearing service, including based on different fee levels. ICC also considered costs and expenses in offering clearing of Index Options, taking into account the investments that ICC has made in clearing such products and the level of investment and development needed for this clearing service at this time. In ICC's view, the

fees are reasonable as the discounts correspond with anticipated volumes, costs and expenses, and revenues, and they consider current and past market activity as well as anticipated market activity with respect to clearing Index Options at ICC.¹⁴ Furthermore, the proposed discounts are in line with past Index Option incentive programs that ICC offered, which similarly temporarily reduced Index Option fees without any further action required by CPs or clients. Under the proposed changes, the same discounted rate would apply to both CPs and clients. These reduced fees are designed to incentivize the clearing of Index Options by CPs and clients to grow this clearing service.

Moreover, the proposed fee changes will apply equally to all market participants clearing Index Options. The reduced fees for Index Options through calendar year 2022 apply to all CPs and clients. ICC's fee schedules will continue to be transparent and to apply equally to market participants clearing indexes, single names, and Index Options at ICC. Therefore, the proposed rule change provides for the equitable allocation of reasonable dues, fees and other charges among participants, within the meaning of Section 17A(b)(3)(D) of the Act.¹⁵ ICC therefore believes that the proposed rule change is consistent with the requirements of Section 17A of the Act¹⁶ and the regulations thereunder applicable to it and is appropriately filed pursuant to Section 19(b)(3)(A) of the Act¹⁷ and paragraph (f)(2) of Rule 19b-4¹⁸ thereunder.

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

ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purpose of the Act. As discussed above, the proposed changes modify ICC's fee schedules to temporarily reduce fees for Index Options and will apply uniformly across all market participants. The implementation of such changes does not preclude other market participants from offering such instruments for clearing or offering incentive programs. Moreover, ICC does not believe that the amendments would adversely affect the ability of market participants to access clearing services. Accordingly, ICC does not believe the

amendments impose any burden on competition not necessary or appropriate in furtherance of the purpose of the Act.

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

Written comments relating to the proposed rule change have not been solicited or received. ICC will notify the Commission of any written comments received by ICC.

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 Act¹⁹ and paragraph (f) of Rule 19b-4²⁰ thereunder. 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-ICC-2022-001 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-ICC-2022-001. 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 (<https://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule

⁹ A description of this incentive program is included in a prior filing. SEC Release No. 34-91922 (May 18, 2021) (notice), 86 FR 27938 (May 24, 2021) (SR ICC-2021-014).

¹⁰ 15 U.S.C. 78q-1.

¹¹ 15 U.S.C. 78s(b)(3)(A)(ii).

¹² 17 CFR 240.19b-4(f)(2).

¹³ 15 U.S.C. 78q-1(b)(3)(D).

¹⁴ Supporting detail and additional data, including clearing statistics for Index Options is included in confidential Exhibit 3.

¹⁵ 15 U.S.C. 78q-1(b)(3)(D).

¹⁶ 15 U.S.C. 78q-1.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f)(2).

¹⁹ 15 U.S.C. 78s(b)(3)(A).

²⁰ 17 CFR 240.19b-4(f)(2).

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 such filings will also be available for inspection and copying at the principal office of ICE Clear Credit and on ICE Clear Credit's website at <https://www.theice.com/clear-credit/regulation>.

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-ICC-2022-001 and should be submitted on or before March 25, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²¹

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-94328; File No. SR-CboeBZX-2022-009]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating To Modify How Drill-Through Price Protection Applies to Users' Orders When Multiple Stop Order and Stop-Limit Orders Are Triggered by the Same Price

February 28, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 17, 2022, Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") 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 Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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

Cboe BZX Exchange, Inc. ("BZX" or the "Exchange") is filing with the Securities and Exchange Commission (the "Commission") a proposal to modify how drill-through price protection applies to Users'⁵ orders when multiple Stop Order and Stop-Limit Orders are triggered by the same price. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (https://markets.cboe.com/us/equities/regulation/rule_filings/bzx/), at the Exchange's Office of the Secretary, 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

The purpose of this rule filing is to amend current Rule 21.17, Additional Price Protection Mechanisms and Risk Controls, to add new Rule 21.17(d)(3), which modifies what the drill-through price will be for Stop Orders⁶ and Stop-

Limit Orders⁷ when multiple Stop Orders and Stop-Limit Orders are triggered by the same stop price specified by Users.

Drill-through price protection is currently described in Exchange Rule 21.17(d). Rule 21.17(d) provides that if a buy (sell) order enters the BZX Options Book at the conclusion of the opening auction process or would execute or post to the BZX Book at the time of order entry, the System executes the orders up to a buffer amount (the Exchange determines the buffer amount on a class and premium basis) above (below) the offer (bid) limit of the Opening Collar or the NBO (NBB) that existed at the time of order entry, respective (the, "Drill Through Price").⁸

Currently, when multiple Stop Orders or Stop-Limit Orders are triggered by the same price, the System⁹ considers them separate orders received in sequence and enters them sequentially into the BZX Book.¹⁰ As such, when determining the Drill-Through Price for each order, the System uses the contra side NBBO that existed at the time each of the orders was entered into the BZX Book.¹¹ By applying drill-through price protection in this manner, the Exchange has observed, particularly in thinly traded markets, that the first order triggered will trade with the best priced contra-side order, while the second triggered order can trade at prices that may be multiple price levels away, as it is using the NBBO that existed after the first triggered order executed. Accordingly, the Exchange seeks to enhance the drill-through price functionality as it relates to Stop Orders and Stop Limit Orders, through the addition of proposed Rule 21.17(d)(3). Under proposed Rule 21.17(d)(3), rather than using separate Drill-Through Prices for each individual Stop Order and Stop-Limit Order, the System will instead use the contra-side NBBO that existed at the time the first order in

stop price. A Stop Order to sell becomes a limit order when the consolidated last sale in the security occurs at, or below, the specified stop price. See Rule 11.9(c)(16).

⁷ A "Stop-Limit Order" is an order that becomes a limit order when the stop price is elected. A Stop Limit Order to buy is elected when the consolidated last sale in the security occurs at, or above, the specified stop price. A Stop Limit Order to sell becomes a sell limit order when the consolidated last sale in the security occurs at, or below, the specified stop price. See Rule 11.9(c)(17).

⁸ See Rule 21.17(d).

⁹ "System" means the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away. See Rule 1.5(aa).

¹⁰ "BZX Book" means the System's electronic file of orders. See Rule 1.5(e).

¹¹ See Rule 5.34(a)(4)(A).

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ The term "User" shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3. See Rule 1.5(cc).

⁶ A "Stop Order" is an order that becomes a BZX market order when the stop price is elected. A Stop Order to buy is elected when the consolidated last sale in the security occurs at, or above, the specified

²¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.