

unsolicited written comments from members or other interested parties.

### 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,<sup>27</sup> and subparagraph (f)(2) of Rule 19b-4 thereunder,<sup>28</sup> because it establishes a due, fee, or other charge imposed by ISE Mercury.

At any time within 60 days of the filing of such 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](mailto:rule-comments@sec.gov). Please include File Number SR-ISEMercury-2016-05 on the subject line.

#### 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-ISEMercury-2016-05. 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 office 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-ISEMercury-2016-05, and should be submitted on or before April 15, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>29</sup>

**Brent J. Fields,**  
Secretary.

[FR Doc. 2016-06744 Filed 3-24-16; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77413; File No. SR-ICC-2016-003]

### Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing of Proposed Rule Change To Revise the ICC Operational Risk Management Framework

March 21, 2016.

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> notice is hereby given that on March 10, 2016, ICE Clear Credit LLC ("ICC") 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 primarily by ICC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The principal purpose of the proposed rule change is to update ICC's Operational Risk Management

Framework. These revisions do not require any changes to the ICC Clearing Rules.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, ICC 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. ICC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of these statements.

##### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

ICC proposes updates to the ICC Operational Risk Management Framework. ICC believes such revisions will facilitate the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts, and transactions for which it is responsible. The proposed revisions are described in detail as follows.

The ICC Operational Risk Management Framework details ICC's dynamic and independent program of risk assessment and oversight, managed by the Operational Risk Manager ("ORM"), which aims to reduce operational incidents, encourage process and control improvement, bring transparency to operational performance standard monitoring, and fulfill regulatory obligations. ICC proposes organizational changes to its Operational Risk Management Framework related to its operational risk management processes.

ICC has revised the Operational Risk Management Framework to frame its existing operational risk program and processes around an operational risk lifecycle, designed to highlight certain aspects of the processes and present the processes in a more efficient manner. The operational risk lifecycle utilized by ICC has five components: Identify, assess, monitor, mitigate and report. Each of these lifecycle components are first defined generally in the document then applied to each of ICC's two operational risk processes: Risk assessment; and performance objectives setting and monitoring. Specifically, the content for each risk process has been reorganized to fall into each of the operational risk lifecycle components (*i.e.*, identify, assess, monitor, mitigate, and report). For completion purposes,

<sup>27</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>28</sup> 17 CFR 240.19b-4(f)(2).

<sup>29</sup> 17 CFR 200.30-3(a)(12).

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

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

ICC added information regarding the ‘assess’ and ‘report’ component of the risk assessment process. Specifically, ICC assesses each of its risk scenarios to determine the inherent risk rating associated with the occurrence of an event or incident, as well as assess the effectiveness of any relevant risk controls. Further, in the ‘report’ component, ICC clarified that the ORM presents operational risk reporting to an internal committee which includes members of senior management. The responsibilities of the ORM, which were previously listed out in the document, were incorporated into the risk lifecycles. The ORM will continue to provide management and staff with advice and guidance related to the development of controls designed to increase performance and reduce processing risk, as part of the ‘mitigate’ risk lifecycle component. Similarly, the responsibilities of senior management, which were previously listed out in the document, were incorporated into the risk lifecycles.

ICC has categorized those aspects of the operational risk management program which do not fall within this lifecycle as “Operational Risk Focus Areas.” These risk focus areas include: Business continuity planning and disaster recovery; vendor assessment; new products and initiatives; information security; and technology control functions. ICC has reorganized the order of these risk focus areas to better distinguish which functions may, with oversight by the ORM, be outsourced to Intercontinental Exchange, Inc. (“ICE, Inc.”) or performed by departments dedicated to that particular risk area.

ICC has made several clarifying and organizational enhancements to the various risk focus area descriptions. Further, specific details contained within other ICC policies and procedures were removed and described more generally within the Operational Risk Management Framework, in an effort to reduce redundancy amongst ICC policies and procedures. ICC continues to maintain business continuity planning and disaster recovery as two separate programs with separate and distinct components; however, ICC has grouped the description of these programs together for purposes of the Operational Risk Management Framework. ICC enhanced the “Vendor Assessment” risk focus area description to note that the ORM is responsible for conducting a service provider risk assessment for critical vendors, and to list the specific steps taken as part of such risk assessment. ICC also enhanced the “Information

Security” risk focus area description to note that the ICE, Inc. Information Security Department conducts its own risk assessments related to information security and physical security/environmental controls, pursuant to internal policies which are maintained by an ICE, Inc. internal committee. Information regarding the Firm Wide Incident Management Program was included in the new ‘Technology Controls Section.’ ICC enhanced the ‘Technology Control Functions’ risk focus area description to note that the ICC Systems Operations team is responsible for executing daily clearing functions within established service expectations and performing incident management. ICC described this incident management process generally within the framework, and removed more detailed aspects of the program which are contained in specific program documentation.

General information regarding the development and enforcement of a firm-wide operational risk framework was removed, as the revised framework more clearly lays out in each particular section who is responsible for the development and enforcement of that component of the operational risk management framework. Information regarding the human resource reporting line of the ORM and specific references to titles of documents utilized as part of the risk assessment process were removed. As the Vendor Risk Management policy was retired and encompassed within the Operational Risk Management Framework, reference to the policy was removed from the document. ICC removed internal audit responsibilities from the Operational Risk Management Framework as such responsibilities are contained within internal audit documentation.

The overall governance of the Operational Risk Framework has been updated to reflect current practices. Specifically, material amendments are reviewed by the Risk Committee, and approved by the Board. The Board reviews the Operational Risk Management Framework at least annually.

Other non-material changes were made to the framework to enhance readability. Previously, ICC included regulatory requirements and industry guidance information within the framework; this information has been moved to a separate appendix to the framework. Further, information regarding Regulation Systems, Compliance, and Integrity has been added for completeness. Certain information regarding governance and governing committees has been

resituated to the reporting section of the relevant operational risk lifecycle. Similarly, information regarding the roles and responsibilities of the ORM and senior management has been resituated to the appropriate section the operational risk lifecycle.

Section 17A(b)(3)(F) of the Act<sup>3</sup> requires, among other things, that the rules of a clearing agency be designed to protect investors and the public interest and to comply with the provisions of the Act and the rules and regulations thereunder. ICC believes that the proposed rule changes are consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC, in particular, to Section 17(A)(b)(3)(F),<sup>4</sup> because ICC believes that the proposed rule changes will protect investors and the public interest, as the reorganization of ICC’s existing operational risk processes around the operational risk lifecycle promotes readability and efficiency, and alleviates potential confusion throughout the Operational Risk Management Framework. In addition, the proposed revisions are consistent with the relevant requirements of Rule 17Ad-22.<sup>5</sup> The changes to the ICC Operational Risk Management Framework further ensure that ICC, through its operational risk program, is able to identify sources of operational risk and minimize them through the development of appropriate systems, control, and procedures. Thus, the changes are reasonably designed to meet the operational risk requirements of Rule 17Ad-22(d)(4).<sup>6</sup> As such, the proposed changes are designed to promote the prompt and accurate clearance and settlement of securities transactions, derivatives agreements, contracts, and transactions within the meaning of Section 17A(b)(3)(F)<sup>7</sup> of the Act.

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

ICC does not believe the proposed rule changes would have any impact, or impose any burden, on competition. The ICC Operational Risk Management Framework applies uniformly across all market participants. Therefore, ICC does not believe the proposed rule changes impose any burden on competition that is inappropriate in furtherance of the purposes of the Act.

<sup>3</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>4</sup> Id.

<sup>5</sup> 17 CFR 240.17Ad-22.

<sup>6</sup> 17 CFR 240.17Ad-22(d)(4).

<sup>7</sup> Id.

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

Written comments relating to the proposed rule change have not been solicited or received. ICC will notify the Commission of any written comments received by ICC.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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](mailto:rule-comments@sec.gov). Please include File Number SR-ICC-2016-003 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-ICC-2016-003*. 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 filings will also be available for inspection and copying at the principal office of ICE Clear Credit and on ICE Clear Credit's Web site at <https://www.theice.com/clear-credit/regulation>.

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-ICC-2016-003 and should be submitted on or before April 15, 2016.

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

**Brent J. Fields,**  
*Secretary.*

[FR Doc. 2016-06747 Filed 3-24-16; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Investment Company Act Release No. 32032; 812-14285]**

**Northern Lights Fund Trust and Princeton Fund Advisors, LLC; Notice of Application**

March 21, 2016.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice of an application under Section 6(c) of the Investment Company Act of 1940 ("Act") for an exemption from Section 15(a) of the Act and Rule 18f-2 under the Act, as well as from certain disclosure requirements in Rule 20a-1 under the Act, Item 19(a)(3) of Form N-1A, Items 22(c)(1)(ii), 22(c)(1)(iii), 22(c)(8) and 22(c)(9) of Schedule 14A under the Securities Exchange Act of 1934, and Sections 6-07(2)(a), (b), and (c) of Regulation S-X ("Disclosure Requirements"). The requested exemption would permit an investment adviser to hire and replace certain sub-advisers without shareholder approval and grant relief from the Disclosure Requirements as they relate to fees paid to the sub-advisers.

**APPLICANTS:** Northern Lights Fund Trust (the "Trust"), a Delaware statutory trust registered under the Act as an open-end management investment company with multiple series, and Princeton Fund Advisors LLC, a Delaware limited liability company registered as an investment adviser under the Investment Advisers Act of 1940 ("the "Adviser," and, collectively with the Trust, the "Applicants").

**FILING DATES:** The application was filed March 6, 2014, and amended on August 21, 2014, November 10, 2014, November 25, 2015, February 19, 2016, February 22, 2016, and March 16, 2016.

**HEARING OR NOTIFICATION OF HEARING:**

An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on April 18, 2016, 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 writing to the Commission's Secretary.

**ADDRESSES:** Secretary, U.S. Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. Applicants: Trust: James P. Ash, Esq., Gemini Fund Services LLC, 80 Arkay Drive, Suite 110, Hauppauge, NY 11788 and Adviser: Princeton Fund Advisors, LLC, 1125 17th Street, Suite 1400, Denver, CO 80202.

**FOR FURTHER INFORMATION CONTACT:** Jean E. Minarick, Senior Counsel, at (202) 551-6811, or Daniele Marchesani, Branch Chief, at (202) 551-6821 (Division of Investment Management, Chief Counsel's Office).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained via the Commission's Web site by searching for the file number, or an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

**Summary of the Application**

1. The Adviser will serve as the investment adviser to the Funds pursuant to an investment advisory agreement with the Trust (the "Advisory

<sup>8</sup> 17 CFR 200.30-3(a)(12).