

Income Fund LP, PIMCO Tactical Opportunities Master Fund Ltd., PIMCO Horseshoe Fund, LP, PIMCO Red Stick Fund, L.P., PIMCO Distressed Senior Credit Opportunities Fund II, L.P., PIMCO Disco Fund III LP, PIMCO Residential Opportunities Fund, L.P., PHFS Residential Opportunities Offshore Fund, L.P., PIMCO OP Trust Flexible Credit Fund, L.P., PIMCO Flexible Credit Master Fund, L.P., PIMCO ILS Series SPC, on behalf of and for the Account of PIMCO ILS Fund I, PIMCO ILS Series SPC, on behalf of and for the Account of PIMCO ILS Fund II, PIMCO Global Credit Opportunity Master Fund LDC, PIMCO Absolute Return Strategy 3 Master Fund LDC, PIMCO Absolute Return Strategy 3D Offshore Fund LTD., PIMCO Absolute Return Strategy 3E Master Fund LDC, PIMCO Absolute Return Strategy IV Master Fund LDC, PIMCO Absolute Return Strategy IV IDF LLC, PIMCO Absolute Return Strategy IV eFund, PIMCO Absolute Return Strategy V Master Fund LDC, PIMCO Mortgage Investment Trust, INC., PIMCO Private Diversified Lending Fund Private Sleeve LP, PIF II Offshore I LTD, PAF LUX SCA, SICAV-RAIF, PIMCO Disco Contingent Capital Fund Series I LP, PIMCO European Data Centre Opportunity Fund, SCSP, PIMCO Commercial Real Estate Lending Europe Fund SCSP, PIMCO Corporate Opportunities Fund IV LUX, SCSP, DCCF SPV 1 Series 1 LP, DCCF SPV 1 Cayman Series 1 LTD, PIMCO Specialty Finance Income Fund, L.P., SFI Offshore 1 LTD, PIMCO Elysian Park Fund, L.P., PIMCO CLO Opportunities Fund II, L.P., PIMCO Investments LLC, Pacific Investment Management Company LLC.

**FILING DATES:** The application was filed on July 20, 2021, and amended on March 3, 2022, August 29, 2022 and November 29, 2022.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the Commission's Secretary at [Secretaries-Office@sec.gov](mailto:Secretaries-Office@sec.gov) and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. Hearing requests should be received by the Commission by 5:30 p.m. on January 13, 2023, and should be accompanied by proof of service on the Applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to rule 0-

5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary at [Secretaries-Office@sec.gov](mailto:Secretaries-Office@sec.gov).

**ADDRESSES:** The Commission: [Secretaries-Office@sec.gov](mailto:Secretaries-Office@sec.gov). Applicants: David C. Sullivan, Ropes & Gray LLP, [David.sullivan@ropesgray.com](mailto:David.sullivan@ropesgray.com) and Michael G. Doherty, Ropes & Gray LLP, [Michael.doherty@ropesgray.com](mailto:Michael.doherty@ropesgray.com).

**FOR FURTHER INFORMATION CONTACT:** Barbara T. Heussler, Senior Counsel, or Trace W. Rakestraw, Branch Chief, at (202) 551-6825 (Division of Investment Management, Chief Counsel's Office).

**SUPPLEMENTARY INFORMATION:** For Applicants' representations, legal analysis, and conditions, please refer to Applicants' third amended and restated application, dated November 29, 2022, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field on the SEC's EDGAR system. The SEC's EDGAR system may be searched at, <http://www.sec.gov/edgar/searchedgar/legacy/companysearch.html>. You may also call the SEC's Public Reference Room at (202) 551-8090.

For the Commission, by the Division of Investment Management, under delegated authority.

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2022-27913 Filed 12-22-22; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-96541/December 20, 2022]

### Order Scheduling Filing of Statements on Review; In the Matter of the Financial Industry Regulatory Authority, Inc. for an Order Granting the Approval of Proposed Rule Change, as Modified by Amendment No. 2, To Establish a Corporate Bond New Issue Reference Data Service (File No. SR-FINRA-2019-008)

On January 15, 2021, the Commission issued an order ("Approval Order") approving a proposed rule change ("Proposal") by Financial Industry Regulatory Authority, Inc. ("FINRA") to establish a new issue reference data

service for corporate bonds.<sup>1</sup> Bloomberg L.P. ("Bloomberg") filed a petition for review of the Approval Order in the U.S. Court of Appeals for the District of Columbia Circuit ("D.C. Circuit"), challenging the Commission's Approval Order.

The D.C. Circuit found that all but one of Bloomberg's arguments lacked merit. Specifically, the D.C. Circuit concluded that the Approval Order failed to sufficiently consider Bloomberg's "concerns about the costs that FINRA, as well as market participants, will incur in connection to the creation and maintenance of the data service."<sup>2</sup> The D.C. Circuit remanded to the Commission for reconsideration of this issue, but did not vacate the Approval Order.<sup>3</sup>

The court stated that "on remand, 'the Commission can redress its failure of explanation' by analyzing the costs FINRA will incur in building and maintaining its data service and how the costs of building the data service will be remunerated if the fee proposal is ultimately disapproved by the Commission."<sup>4</sup> The D.C. Circuit's mandate, which was issued on October 11, 2022, returned the matter to the Commission for further proceedings.<sup>5</sup>

Accordingly, to facilitate the Commission's further review of the Proposal, *it is ordered*, that by January 19, 2023, FINRA may submit any additional statements or information that it considers relevant to the Commission's analysis of the issue on remand, including the costs FINRA expects to incur in building and maintaining its data service and how the costs of building the data service would be remunerated if the fee proposal is ultimately disapproved by the Commission.

Furthermore, the Commission is providing other parties and persons 30 days to respond to any additional statements or information FINRA may submit.

Accordingly, *it is ordered*, that by February 18, 2023, any party or other person may submit any additional statements or information such party or other person considers relevant to the issue on remand.

<sup>1</sup> See Exchange Act Release No. 90939 (Jan. 15, 2021), 86 FR 6922 (Jan. 25, 2021) (Order Setting Aside Action by Delegated Authority and Approving a Proposed Rule Change, as Modified by Amendment No. 2, To Establish a Corporate Bond New Issue Reference Data Service).

<sup>2</sup> *Bloomberg L.P. v. SEC*, 45 F.4th 462, 466 (D.C. Cir. 2022).

<sup>3</sup> *Id.* at 478.

<sup>4</sup> *Id.* at 477.

<sup>5</sup> Doc. No. 1968395, Case No. 21-1088 (D.C. Cir. Oct. 11, 2022).

By the Commission.

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2022-27959 Filed 12-22-22; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-96533; File No. SR-OCC-2022-012]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change by The Options Clearing Corporation Concerning Collateral Haircuts and Standards for Clearing Banks and Letters of Credit

December 19, 2022.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act” or “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 5, 2022, The Options Clearing Corporation (“OCC” or “Corporation”) 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 primarily by OCC. 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

This proposed rule change would concern proposed changes to OCC’s Rules, Collateral Risk Management Policy (“CRM Policy”), Margin Policy, and System for Theoretical Analysis and Numerical Simulation (STANS) Methodology Description (“STANS Methodology Description”). The proposed changes are designed to (i) provide that OCC will value Government securities and GSE debt securities deposited as margin or Clearing Fund collateral using a fixed haircut schedule that OCC would set and adjust pursuant to OCC’s CRM Policy, rather than as codified in OCC’s Rules as the schedule is today; (ii) adopt new OCC Rules concerning minimum standards for OCC’s Clearing Bank relationships; and (iii) revise certain OCC Rules regarding the acceptability of letters of credit as margin assets.

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

In its filing with the Commission, OCC 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. OCC 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

As the sole clearing agency for standardized equity options listed on a national securities exchange registered with the Commission (“listed options”), OCC is exposed to certain risks, including credit risk arising from its relationships with (i) the Clearing Members for which OCC becomes the buyer to every seller and the seller to every buyer with respect to listed options, and (ii) other financial institutions such as banks, including the settlement banks (“Clearing Banks”) that support OCC’s clearance and settlement services. OCC manages these risks through financial safeguards that include rigorous admission standards, member surveillance activities, collection of high-quality margin collateral and a mutualized Clearing Fund. OCC also maintains standards for third-party relationships, including for Clearing Banks and banks that issue letters of credit that Clearing Members may deposit as margin collateral. One aspect of OCC’s processes for managing margin collateral is to acknowledge that such collateral could be worth less in the future than when it is pledged to OCC (a “collateral haircut”).

OCC has identified opportunities to enhance its rules and risk management processes concerning collateral haircuts and concentration limits for specific collateral types and third-party standards for banks. First, OCC is proposing to eliminate existing authority to value Government securities using Monte Carlo simulations as part of its STANS margin methodology (commonly referred to as “Collateral in Margin” or “CiM”) in favor of applying fixed collateral haircuts that OCC would set and adjust pursuant to OCC’s CRM Policy in order to better incorporate stressed market periods (the “procedure-based approach”), rather than according to the fixed haircut schedule codified in OCC’s Rules today. OCC does not expect these

changes to have a significant impact on Clearing Members based on an impact assessment of eliminating the CiM approach and because it expects the fixed haircut schedule under the procedure-based approach would initially be the same as those currently defined in OCC’s Rules. Second, OCC is proposing to codify additional standards for Clearing Banks in OCC’s Rules to provide greater clarity and transparency regarding minimum standards for banking relationships that are critical to OCC’s clearance and settlement services. Third, OCC is proposing to make conforming changes to the standards for letter-of-credit issuers to the proposed Clearing Bank standards to ensure internal consistency within OCC’s Rules and establish OCC’s authority to set more restrictive concentration limits for letters of credit than those currently codified in OCC’s Rules. These standard changes are not expected to have a significant impact on Clearing Members because the institutions currently approved as Clearing Banks and letter-of-credit issuers meet these standards.

##### (1) Purpose

There are three primary components of this proposed rule change. First, OCC proposes to amend its Rules, CRM Policy, Margin Policy, and STANS Methodology Description to eliminate existing authority to value Government securities using Monte Carlo simulations as part of its STANS margin methodology in favor of applying fixed collateral haircuts that OCC would set and adjust pursuant to OCC’s CRM Policy, rather than according to the fixed haircut schedule codified in OCC’s Rules today. Second, OCC proposes to amend OCC Rules 101 and 203 to codify minimum capital and operational requirements and the governance process for approving OCC’s Clearing Banks, which the Rules do not currently address. Third, OCC proposes to revise OCC Rule 604 regarding the acceptability of letters of credit as margin assets to, among other things, standardize requirements for letter-of-credit issuers with the requirements for OCC’s other banking relationships, including the proposed standards for Clearing Banks, and allow OCC to set concentration limits with respect to letters of credit that are more restrictive than those currently codified in OCC’s Rules, which would be retained as minimum standards.

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

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