

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. Please include File Number SR-MIAX-2020-15 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-MIAX-2020-15. 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-MIAX-2020-15 and should be submitted on or before July 15, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

J. Matthew DeLesDernier,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89088; File No. SR-NSCC-2020-010]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of and Immediate Effectiveness of a Proposed Rule Change To Amend Rules With Respect to Index Receipts

June 18, 2020.

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 June 11, 2020, National Securities Clearing Corporation ("NSCC") 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. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(4) thereunder.⁴ 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 amendments to Procedure II (Trade Comparison and Recording Service) of the NSCC Rules & Procedures ("Rules") with respect to index receipts, as described in greater detail below.⁵

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

The purpose of this proposed rule change is to amend Procedure II (Trade Comparison and Recording Service) with respect to index receipts in order to (i) reflect the publication of ETF portfolio holdings for pricing purposes via the Portfolio Report (as defined below and in the proposed rule text) and (ii) permit Index Receipt Agents to submit to NSCC index receipt creation and redemption instructions with a scheduled settlement date that is greater than the standard settlement cycle of second business day after the trade date ("T+2"). The proposed rule change would also make technical and clarifying changes.

(i) Background

Overview of Exchange-Traded Funds

Exchange-traded funds ("ETFs") (referred to as "index receipts" in the Rules) are marketable securities that track stock indices, commodities, bonds, or baskets of assets. ETFs are listed on exchanges and are traded throughout the trading day. Shares of ETFs are created and redeemed in the primary market and are traded on listed exchanges in the secondary market. Each share of an ETF represents an undivided interest in the underlying assets of the ETF. NSCC facilitates the in-kind⁶ clearing and settlement of the creation and redemption of ETF shares in the primary market as well as clearing of ETF trades in the secondary market.

The participants in the ETF primary market typically consist of the issuers of ETFs ("ETF Sponsors"), custodian banks ("ETF Agents," also referred to as "Index Receipt Agents" in the Rules), and brokers/dealers that have agreements directly with ETF Sponsors to allow the brokers/dealers to place orders for the creation and redemption of ETF shares ("Authorized Participants" or "APs"). Both the ETF Agents and APs⁷ are Members of NSCC.

⁶ In the ETF industry, the clearing of ETF creations and redemptions "in-kind" represents an exchange of ETF shares for a basket of component securities rather than cash.

⁷ Form N-CEN defines AP as a broker-dealer that is also a member of a clearing agency registered with the Commission, and which has a written agreement with the ETF or one of its designated service providers.

²⁴ 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)(4).

⁵ Capitalized terms not defined herein are defined in the Rules, available at http://dtcc.com/~media/Files/Downloads/legal/rules/nsc_rules.pdf.

As described in more detail below, NSCC understands that ETFs are able to realize a tax efficiency that other corporations generally cannot because redemptions from ETFs that are made in-kind (that is, by delivering certain assets from the ETF's portfolio, rather than in cash) do not require the ETF to realize and recognize capital gains if such assets have appreciated in value.

Trading Baskets and ETF Portfolio Holdings for Pricing Purposes

APs create and redeem ETF shares from the ETF Sponsors in blocks called "creation units." An AP that purchases a creation unit of ETF shares delivers a "basket" of securities and other assets to the ETF Agent, and then receives the creation unit of ETF shares in return for those assets. The redemption process is the reverse of the creation process: the AP redeems a creation unit of ETF shares for a basket of securities and other assets. These creation and redemption baskets are referred to as "trading baskets."

A trading basket is generally representative of the ETF's portfolio and, together with a cash balancing amount, equal in value to the aggregate net asset value ("NAV") of the ETF shares in the creation unit. There are two types of trading baskets: standard trading baskets and custom trading baskets. Trading baskets that reflect a pro rata representation of the ETF's portfolio are referred to as "standard trading baskets." Trading baskets that are not standard trading baskets are referred to as "custom trading baskets." A custom trading basket is a basket that contains a non-representative selection of the ETF's portfolio holdings and does not reflect a pro rata representation of the ETF's portfolio holdings. Custom trading baskets may, pursuant to recently adopted Rule 6c-11 under the Investment Company Act of 1940⁸ ("Rule 6c-11") or applicable exemptive relief, substitute other securities or cash in the basket for some (or all) of the ETF's portfolio holdings.

In contrast to trading baskets, the "ETF portfolio holdings for pricing purposes" reflects an ETF's entire portfolio holding information and is not used for creations and redemptions.⁹

⁸ See Exchange-Traded Funds, Release Nos. 33-10695; IC 33646 (September 25, 2019), available at <https://www.sec.gov/rules/final/2019/33-10695.pdf> (the "Adopting Release").

⁹ As an example, the trading basket for the Financial Select Sector SPDR® Fund (an ETF that tracks an index of S&P 500® financial stocks) would include the underlying securities of the relevant financial institutions while the portfolio holdings for pricing purposes for the ETF may include futures, swaps, options, and fractional shares of those underlying securities.

The ETF portfolio holdings for pricing purposes provides information such as a comprehensive list of securities and assets held by an ETF, as well as the associated asset types, *i.e.*, fixed income, commodities, swaps, and futures.¹⁰ Accordingly, the ETF portfolio holdings for pricing purposes can be used by APs to facilitate valuing an ETF's portfolio on an intraday basis, which, in turn, enables APs to identify any potential premiums and discounts for the ETF in the secondary market. The ability to identify an ETF's potential premiums and discounts in the secondary market is necessary for keeping the market prices of the ETF shares at or close to the NAV per share of the ETF. The ETF portfolio holdings for pricing purposes may include information beyond the disclosure required of an ETF under Rule 6c-11.¹¹

ETF Portfolio Reporting Service

NSCC's ETF portfolio reporting service is an optional service that is available to Members by subscription.¹² This service is covered in Procedure II (Trade Comparison and Reporting Service), Section F, of the Rules.

On the business day preceding the trade date ("T-1"), an ETF's NAV is calculated by the ETF Sponsor or the ETF Agent after the market closes. Following the calculation of the NAV, these firms calculate trading baskets for use on the trade date ("T"). Pursuant to Procedure II, Section F.1. of the Rules, the ETF Agent, on behalf of the ETF Sponsor, transmits to NSCC on T-1 files that contain (a) the composition of index receipts for creations and redemptions occurring on the next

¹⁰ NSCC recognizes that an ETF would be able to provide NSCC with such portfolio information only to the extent consistent with its obligations under the federal securities laws governing the disclosure of non-public portfolio information. See Adopting Release Footnote 271 and accompanying text, *supra* note 8.

¹¹ Rule 6c-11 requires any ETF relying upon Rule 6c-11 to disclose prominently on its website, publicly available and free of charge, the portfolio holdings that will form the basis for each calculation of NAV per share, and any cash balancing amount. The rule requires that the portfolio holdings information contain specified information, including description and amount of each position. Rule 6c-11 also requires an ETF to disclose on its website (i) the ETF's NAV per share, market price, and premium or discount, each as of the end of the prior business day; (ii) a tabular chart and line graph showing the ETF's premiums and discounts for the most recently completed calendar year and the most recently completed calendar quarters of the current year (or for the life of the ETF if shorter); and (iii) the ETF's median bid-ask spread over the last 30 calendar days. See Adopting Release Footnotes 675, 676 and 677 and accompanying text, *supra* note 8.

¹² Firms that are not Members can obtain Portfolio Reports via the DTCC ETF Portfolio Data Service provided by DTCC Solutions LLC, an affiliate of NSCC.

business day (T), *i.e.*, the shares and their associated quantities, (b) the cash value of the portfolio for creates and redemptions made solely for cash, and, if applicable, (c) the estimated cash amount, representing accrued dividend, cash-in-lieu of components,¹³ if applicable, and balancing amount data ("Dividend/Balancing Cash Amount"), and (d) such other financial data as NSCC may require or permit from time to time.¹⁴

NSCC compiles the information on the evening of T-1 and provides Members that subscribe to the ETF portfolio reporting service with a portfolio composition report ("Portfolio Report") detailing, if applicable, the estimated Dividend/Balancing Cash Amount, other financial data, and the composition of the next business day's ETFs. The Portfolio Reports provide subscribing Members a convenient and comprehensive publication of basket data for U.S.-listed ETFs in a standardized format. For each U.S.-listed ETF, NSCC currently publishes a Portfolio Report that includes one standard trading basket and, if applicable, multiple custom trading baskets.¹⁵

On T, based on the Portfolio Report, create and redeem orders for the ETF shares can be placed by APs with the ETF Sponsors. The ETF Sponsors can, via the ETF Agents, submit those orders to NSCC on a locked-in basis for clearing and settlement via NSCC's Continuous Net Settlement ("CNS") System. The delivers and receives are processed through NSCC's Universal Trade Capture ("UTC") system and netted in the CNS System for settlement.

The Rules do not currently provide for the publication of ETF portfolio holdings for pricing purposes via the Portfolio Report. In addition, the Rules currently only permit the ETF Agents to submit creation and redemption instructions with scheduled settlement date of one business day after the trade date ("T+1") or T+2.

(ii) Proposed Enhancements

Publication of ETF Portfolio Holdings for Pricing Purposes via Portfolio Reports

As discussed above, trading baskets and ETF portfolio holdings for pricing

¹³ The "cash-in-lieu of securities" portion of the cash amount represents cash substituted for a partial quantity of the components underlying a creation or redemption rather than acting as the sole underlying component.

¹⁴ NSCC currently does not require any additional financial data.

¹⁵ ETFs can, pursuant to Rule 6c-11 or applicable exemptive relief, use custom trading baskets to create and redeem shares.

purposes facilitate ETF trading activities; however, because NSCC's Rules do not currently provide for the publication of ETF portfolio holdings for pricing purposes via the Portfolio Report, Members need to obtain ETF portfolio holdings for pricing purposes via means outside of the Portfolio Report.¹⁶ Based on its discussion with the ETF industry group,¹⁷ NSCC understands that obtaining ETF portfolio holdings for pricing purposes outside of the Portfolio Report is inefficient for Members. Members generally prefer to receive trading baskets and ETF portfolio holdings for pricing purposes within one single consolidated and standardized file. Therefore, NSCC is proposing to enhance the Portfolio Report by publishing ETF portfolio holdings for pricing purposes along with trading baskets in a standardized format.¹⁸

NSCC is proposing to amend Procedure II (Trade Comparison and Recording Service), Section F.1. to reflect the publication of ETF portfolio holdings for pricing purposes via the Portfolio Report. Unlike trading baskets, ETF portfolio holdings for pricing purposes are not used for creations and redemptions. Accordingly, NSCC is proposing to add an additional paragraph to Section F.1. that provides each day, by such time as determined by NSCC from time to time, the Index Receipt Agent may also report to NSCC the composition of index receipts for purposes other than creations and redemptions.¹⁹ NSCC is also proposing to add an additional sentence to the last paragraph of Section F.1. that provides the Portfolio Report will also include, if available, portfolio holdings of the index receipts.

¹⁶ It is NSCC's understanding that Members currently obtain ETF portfolio holdings for pricing purposes from ETF Sponsors. In addition, Members can also obtain ETF portfolio holdings information from an ETF's website. As noted above, Rule 6c-11 requires any ETF relying upon Rule 6c-11 to disclose prominently on its website, publicly available and free of charge, the portfolio holdings that will form the basis for each calculation of NAV per share, and any cash balancing amount. *Supra* note 11.

¹⁷ The ETF industry group is comprised of Members that are ETF Agents and APs.

¹⁸ Based on its discussions with the ETF industry group, NSCC understands that, although Rule 6c-11 does not require ETFs to publish any trading basket information, Members would nevertheless prefer to receive Portfolio Reports that include both trading baskets and ETF portfolio holdings for pricing purposes.

¹⁹ While NSCC believes publication of ETF portfolio holdings for pricing purposes via the Portfolio Reports would be an efficient and effective means for ETF Agents to transmit ETF portfolio holdings for pricing purposes, ETF Agents would not be required to use Portfolio Reports.

Extending ETF Creation/Redemption Settlement Dates Beyond T+2

As mentioned above, NSCC understands that an ETF is able to realize a tax efficiency for the ETF when redemptions from the ETF are made in-kind. It is NSCC's understanding that this tax efficiency is particularly implicated when an ETF needs to undertake a large rebalancing (generally due to a change in an index that the ETF's holdings track). This is because when an index changes, the ETF needs to rebalance by disposing of its holding in securities that are no longer in the index. NSCC understands that the sale of such securities would generally incur a capital gain tax liability (assuming the securities have appreciated in market value); however, if the ETF redeems its shares from the ETF's shareholders in exchange for the securities that are no longer in the index, such transaction would generally not result in capital gains tax under the current U.S. federal income tax laws and regulations.

As understood by NSCC, this tax efficiency for ETFs is generally known in the market as giving rise to so called "heartbeat trades."²⁰ Market participants refer to heartbeat trades as transactions in which an ETF would fulfill a creation order from an AP (AP gets newly created ETF shares in exchange for either cash or securities), the AP would then place a custom redemption order to exchange the newly created ETF shares for that ETF's holding in securities that are no longer in the index. NSCC understands that an AP would look to align the settlement dates of both the creation and redemption orders in order to minimize any overnight positions and related margin impact. In addition, NSCC understands that APs would prefer to hold the newly created ETF shares for at least one day before placing any redemption orders for such shares.

The Rules currently only permit ETF creation and redemption instructions with scheduled settlement dates of T+1 or T+2. This means that when an AP submits a creation order on Monday (T), the creation order has to settle no later than Wednesday (T+2); however, if the AP desires to hold the newly created ETF shares for at least one day (*i.e.*, Tuesday), then the earliest that the AP can submit a redemption order for those ETF shares would be on Wednesday for

²⁰ Members interested in heartbeat trades should discuss with their legal and tax advisers. By submitting this proposal, NSCC is not opining on the practice of heartbeat trades or any related tax implications, including, but not limited to, whether the alignment of the settlement dates of both the creation and redemption orders impacts the tax treatment of these transactions.

settlement on Thursday. Therefore, under the current Rules, the settlement dates of the creation and redemption orders could not be aligned if the AP were to hold the newly created ETF shares for at least one day.²¹

NSCC is proposing to modify Procedure II (Trade Comparison and Recording Service) Section F.2. to provide APs more flexibility when selecting settlement dates for creation and redemption orders while still being able to hold the newly created ETF shares for at least one day. Specifically, NSCC is proposing to revise the language in the second paragraph of Section F.2. so that Index Receipt Agents²² would be permitted to select a Settlement Date of T+1 or later for their index receipts.²³

As proposed, when an AP submits a creation order on Monday (T), it would be able to have the creation order settle on Thursday (T+3), which could be aligned with a T+1 settlement date of a redemption order submitted on Wednesday while enabling the AP to hold the newly created ETF shares for one day (*i.e.*, Tuesday). The proposal would thus enable the AP to align the settlement dates of both the creation and redemption orders (*i.e.*, Thursday) in order to minimize any overnight positions and related margin impact while holding the newly created ETF shares for one day (*i.e.*, Tuesday) before placing any redemption orders for such shares.

Technical and Clarifying Changes

NSCC is proposing technical and clarifying changes in Sections F.1. and F.2 of Procedure II (Trade Comparison and Recording Service). Specifically, NSCC is proposing to modify Section F.1. by replacing the term "cash-in-lieu of components" with "cash-in-lieu of securities" in order to conform with the current industry terminology usage. Likewise, NSCC is proposing technical changes in footnote 1 of Section F.1. to ensure consistent placement of hyphens with respect to the term "cash-in-lieu of securities."

NSCC is also proposing a technical change to define Portfolio Report in

²¹ Currently, ETF creations and redemptions with scheduled settlement dates beyond T+2 are settled broker-to-broker outside of NSCC.

²² Create and redeem orders for the ETF shares are placed by APs with the ETF Sponsors. The ETF Sponsors, via the Index Receipt Agents, submit those orders to NSCC for clearing and settlement.

²³ NSCC believes extending ETF creation/redemption settlement date beyond T+2 would be consistent with rule 15c6-1 of the Act. Rule 15c6-1 requires that most securities transactions settle within two business days of the trade date, unless otherwise expressly agreed to by the parties at the time of the transaction. 17 CFR 240.15c6-1.

Section F.1., which is a term currently used in the Rules but has not been defined. Specifically, NSCC is proposing to delete the first instance of “Portfolio Report” from the last paragraph of Section F.1. and replace it with “report.” In addition, NSCC is proposing to define the term “Portfolio Report” at the end of the first sentence in the last paragraph of Section F.1.

In the second paragraph of Section F.2., NSCC is proposing a technical change to replace “Index Receipts” with “index receipts” because it is not a defined term under the Rules.

In addition, NSCC is proposing a clarifying change in the last paragraph of Section F.1. The clarifying change would make it clear that the composition data within the Portfolio Report may be used by NSCC to process index receipt creations and redemptions on the next business day.

(iii) Member Outreach

Beginning in October 2017, NSCC has conducted ongoing outreach to each Member in order to provide them with notice of the proposed changes. As of the date of this filing, no written comments relating to the proposed changes have been received in response to this outreach. The Commission will be notified of any written comments received.

(iv) Implementation Timeframe

NSCC would implement the proposed changes by no later than August 31, 2020 and would announce the effective date of the proposed changes by an Important Notice, posted to its website. As proposed, a legend would be added to Procedure II stating there are changes that became effective upon filing with the Commission but have not yet been implemented. The proposed legend also would include a date by which such changes would be implemented and the file number of this proposal, and state that, once this proposal is implemented, the legend would automatically be removed from Procedure II.

2. Statutory Basis

NSCC believes this proposal is consistent with the requirements of the Act, and the rules and regulations thereunder applicable to a registered clearing agency. Specifically, NSCC believes this proposal is consistent with Section 17A(b)(3)(F) ²⁴ of the Act and Rule 17Ad-22(e)(21),²⁵ as promulgated under the Act, for the reasons described below.

Section 17A(b)(3)(F) of the Act requires, in part, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions and to protect investors and the public interest.²⁶ NSCC believes that the proposed rule change to provide for the publication of ETF portfolio holdings for pricing purposes via the Portfolio Report would protect investors and the public interest. This is because publishing the ETF portfolio holdings for pricing purposes via the Portfolio Report would provide Members with the necessary information to facilitate their valuation of the ETF portfolios on an intraday basis, which, in turn, would help enable them to assess whether any potential ETF trading premiums or discounts exist in the secondary market when comparing to the ETF NAVs. The ability to identify potential premiums and discounts in the secondary market is necessary for keeping the market prices of ETF shares at or close to the NAV per share of the ETF, thereby helping to ensure ETF investors are treated equitably when buying and selling ETF shares. Therefore, NSCC believes that the proposed rule change to provide for the publication of ETF portfolio holdings for pricing purposes via the Portfolio Report would protect investors and the public interest, consistent with Section 17A(b)(3)(F) of the Act.

The proposed rule change to make technical and clarifying changes would help ensure that the Rules remain accurate and clear to Members. Having accurate and clear Rules would help Members to better understand their rights and obligations regarding NSCC's clearance and settlement services. NSCC believes that when Members better understand their rights and obligations regarding NSCC's clearance and settlement services, they can act in accordance with the Rules. NSCC believes that better enabling Members to comply with the Rules would promote the prompt and accurate clearance and settlement of securities transactions by NSCC. As such, NSCC believes the proposed rule changes to make technical and clarifying changes are consistent with Section 17A(b)(3)(F) of the Act.

Rule 17Ad-22(e)(21) under the Act requires NSCC to establish, implement, maintain and enforce written policies and procedures reasonably designed to be efficient and effective in meeting the requirements of its participants and the markets it serves.²⁷ The proposed rule change to provide for the publication of

ETF portfolio holdings for pricing purposes via the Portfolio Report would enhance the efficiency of the current reporting capability by enabling Members to receive both ETF portfolio holdings for pricing purposes and trading baskets in one single consolidated file instead of having to receive them from multiple sources. The proposed rule change to provide for the publication of ETF portfolio holdings for pricing purposes via the Portfolio Report would enhance the effectiveness of the current reporting capability by providing both ETF portfolio holdings for pricing purposes and trading baskets in a standardized format, which, NSCC believes, would help reduce the need for Members to work with data in different formats and, in turn, result in fewer data conversion errors and omissions. Therefore, by establishing a more efficient and effective reporting capability for ETFs, NSCC believes that the proposed rule change to provide for the publication of ETF portfolio holdings for pricing purposes via the Portfolio Report is consistent with Rule 17Ad-22(e)(21) under the Act.

The proposed rule change to extend ETF creation and redemption settlement dates beyond T+2 is designed to meet the requirements of APs and ETF Agents by providing them with more flexibility when selecting settlement dates for ETF creation and redemption orders. As discussed above, in order to minimize any overnight positions and related margin impact, NSCC understands that APs and ETF Agents are looking to align the applicable ETF creation and redemption settlement dates while holding newly created ETF shares for the requisite time frame. The proposal to extend ETF creation and redemption settlement dates beyond T+2 would provide APs and ETF Agents with additional flexibility when selecting settlement dates for ETF creation and redemption orders. Having more flexibility when selecting settlement dates for ETF creation and redemption orders would enable APs and ETF Agents to align the applicable settlement dates more easily while still holding newly created ETF shares for the desired time period. Therefore, NSCC believes that the proposed rule change to extend ETF creation and redemption settlement dates beyond T+2 is consistent with Rule 17Ad-22(e)(21) under the Act.

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

NSCC does not believe the proposed rule change to provide for the publication of ETF portfolio holdings for pricing purposes via the Portfolio

²⁴ 15 U.S.C. 78q-1(b)(3)(F).

²⁵ 17 CFR 240.17Ad-22(e)(21).

²⁶ 15 U.S.C. 78q-1(b)(3)(F).

²⁷ 17 CFR 240.17Ad-22(e)(21).

Report would have any adverse impact, or impose any burden, on competition.²⁸ This is because the proposed rule change would enhance NSCC's reporting capabilities in a manner that would enable Members to receive all necessary information to support their ETF trading activities in one single consolidated and standardized file. The proposed rule change would not disproportionately impact any Members.

Moreover, NSCC believes the proposed rule change would have a positive effect on competition among ETF industry participants. This is because the proposed rule change to provide for the publication of ETF portfolio holdings for pricing purposes via the Portfolio Report would provide the ETF industry a more efficient and effective method to disseminate ETF portfolio holdings for pricing purposes and also enable Members to receive all necessary information to support their ETF trading activities in one single consolidated and standardized file. Therefore, NSCC believes the proposed rule change to provide for the publication of ETF portfolio holdings for pricing purposes via the Portfolio Report would enhance competition among ETF industry participants by allowing information to be distributed more quickly and in a more streamlined manner.

NSCC does not believe the proposed rule change to extend ETF creation and redemption settlement dates beyond T+2 would have any adverse impact, or impose any burden, on competition.²⁹ This is because the proposed rule change is designed to meet the requirements of APs and ETF Agents by providing them with more flexibility when selecting settlement dates for ETF creation and redemption orders. The proposed rule change would not disproportionately impact any Members.

NSCC does not believe the proposed rule changes to make technical and clarifying changes would impact competition.³⁰ These changes would apply equally to all Members and would not affect Members' rights and obligations. As such, NSCC believes these proposed rule changes would not have any impact on competition.

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

Written comments relating to this proposed rule change have not been

solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

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 Act³¹ and paragraph (f) of Rule 19b-4 thereunder.³² 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. Please include File Number SR-NSCC-2020-010 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-NSCC-2020-010. 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 NSCC 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-NSCC-2020-010 and should be submitted on or before July 15, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³³

J. Matthew DeLesDernier,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89090; File No. SR-ICEEU-2020-009]

Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to the ICE Clear Europe Model Risk Governance Framework

June 18, 2020.

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 June 12, 2020, ICE Clear Europe Limited ("ICE Clear Europe" or the "Clearing House") filed with the Securities and Exchange Commission ("Commission") the proposed rule changes described in Items I, II, and III below, which Items have been primarily prepared by ICE Clear Europe. ICE Clear Europe filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6)⁴ thereunder, 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.

³³ 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)(6).

²⁸ 15 U.S.C. 78q-1(b)(3)(I).

²⁹ *Id.*

³⁰ *Id.*

³¹ 15 U.S.C. 78s(b)(3)(A).

³² 17 CFR 240.19b-4(f).