

Commission designates the proposed rule change as operative upon filing with the Commission.<sup>14</sup>

At any time within 60 days of the filing of such 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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) of the Act to determine whether the proposed rule change should be approved or 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](mailto:rule-comments@sec.gov). Please include File Number SR-PEARL-2017-39 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-PEARL-2017-39. 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 the Exchange. 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-PEARL-2017-39 and should be submitted on or before January 18, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82386; File No. SR-FICC-2017-023]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Eliminate the Development Fees From the Mortgage-Backed Securities Division Clearing Rules

December 21, 2017.

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 19, 2017, 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<sup>3</sup> and Rule 19b-4(f)(2) thereunder.<sup>4</sup> 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 the elimination of the Development Fees from the Fee Schedule in the FICC Mortgage-Backed Securities Division ("MBSD") Clearing Rules ("MBSD Rules"),<sup>5</sup> as described in greater detail below.

#### 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

On December 30, 2014, FICC filed proposed rule change SR-FICC-2014-12<sup>6</sup> with the Commission to amend the MBSD Rules to include fees to cover the development cost of the MBSD novation service ("Development Fees").<sup>7</sup> The filing stated that Clearing Members would be assessed the Development Fees as of January 1, 2015 and such fees would remain in effect for three (3) consecutive years.<sup>8</sup> Because the Development Fees will have been in place for three (3) consecutive years as of December 31, 2017, and FICC has used the Development Fees to develop the operational aspect of the MBSD novation service,<sup>9</sup> FICC is proposing to

<sup>5</sup> Capitalized terms not defined herein are defined in the MBSD Rules, available at <http://www.dtcc.com/legal/rules-and-procedures>.

<sup>6</sup> See Securities Exchange Act Release No. 74033 (January 12, 2015), 80 FR 2452 (January 16, 2015) (SR-FICC-2014-12).

<sup>7</sup> *Id.* at 2453.

<sup>8</sup> *Id.*

<sup>9</sup> See Securities Exchange Act Release No. 80716 (May 18, 2017), 82 FR 23852 (May 24, 2017) (SR-FICC-2017-012). Specifically, the purpose of the rule filing SR-FICC-2017-012 was to amend the MBSD Rules to (1) move the time that FICC treats itself as the settlement counterparty for SBO-Destined Trades to the time of trade comparison, which is earlier in the lifecycle of the trade, (2) move the time that FICC novates and treats itself as the settlement counterparty for Trade-for-Trade Transactions to the time of trade comparison, which is earlier in the lifecycle of the trade, (3) novate and establish FICC as the settlement counterparty at the time of trade comparison for Specified Pool Trades, and (4) guarantee and novate Stipulated Trades, a

<sup>14</sup> For purposes only of waiving the operative delay for this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>15</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>16</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

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

eliminate the Development Fees from the MBSD Rules as of January 1, 2018.

## 2. Statutory Basis

Section 17A(b)(3)(D) of the Act requires that the MBSD Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.<sup>10</sup> FICC believes that its proposal to eliminate the Development Fees would be equitable because the proposed change would be eliminated for all Clearing Members. FICC believes that the proposed change to eliminate the Development Fees is reasonable because, consistent with SR-FICC-2014-12 (which instituted these fees),<sup>11</sup> the Development Fees will have been in place for three (3) consecutive years as of December 31, 2017, and such fees have been used to develop the operational aspects of the MBSD novation service that has been implemented. Therefore, FICC believes the proposed rule change is consistent with the requirements of Section 17A(b)(3)(D) of the Act.

The proposed rule change is also designed to be consistent with Rule 17Ad-22(e)(23) under the Act. Rule 17Ad-22(e)(23) requires FICC, *inter alia*, to establish, implement, maintain and enforce written policies and procedures reasonably designed to provide sufficient information to enable participants to identify and evaluate the risks, fees, and other material costs they incur by participating in FICC.<sup>12</sup> The proposed rule change, as described above, would amend the MBSD Rules to eliminate the Development Fees. As such, FICC believes that the proposed change would provide sufficient information to enable Clearing Members to evaluate fees and other material costs of utilizing MBSD's services, in accordance with the requirements of Rule 17Ad-22(e)(23), promulgated under the Act, cited above.

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

FICC does not believe that the proposed change would impact, or impose any burden on, competition<sup>13</sup> because the elimination of the Development Fees would result in a

proposed new trade type, at the time of trade comparison and treat FICC as the settlement counterparty at such time. In connection with these changes, FICC also proposed new processes that would promote operational efficiencies for Clearing Members. The full text of rule filing SR-FICC-2017-012 is available at <http://www.dtcc.com/legal/sec-rule-filings>.

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

<sup>11</sup> *Supra* note 6.

<sup>12</sup> 17 CFR 240.17Ad-22(e)(23).

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

reduction of costs incurred by Clearing Members that utilize MBSD's services.

### (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. FICC will notify the Commission of any written comments received by FICC.

## 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<sup>14</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>15</sup> 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](mailto:rule-comments@sec.gov). Please include File Number SR-FICC-2017-023 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-FICC-2017-023. 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 20549-1090 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-2017-023 and should be submitted on or before January 18, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82390; File No. SR-NYSE Arca-2017-107]

**Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Amendment No. 1, and Order Granting Approval on an Accelerated Basis of a Proposed Rule Change, as Modified by Amendments No. 1 and No. 3, to List and Trade of Shares of the Breakwave Dry Bulk Shipping ETF Under NYSE Arca Rule 8.200-E, Commentary .02**

December 22, 2017.

### I. Introduction

On September 8, 2017, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> a proposed rule change to

<sup>16</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f).