

All submissions should refer to File Number *SR-NASDAQ-2020-005*. 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-NASDAQ-2020-005* and should be submitted on or before February 21, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁹

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2020-01783 Filed 1-30-20; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

TIME AND DATE: Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission Fixed Income Market Structure Advisory Committee ("FIMSAC") will hold a public meeting on Monday, February 10, 2020 at 9:30 a.m.

PLACE: The meeting will be held in Multi-Purpose Room LL-006 at the

Commission's headquarters, 100 F Street NE, Washington, DC.

STATUS: The meeting will begin at 9:30 a.m. and will be open to the public. Seating will be on a first-come, first-served basis. Doors will open at 9:00 a.m. Visitors will be subject to security checks. The meeting will be webcast on the Commission's website at www.sec.gov.

MATTERS TO BE CONSIDERED: On January 13, 2020, the Commission published notice of the Committee meeting (Release No. 34-87956), indicating that the meeting is open to the public and inviting the public to submit written comments to the Committee. This Sunshine Act notice is being issued because a majority of the Commission may attend the meeting.

The agenda for the meeting will include panel discussions and potential recommendations from the Municipal Securities Transparency, Credit Ratings, and Technology and Electronic Trading subcommittees.

CONTACT PERSON FOR MORE INFORMATION: For further information, please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

Dated: January 29, 2020.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2020-02017 Filed 1-29-20; 4:15 pm]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88055; File No. SR-MIAX-2020-03]

Self-Regulatory Organizations: Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule

January 27, 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 January 14, 2020, Miami International Securities Exchange LLC ("MIAX Options" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

The Exchange is filing a proposal to amend the MIAX Options Fee Schedule ("Fee Schedule") to make minor, non-substantive corrective edits and clarifying changes.

The text of the proposed rule change is available on the Exchange's website at <http://www.miaxoptions.com/rule-filings>, at MIAX's principal office, 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 Exchange proposes to amend the Fee Schedule to make minor, non-substantive corrective edits and clarifying changes. First, the Exchange proposes to amend Section 2(c) of the Fee Schedule, Web CRD Fees, to make non-substantive edits to the sentence in parentheses following the FINRA Disclosure Processing Fee under the section titled "GENERAL REGISTRATION FEES." Currently, the FINRA Disclosure Processing Fee includes the following in parentheses "(Form U4, Form U5, Form BD & amendments)". The Exchange now proposes to delete the ampersand in that sentence and replace it with the word "and". The purpose of this proposed change is for clarity and uniformity with the fee schedules of the Exchange's affiliates, MIAX PEARL, LLC ("MIAX PEARL") and MIAX Emerald, LLC ("MIAX Emerald").

Next, the Exchange proposes to amend the cross-reference in footnote 18 of the Fee Schedule. Footnote 18 currently states "The session fee will be assessed to each individual who is required to complete the Regulatory Element of the Continuing Education Requirements pursuant to MIAX Rule

⁴⁹ 17 CFR 200.30-3(a)(12).

1304.” Recently, the Exchange deleted Exchange Rule 1304 and amended and/or deleted numerous other rules, in order to reorganize and enhance the Exchange’s membership, registration and qualification rules, and consolidated these rules into new Chapter XIX, Registration, Qualification and Continuing Education.³ Accordingly, the Exchange proposes to amend the cross-reference in footnote 18 of the Fee Schedule to reflect the deletion of Exchange Rule 1304. The cross-reference in footnote 18 will now be to Exchange Rule 1903, Continuing Education Requirements, which contains, among other things, the requirements for individuals to complete the Regulatory Element of the Continuing Education Program. With the proposed change, footnote 18 would state as follows: “The session fee will be assessed to each individual who is required to complete the Regulatory Element of the Continuing Education Requirements pursuant to MIAx Rule 1903.”

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁴ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁵ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁶ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed changes promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system because

the proposed changes make clarifying, non-substantive edits to the Fee Schedule, and update a cross-reference to the Exchange’s rulebook. The Exchange believes that these proposed changes will provide greater clarity to Members and the public regarding the Exchange’s Fee Schedule and that it is in the public interest for the Fee Schedule to be accurate and concise so as to eliminate the potential for confusion.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not a competitive filing but rather is designed to remedy minor non-substantive issues and provide added clarity to the Fee Schedule in order to avoid potential confusion on the part of market participants. In addition, the Exchange does not believe the proposal will impose any burden on inter-market competition as the proposal does not address any competitive issues and is intended to protect investors by providing further transparency regarding the Exchange’s Fee Schedule.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

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)(ii) of the Act,⁷ and Rule 19b-4(f)(2)⁸ 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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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. Please include File Number SR-MIAx-2020-03 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-2020-03. 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 offices 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-2020-03, and should be submitted on or before February 21, 2020.

³ See Securities Exchange Act Release No. 87830 (December 20, 2019), 84 FR 72025 (December 30, 2019) (SR-MIAx-2019-50).

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

⁶ *Id.*

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

⁸ 17 CFR 240.19b-4(f)(2).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2020-01780 Filed 1-30-20; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88021; File No. SR-LCH SA-2019-011]

Self-Regulatory Organizations; LCH SA; Notice of Filing of Partial Amendment No. 1 and Order Granting Accelerated Approval of Proposed Rule Change, as Modified by Partial Amendment No. 1, Relating to Amendments to CDS Clearing Supplement To Reflect the ISDA NTCE Protocol and Supplement

January 23, 2020.

I. Introduction

On November 21, 2019, Banque Centrale de Compensation, which conducts business under the name LCH SA (“LCH SA”), 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 amend its CDS Clearing Supplement (“LCH SA CDS Supplement”) to: (1) Implement the 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions (the “NTCE Supplement”) and (2) make certain clarifications as to the defined term “Outstanding Principal Balance”. The proposed rule change was published for comment in the **Federal Register** on December 9, 2019.³ The Commission did not receive comments on the proposed rule change. On January 6, 2020, LCH SA filed Partial Amendment No. 1 to the proposed rule change.⁴ The Commission is publishing

this notice to solicit comments on Partial Amendment No. 1 from interested persons and is approving the proposed rule change, as modified by Partial Amendment No. 1 (hereinafter, “proposed rule change”) on an accelerated basis.

II. Description of the Proposed Rule Change

A. Background

Following certain events in the credit default swap (“CDS”) ⁵ market, the International Swaps and Derivatives Association, Inc. (“ISDA”), in consultation with market participants, developed and published the NTCE Supplement.⁶ The NTCE Supplement reflects an effort by ISDA to address so-called narrowly-tailored credit events. According to ISDA, a narrowly-tailored credit event is an arrangement between a participant in the CDS marketplace and a corporation, through which the corporation triggers a credit event on CDS covering the corporation, thereby increasing payment to the buyers of CDS protection on the corporation while minimizing the impact on the corporation.⁷

The NTCE Supplement, if applied to a CDS transaction, would make two principal changes to the 2014 ISDA Credit Derivatives Definitions to address narrowly-tailored credit events.⁸ First, the NTCE Supplement would change the definition of the “Failure to Pay” credit event to exclude certain narrowly-tailored credit events through a new Credit Deterioration Requirement. The Credit Deterioration Requirement would provide that a failure of a corporation to make a payment on an obligation would not constitute a

currently effective, rather than referring to multiple supplements with specific dates.

⁵ The following description is substantially excerpted from the Notice. See Notice, 84 FR at 67325. Capitalized terms not otherwise defined herein have the meanings assigned to them in the LCH SA rulebook or LCH SA CDS Supplement.

⁶ See ISDA Board Statement on Narrowly Tailored Credit Events, available at <https://www.isda.org/2018/04/11/isda-board-statement-on-narrowly-tailored-credit-events/>; see also Joint Statement on Opportunistic Strategies in the Credit Derivatives Market (“The continued pursuit of various opportunistic strategies in the credit derivatives markets, including but not limited to those that have been referred to as ‘manufactured credit events,’ may adversely affect the integrity, confidence and reputation of the credit derivatives markets, as well as markets more generally.”) available at <https://www.sec.gov/news/press-release/2019-106>.

⁷ See ISDA Board Statement on Narrowly Tailored Credit Events, available at <https://www.isda.org/2018/04/11/isda-board-statement-on-narrowly-tailored-credit-events/>.

⁸ See ISDA 2019 NTCE Protocol FAQ, available at <https://www.isda.org/protocol/isda-2019-ntce-protocol>.

Failure to Pay Credit Event triggering CDS on that corporation if the failure does not directly or indirectly result from, or result in, a deterioration in the creditworthiness or financial condition of the corporation.⁹ Thus, a narrowly-tailored or manufactured failure to pay that does not reflect or result in a credit deterioration by a corporation would not constitute a Credit Event for CDS Contracts that incorporate the NTCE Supplement and thus would not necessarily trigger payment to buyers of CDS protection. The NTCE Supplement would also provide guidance related to the factors that would be relevant to determining whether a Failure to Pay Credit Event satisfies the Credit Deterioration Requirement. As would be the case with other Failure to Pay Credit Events under CDS contracts, the relevant Credit Derivatives Determinations Committee would, in the normal course, make the determination as to whether a Failure to Pay Credit Event satisfies the Credit Deterioration Requirement.

Second, the NTCE Supplement would reduce the amount of payout a CDS protection buyer could claim in certain circumstances by imposing a new provision for Fallback Discounting. Fallback Discounting would discount a CDS protection buyer’s claim for payout under a CDS contract where that claim for payout is based on an obligation issued by a corporation at a discount.¹⁰ This would address the potential scenario where a corporation issues a bond at a substantial discount to its principal amount and the bond is delivered in settlement of a CDS at its full principal amount. In this scenario, Fallback Discounting would prevent a buyer of CDS protection from using the full principal amount of the bond issued at a discount as a basis for payout under the CDS contract.

B. Changes to the LCH SA CDS Supplement

Because LCH SA will clear and settle CDS contracts to which the NTCE Supplement will apply, it must ensure that its relevant Rules accurately reflect the changes described above that will be implemented by the NTCE Supplement. Accordingly, the proposed rule change would ensure that the changes being implemented by the NTCE Supplement are accurately reflected in LCH SA’s relevant Rules by making substantially similar amendments to both Part B of

⁹ See ISDA 2019 Narrowly Tailored Credit Event Supplement to the 2014 ISDA Credit Derivatives Definitions (Published on July 15, 2019), available at <https://www.isda.org/a/KDqME/Final-NTCE-Supplement.pdf>.

¹⁰ *Id.*

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 87649 (Dec. 3, 2019), 84 FR 67325 (Dec. 9, 2019) (SR-LCH-SA-2019-011) (“Notice”).

⁴ Partial Amendment No. 1 clarifies the proposed rule change by modifying certain references in the CDS Clearing Supplement. Currently, the CDS Clearing Supplement refers to certain supplements to the standard contract terms as published by ISDA on certain dates. Rather than referring to the supplements as published by ISDA on certain dates, Partial Amendment No. 1 modifies the CDS Clearing Supplement to refer to the latest versions of the supplements in force. In other words, Partial Amendment No. 1 amends the CDS Clearing Supplement to incorporate whichever versions of the ISDA supplements are most recent and therefore