

POSTAL SERVICE**Product Change—Priority Mail Negotiated Service Agreement**

AGENCY: Postal Service™.

ACTION: Notice.

SUMMARY: The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

DATES: *Effective date:* April 3, 2017.

FOR FURTHER INFORMATION CONTACT: Elizabeth A. Reed, 202-268-3179.

SUPPLEMENTARY INFORMATION: The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on March 27, 2017, it filed with the Postal Regulatory Commission a *Request of the United States Postal Service to Add Priority Mail Contract 299 to Competitive Product List*. Documents are available at www.prc.gov, Docket Nos. MC2017-100, CP2017-147.

Stanley F. Mires,

Attorney, Federal Compliance.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80324; File No. SR-ICC-2017-002]

Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change To Revise Liquidity Thresholds for Euro Denominated Products

March 28, 2017.

I. Introduction

On January 27, 2017, ICE Clear Credit LLC ("ICC") 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 (SR-ICC-2017-002) to amend the ICC Clearing Rules, the ICC Treasury Operations Policies and Procedures and the ICC Liquidity Risk Management Framework to update ICC's liquidity thresholds for non-client Euro denominated products. The proposed rule change was published for comment in the **Federal Register** on February 14,

2017.³ The Commission received no comment letters regarding the proposed change. For the reasons discussed below, the Commission is approving the proposed rule change.

II. Description of the Proposed Rule Change

ICC has proposed changes to Schedule 401 of its Clearing Rules, Treasury Operations Policies and Procedures and Liquidity Risk Management Framework. The proposed changes will reduce Clearing Participants' Non-Client Initial Margin and Guaranty Fund Liquidity Requirements ("Non-Client Liquidity Requirements") for products denominated in Euros from 65% Euro cash to 45% Euro cash.⁴ The proposed rule change further gives Clearing Participants the option of posting the next 20% of Non-Client Liquidity Requirements for these products in either Euro or US Dollar cash. The proposed rule change does not alter Clearing Participants' existing ability to post the final 35% of their Non-Client Liquidity requirements in US Treasuries or cash issued by any G7 nation.

III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act⁵ directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act requires,⁶ among other things, that the rules of a registered clearing agency be 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. Rule 17Ad-22(d)(3)⁷ requires that a registered clearing agency shall establish, implement, maintain, and enforce written policies and procedures reasonably designed to hold assets in a

manner that minimizes risk of loss or of delay in its access to them.

The Commission finds that the proposed rule change, which adjusts the amount of Euro cash required in respect of non-client Euro denominated products, is consistent with Section 17A of the Act and Rule 17Ad-22 thereunder. The proposed rule change should not impact ICC's access to liquidity in the event of a clearing participant's default. ICC represented that "the 45% minimum percentage requirement is equivalent to the maximum assumed one day movement in Initial Margin (assuming a 5-day risk horizon)." ⁸ Moreover, if additional Euro cash is needed, ICC asserts that it can rely on its committed foreign exchange facility for settled spot dollar-to-Euro foreign exchange transactions.⁹ Accordingly, because there is unlikely to be a diminution in ICC's ability to meet its obligations, this proposed rule change is consistent with the prompt and accurate clearance and settlement requirement of Section 17A(b)(3)(F) of the Act.¹⁰

The proposed rule change also is consistent with the requirements in Section 17A(b)(3)(F) and Rule 17Ad-22(d)(3) that assets of a clearinghouse be safeguarded. As noted above, the proposed rule change now permits ICC's Clearing Participants to post an additional 20% of their Non-Client Liquidity Requirements in US Dollars. ICC in turn has represented that "to the extent possible, ICC deposits US Dollar cash in its account at the Federal Reserve Bank of Chicago."¹¹ Thus, giving ICC's Clearing Participants the option to post additional US Dollar cash, which may result in an increased amount of funds on deposit with a Federal Reserve Bank should further assure the safeguarding of those funds and minimize the risk of loss or delay in access to those funds, consistent with Section 17A(b)(3)(F) of the Act,¹² and Rule 17Ad-22(d)(3).¹³

IV. Conclusion

It is therefore ordered pursuant to Section 19(b)(2) of the Act that the proposed rule change (SR-ICC-2017-002) be, and hereby is, approved.¹⁴

⁸ Notice, 82 FR at 10612.

⁹ *Id.*

¹⁰ 15 U.S.C. 78q-1(b)(3)(F).

¹¹ Notice, 82 FR at 10612.

¹² 15 U.S.C. 78q-1(b)(3)(F).

¹³ 17 U.S.C. 240.17Ad-22(d)(3).

¹⁴ 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).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 34-79988 (February 8, 2017), 82 FR 10611 (February 14, 2017) (SR-ICC-2017-002) ("Notice").

⁴ Capitalized terms used in this order, but not defined herein, have the same meaning as in the ICC Clearing Rules.

⁵ 15 U.S.C. 78s(b)(2)(C).

⁶ 15 U.S.C. 78q-1(b)(3)(F).

⁷ 17 CFR 240.17Ad-22(d)(3).

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80321; File No. SR-FINRA-2017-008]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Private Placement Filer Form Under FINRA Rules 5122 and 5123

March 28, 2017.

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 March 17, 2017, Financial Industry Regulatory Authority, Inc. (“FINRA”) 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 FINRA. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,³ which renders the proposal effective upon receipt of this filing by the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.⁴

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

FINRA is proposing changes to the Private Placement Filer Form (“Filer Form”) that members complete when submitting private placement filings under FINRA Rules 5122 (Private Placements of Securities Issued by Members) or 5123 (Private Placements of Securities). The proposal does not make any changes to the text of FINRA 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, FINRA 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. FINRA 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

Rules 5122 and 5123 require a FINRA member to file information regarding private placements in which the member participates.⁵ When Rule 5123 became effective on December 3, 2012,⁶ FINRA required members to use the Filer Form for filings under both rules.⁷ Members submit the Filer Form and relevant offering documents to FINRA through the FINRA Firm Gateway.⁸ On July 1, 2013, FINRA amended Rule 5123 to require members to file the requisite information “in a manner prescribed by FINRA” and also began using an updated version of the Filer Form.⁹ The changes proposed herein would further update the version of the Filer Form that has been in use since 2013 for filings made pursuant to Rule 5122 and Rule 5123.

⁵ Both Rules 5122 and 5123 provide exemptions from the filing requirement when certain types of securities are sold or securities are sold to certain types of investors. See Rules 5122(c) and 5123(b).

⁶ See Securities Exchange Act Release No. 67157 (June 7, 2012), 77 FR 35457 (June 13, 2012) (Notice of Filing of Amendments No. 2 and No. 3 and Order Granting Accelerated Approval of File No. SR-FINRA-2011-057); *Regulatory Notice* 12-40 (September 2012).

⁷ See *Regulatory Notice* 12-40 (September 2012). See also *Regulatory Notice* 13-26 (August 2013); Securities Exchange Act Release No. 69843 (June 25, 2013), 78 FR 39367 (July 1, 2013) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Members’ Filing Obligations under FINRA Rule 5123 (Private Placements of Securities) File No. SR-FINRA-2013-026).

⁸ FINRA Firm Gateway is an online compliance tool that provides consolidated access to FINRA applications and allows members to submit required filings electronically to meet their compliance and regulatory obligations.

⁹ See Securities Exchange Act Release No. 69843 (June 25, 2013), 78 FR 39367 (July 1, 2013) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Members’ Filing Obligations under FINRA Rule 5123 (Private Placements of Securities) File No. SR-FINRA-2013-026).

The Filer Form has three main components: (1) The “Participating Member Information” section, which seeks information about the members that are selling the private placement; (2) the “Issuer Information” section, which captures basic information about the issuer; and (3) the “Offering Information” section, which seeks information about the offering. FINRA proposes changes to the Filer Form that will add, clarify and eliminate questions or other information requested in each section. Members may respond “unknown” for all new requests for information. Therefore, the Filer Form, as proposed to be modified, would not impose any new obligation on broker-dealers to seek out information that they do not already have. FINRA describes these proposed changes below.

The Participating Member section of the Filer Form would add questions regarding whether the member making the filing (“filing member”) is the exclusive selling agent in the private placement and whether there is any affiliation between the issuer or sponsor of the private placement with any member participating in the offering upon whose behalf the filing member is submitting the Filer Form. This section would no longer require the title and email address for the contact person of the filing member or the contact name, title and telephone number for other members identified in the filing.

The Issuer Information section of the Filer Form would add a question asking whether the issuer is a reporting company. This section would no longer require the filing member to enter the name, title and email address of the issuer’s contact person.

The Offering Information section would add questions regarding:

- The type of security the issuer is offering;
- whether the issuer raised capital within the preceding 12 months from any source (excluding loans or investments by affiliates);
- minimum investment amount that the issuer will accept and whether the issuer can waive that minimum;
- whether the filing member sold or will sell the offering to any non-accredited investors;
- the exemption from the Securities Act of 1933 that the issuer is relying upon;¹⁰ and

¹⁰ FINRA notes that one of the exemptions listed on the Filer Form is Rule 505 of Regulation D. The SEC has recently repealed Rule 505, with a stated effective date of May 22, 2017, in connection with its amendments to exemptions to facilitate intrastate and regional securities offerings. See Securities Exchange Act Release No. 79161, 81 FR

¹⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6). FINRA has given the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

⁴ The text of the proposed rule change is available at the principal office of FINRA, on FINRA’s Web site at <http://www.finra.org>, and at the Commission’s Public Reference Room.