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Paper Comments

• Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–NASDAQ–2015–010. 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 Web site (<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 Web site 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 such filing also will be available for inspection and copying at the principal offices of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NASDAQ–2015–010, and should be submitted on or before March 11, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Brent J. Fields,
Secretary.

[FR Doc. 2015–03232 Filed 2–17–15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–74257; File No. SR–ICC–2014–23]

Self-Regulatory Organizations; ICE Clear Credit LLC; Order Granting Approval of Proposed Rule Change To Revise ICC End-of-Day Price Discovery Policies and Procedures

February 11, 2015.

I. Introduction

On December 18, 2014, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR–ICC–2014–23 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) ¹ and Rule 19b–4 thereunder.² The proposed rule change was published for comment in the **Federal Register** on January 5, 2015.³ The Commission received no comment letters regarding the proposed change. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

II. Description of the Proposed Rule Change

ICC is proposing this change to revise the ICC End-of-Day Price Discovery Policies and Procedures to remove the ability for Clearing Participants to submit end-of-day submissions for Single Name instruments in terms of spread and associated recovery rate. This revision does not require any changes to the ICC Clearing Rules.

ICC requires all Clearing Participants to provide end-of-day submissions for specific instruments related to their cleared open interest. ICC states that it uses these submissions as inputs to its price discovery algorithm, which determines end-of-day levels.

According to ICC, it computes margin and guaranty fund requirements, and all other money movements, in price terms, but currently supports Clearing Participant submissions in terms of price (or the equivalent points upfront), or spread and associated recovery rate. As a result, according to ICC, the first step in the price discovery algorithm for Single Name instruments is to convert any submissions in terms of spread and associated recovery rate to the equivalent submission in price terms using the ISDA standard model.

ICC therefore proposes to revise its End-of-Day Price Discovery Policies and

Procedures to remove the ability for Clearing Participants to provide end-of-day submissions for Single Name instruments in terms of spread and associated recovery rate. Rather, ICC will require price (or the equivalent points upfront) submissions for all Single Name instruments. According to ICC, this change will result in the elimination of the use of the ISDA standard model to determine end-of-day prices for Single Name instruments. Furthermore, ICC also proposes to add clarifying language regarding its determination of implied recovery rates.

III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act⁴ directs the Commission to approve a proposed rule change of a self-regulatory organization if the Commission finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such self-regulatory organization. Section 17A(b)(3)(F) of the Act⁵ requires, among other things, that the rules of a clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible and, in general, to protect investors and the public interest.

The Commission finds that the proposed rule change is consistent with Section 17A of the Act⁶ and the rules thereunder applicable to ICC. The revised ICC End-of-Day Price Discovery Policies and Procedures will ensure ICC uses data that reflect its Clearing Participants' view of the price of a given Single Name instrument, without the use of a model to imply a given price, resulting in an end-of-day price that is not subject to any potential model limitations or assumptions. As such, the Commission believes that the proposed rule change will promote the prompt and accurate settlement of securities and derivatives transactions, and therefore is consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC, in particular, Section 17A(b)(3)(F).⁷

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ Securities Exchange Act Release No. 34–73951 (Dec. 29, 2014), 80 FR 269 (Jan. 5, 2015) (SR–ICC–2014–23).

⁴ 15 U.S.C. 78s(b)(2)(C).

⁵ 15 U.S.C. 78q–1(b)(3)(F).

⁶ 15 U.S.C. 78q–1.

⁷ 15 U.S.C. 78q–1(b)(3)(F).

¹² 17 CFR 200.30–3(a)(12).

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act⁸ and the rules and regulations thereunder.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,⁹ that the proposed rule change (File No. SR-ICC-2014-23) be, and hereby is, approved.¹⁰

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Brent J. Fields,

Secretary.

[FR Doc. 2015-03230 Filed 2-17-15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74256; File No. SR-ICC-2014-21]

Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change To Provide for the Clearance of Additional Standard Western European Sovereign Single Names

February 11, 2015.

I. Introduction

On December 16, 2014, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR-ICC-2014-21 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder.² The proposed rule change was published for comment in the **Federal Register** on January 2, 2015.³ The Commission received one comment.⁴ For the reasons discussed below, the Commission is approving the proposed rule change.

⁸ 15 U.S.C. 78q-1.

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ In approving the proposed rule change, the Commission considered the proposal’s impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

¹¹ 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. 34-73941 (Dec. 24, 2014), 80 FR 75 (Jan. 2, 2015) (File No. SR-ICC-2014-21).

⁴ See Comment from Anonymous, dated January 23, 2015, available at <http://www.sec.gov/comments/sr-icc-2014-21/icc201421-1.htm> (stating “Good Idea”).

II. Description of the Proposed Rule Change

ICC proposes to adopt rules that will provide the basis for ICC to clear additional credit default swap (“CDS”) contracts. Specifically, ICC is proposing to amend Section 26I of its Rules to provide for the clearance of additional Standard Western European Sovereign CDS contracts (collectively, “SWES Contracts”). ICC has been approved to clear four SWES Contracts: the Republic of Ireland, the Italian Republic, the Portuguese Republic, and the Kingdom of Spain.⁵ The proposed changes to the ICC Rules would provide for the clearance of additional SWES Contracts, specifically the Kingdom of Belgium and the Republic of Austria (the “Additional SWES Contracts”).

ICC states that these Additional SWES Contracts will be offered on the 2003 and 2014 ISDA Credit Derivatives Definitions. ICC believes that the addition of these SWES Contracts will benefit the market for credit default swaps on Western European sovereigns by providing market participants the benefits of clearing, including reduction in counterparty risk and safeguarding of margin assets pursuant to clearing house rules. According to ICC, the clearing of the additional SWES Contracts will not require any changes in ICC’s risk management framework (including relevant policies) or margin model. ICC represents that the Additional SWES Contracts have terms consistent with the other SWES Contracts which ICC has been approved to clear and which will be governed by Subchapter 26I of the ICC rules, namely the Republic of Ireland, the Italian Republic, the Portuguese Republic, and the Kingdom of Spain.

ICC proposes minor revisions to Subchapter 26I (Standard Western European Sovereign (“SWES”) Single Name) to provide for clearing the additional SWES Contracts. Rule 26I-102 will be modified to include the Kingdom of Belgium and the Republic of Austria in the list of specific Eligible SWES Reference Entities to be cleared by ICC. Additionally, in ICC Rule 26D-102 (Definitions), the definition of “Eligible SES Reference Entity” will be modified to correct a typographical error and correctly identify the reference entity for a cleared product as Hungary (as opposed to the Republic of Hungary).

⁵ See Exchange Act Release No. 34-72941 (Nov. 5, 2014), 79 FR 67213 (Nov. 12, 2014) (File No. SR-ICC-2014-14) (order approving rule change to clear other Western European sovereign CDS contracts) (the “Prior WES Order”).

III. Comments

The Commission received one comment supporting approval of the proposed rule change. In this anonymous comment, the author expressed general support for the proposal but did not opine on any particular aspects of the proposal or offer any specific comment beyond a statement of general support.

IV. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act⁶ directs the Commission to approve a proposed rule change of a self-regulatory organization if the Commission finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such self-regulatory organization. Section 17A(b)(3)(F) of the Act⁷ requires, among other things, that the rules of a clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible and, in general, to protect investors and the public interest.

The Commission finds that clearing of the Additional SWES Contracts is consistent with the requirements of Section 17A of the Act⁸ and regulations thereunder applicable to it, including the standards under Rule 17Ad-22.⁹ The proposed change will provide for clearing of Additional SWES Contracts in the same manner as other SWES Contracts. Specifically, the new contracts will be cleared, and the risk associated with clearing the new contracts will be appropriately managed, pursuant to ICC’s existing margin and guaranty fund methodology, operational and managerial procedures, settlement procedures and default management policies. The Commission believes that the proposal is therefore designed to promote the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts and transactions cleared by ICC, to assure the safeguarding of securities and funds in the custody or control of ICC, and to protect investors and the public interest, within the meaning of is designed to promote the prompt and accurate

⁶ 15 U.S.C. 78s(b)(2)(C).

⁷ 15 U.S.C. 78q-1(b)(3)(F).

⁸ 15 U.S.C. 78q-1.

⁹ 17 CFR 240.17Ad-22.