

Member's portfolio during a period of market stress could reduce the potentiality that OCC would mutualize a loss arising out of the close-out process. While unavoidable under certain circumstances, reducing the potentiality of loss mutualization during periods of market stress could reduce the potential knock-on effects to non-defaulting Clearing Members, their customers and the broader options market arising out of a Clearing Member default. The Commission believes, therefore, that adoption of a liquidation cost model calibrated based on periods of market stress would be consistent with the reduction of systemic risk and supporting the stability of the broader financial system.

Accordingly, and for the reasons stated above, the Commission believes the changes proposed in the Advance Notice are consistent with Section 805(b) of the Clearing Supervision Act.<sup>27</sup>

#### *B. Consistency With Rule 17Ad-22(e)(6)(i) Under the Exchange Act*

Rule 17Ad-22(e)(6)(i) under the Exchange Act requires, in part, that a covered clearing agency establish, implement, maintain, and enforce written policies and procedures reasonably designed to cover, if the covered clearing agency provides central counterparty services, its credit exposures to its participants by establishing a risk-based margin system that, at a minimum, considers, and produces margin levels commensurate with, the risks and particular attributes of each relevant product, portfolio, and market.<sup>28</sup>

As described above, the liquidation cost that OCC could incur in the process of closing out a Clearing Member's portfolio is, in part, a function of the spread between the bid and the ask prices of financial instruments within the portfolio. The STANS methodology attempts to address potential losses resulting from changes in price over a two-day period. As described above, however, STANS is not designed to account for liquidation costs. OCC's proposed model would be designed to account for particular attributes of the products in a defaulted Clearing Member's portfolio, including the bid-ask spreads and average daily volume of such products.<sup>29</sup> Further, the proposal would acknowledge the purpose of the proposed liquidation cost model as

distinct from the STANS methodology by using the proposed liquidation cost model as a floor on a Clearing Member's margin requirements.

OCC's proposal would be tailored to the particular attributes of products in a Clearing Member's portfolio. As described above, OCC would use the proposed model to calculate two risk-based liquidation costs for each portfolio: (1) The Vega LC and (2) the Delta LC.<sup>30</sup> The Commission believes, therefore, that the adoption of the proposed liquidation cost model designed to produce margin levels commensurate with the risks of liquidating a Clearing Member's portfolio is consistent with Exchange Act Rule 17Ad-22(e)(6)(i).<sup>31</sup>

#### IV. Conclusion

*It is therefore noticed*, pursuant to Section 806(e)(1)(I) of the Clearing Supervision Act, that the Commission *does not object* to Advance Notice (SR-OCC-2019-802) and that OCC is *authorized* to implement the proposed change as of the date of this notice or the date of an order by the Commission approving proposed rule change SR-OCC-2019-004, whichever is later.

By the Commission.

**Eduardo A. Aleman,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86091; File No. SR-FINRA-2019-012]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To Amend FINRA Rule 5110 (Corporate Financing Rule—Underwriting Terms and Arrangements) To Make Substantive, Organizational and Terminology Changes

June 12, 2019.

On April 11, 2019, Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to amend FINRA Rule 5110 (Corporate Financing Rule—Underwriting Terms and Arrangements) (the "Rule") to make substantive, organizational and terminology changes to the Rule. The proposed rule change was published for comment in the **Federal Register** on May 1, 2019.<sup>3</sup> The Commission has received six comment letters on the proposal.<sup>4</sup>

Section 19(b)(2) of the Act<sup>5</sup> provides that, within 45 days of publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it find such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is June 15, 2019. The Commission is extending this 45-day time period.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change.<sup>6</sup>

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>7</sup> designates July 30, 2019, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to

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

<sup>3</sup> See Securities Exchange Act Release No. 85715 (April 25, 2019), 84 FR 18592.

<sup>4</sup> See Letter from Suzanne Rothwell, Managing Member, Rothwell Consulting LLC, to Secretary, Commission, dated May 14, 2019; letter from Stuart J. Kaswell, Esq., to Vanessa Countryman, Acting Director, Commission, dated May 17, 2019; letter from Eversheds Sutherland (US) LLP, on behalf of the Committee of Annuity Insurers, to Brent J. Fields, Secretary, Commission, dated May 21, 2019; letter from Aseel Rabie, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, to Vanessa Countryman, Acting Secretary, Commission, dated May 30, 2019; letter from Robert E. Buckholz, Chair, Federal Regulation of Securities Committee, ABA Business Law Section, American Bar Association, to Vanessa Countryman, Acting Secretary, Commission, dated May 30, 2019; letter from Davis Polk & Wardwell LLP, to Vanessa Countryman, Acting Secretary, Commission, dated June 5, 2019.

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> Also, by letter dated June 6, 2019, FINRA consented to extending to July 30, 2019 the time period for Commission action on SR-FINRA-2019-012. See [http://www.finra.org/sites/default/files/rule\\_filing\\_file/SR-FINRA-2019-012-Extension1.pdf](http://www.finra.org/sites/default/files/rule_filing_file/SR-FINRA-2019-012-Extension1.pdf).

<sup>7</sup> 15 U.S.C. 78s(b)(2).

<sup>27</sup> 12 U.S.C. 5464(b).

<sup>28</sup> 17 CFR 240.17Ad-22(e)(6)(i).

<sup>29</sup> As noted above, OCC proposes to incorporate the proposed model into its margin methodology documentation and to reference the margin add-on in its Margin Policy.

<sup>30</sup> Options products would incur both a Vega LC and a Delta LC, while Delta-one products such as futures contracts, Treasury securities, and equity securities would incur only a Delta LC.

<sup>31</sup> 17 CFR 240.17Ad-22(e)(6)(i).

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

disapprove, the proposed rule change (File No. SR-FINRA-2019-012).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Eduardo A. Aleman,**  
*Deputy Secretary.*

[FR Doc. 2019-12785 Filed 6-17-19; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-255, OMB Control No. 3235-0305]

### Proposed Collection; Comment Request

*Upon Written Request Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736.

*Extension:*  
Rule 13e-1

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Rule 13e-1 (17 CFR 240.13e-1) under the Securities Exchange Act of 1934 (15 U.S.C. 78 *et seq.*) makes it unlawful for an issuer who has received notice that it is the subject of a tender offer made under Section 14(d)(1) of the Exchange Act to purchase any of its equity securities during the tender offer, unless it first files a statement with the Commission containing information required by the rule. This rule is in keeping with the Commission's statutory responsibility to prescribe rules and regulations that are necessary for the protection of investors. The information filed under Rule 13e-1 must be filed with the Commission and is publicly available. We estimate that it takes approximately 10 burden hours per response to provide the information required under Rule 13e-1 and that the information is filed by approximately 10 respondents. We estimate that 25% of the 10 hours per response (2.5 hours) is prepared by the company for a total annual reporting burden of 25 hours (2.5 hours per response × 10 responses).

Written comments are invited on: (a) Whether this proposed collection of

information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Please direct your written comment to Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Candace Kenner, 100 F Street NE, Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: June 13, 2019.

**Eduardo A. Aleman,**  
*Deputy Secretary.*

[FR Doc. 2019-12890 Filed 6-17-19; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-069, OMB Control No. 3235-0069]

### Proposed Collection; Comment Request

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736.

*Extension:*  
Industry Guides

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Industry Guides are used by registrants in certain industries as disclosure guidelines to be followed in presenting information to investors in Securities Act (15 U.S.C. 77a *et seq.*) and Exchange Act (15 U.S.C. 78a *et seq.*)

registration statements and certain other Exchange Act filings. The paperwork burden from the Industry Guides is imposed through the forms that are subject to the disclosure requirements in the Industry Guides and is reflected in the analysis of these documents. To avoid a Paperwork Reduction Act inventory reflecting duplicative burdens, for administrative convenience the Commission estimates the total annual burden imposed by the Industry Guides to be one hour.

Written comments are invited on: (a) Whether this proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Please direct your written comment to Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE, Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: June 13, 2019.

**Eduardo A. Aleman,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86092; File No. SR-ICEEU-2019-008]

### Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Publication of a Circular Regarding the Interpretation of References to EU Legislation in the Clearing Rules Post-Brexit

June 12, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

<sup>8</sup> 17 CFR 200.30-3(a)(31).