

terms and conditions of the Orders granted under section 9(c).

10. In addition, BNPP and each Applicant and Covered Person will comply in all material respects with the material terms and conditions of the Plea Agreement and with the materials terms of the FRB Order, the DFS Order or any other orders issued by regulatory or enforcement agencies addressing the Conduct. Applicants further state that BNPP and its affiliates have undertaken certain remedial measures, as described in greater detail in the application. These include certain remedial measures as required by the Plea Agreement, the FRB Order, and the DFS Order, including improvements to the oversight, internal controls and compliance program, compliance risk management program, and internal audit program for FX trading. Applicants state that BNPP and its affiliates have taken a number of steps to enhance its internal controls, policies and procedures relating to its FX activities. Specifically, Applicants represent BNPP has devised and implemented new global detailed FX-specific policies and procedures and a comprehensive program to change the culture of the business with the aim that each individual within the business understands their responsibility for proper conduct and compliance. Applicants also represent that BNPP has globally rolled out culture and conduct workshops and training on BNPP's Foreign Exchange Local Markets remediation program. Additionally, Applicants represent that supervisors have been given increased tools to directly oversee their staff and identify conduct issues more effectively, permanent cross-bank chat rooms have been prohibited, and reverse trades are monitored through software designed to detect transactions (proprietary and customer) that were not exposed to the risk of the market and did not result in a change of beneficial ownership.

11. As a result of the foregoing, the Applicants submit that granting the exemption as requested in the application is consistent with the public interest and the protection of investors.

12. To provide further assurance that the exemptive relief being requested herein would be consistent with the public interest and the protection of the investors, the Applicants agree that they will, as soon as reasonably practical, distribute to the boards of directors or trustees of the Funds ("Board") written materials describing the circumstances that led to the Plea Agreement, as well as any effects on the Funds and the application. The written materials will include an offer to discuss the materials

at an in-person meeting with the Board, including the directors who are not "interested persons" of the Funds as defined in section 2(a)(19) of the Act and their "independent legal counsel" as defined in rule 0-1(a)(6) under the Act, if any. The Applicants undertake to provide the Boards with all information concerning the Plea Agreement and the application as necessary for those Funds to fulfill their disclosure and other obligations under the U.S. federal securities laws and will provide them a copy of the Judgment as entered by the District Court.

13. Applicants state that certain of the Applicants and their affiliates have previously received an order under section 9(c) of the Act, as the result of conduct that triggered section 9(a), as described in greater detail in the application.

#### Applicants' Conditions

Applicants agree that any order granted by the Commission pursuant to the application will be subject to the following conditions:

1. Any temporary exemption granted pursuant to the application will be without prejudice to, and will not limit the Commission's rights in any manner with respect to, any Commission investigation of, or administrative proceedings involving or against, Covered Persons, including, without limitation, the consideration by the Commission of a permanent exemption from section 9(a) of the Act requested pursuant to the application or the revocation or removal of any temporary exemptions granted under the Act in connection with the application.

2. None of BNPP, the Applicants or any of the other Covered Persons will employ the former employee of an affiliate of the Pleading Entity or any other person who subsequently may be identified by the Pleading Entity or any U.S. or non-U.S. regulatory or enforcement agencies as having been responsible for the Conduct in any capacity without first making a further application to the Commission pursuant to section 9(c).

3. BNPP and each Applicant and Covered Person will adopt and implement policies and procedures reasonably designed to ensure that it will comply with the terms and conditions of the Orders within 60 days of the date of the Permanent Order or, with respect to condition four, such later date or dates as may be contemplated by the FRB Order, the DFS Order or any other orders issued by regulatory or enforcement agencies addressing the Conduct.

4. BNPP and each Applicant and Covered Person will comply in all material respects with the material terms and conditions of the Plea Agreement and with the material terms of the FRB Order, the DFS Order and any other orders issued by regulatory or enforcement agencies addressing the Conduct.

5. Applicants will provide written notification to the Chief Counsel of the Commission's Division of Investment Management with a copy to the Chief Counsel of the Commission's Division of Enforcement of a material violation of the terms and conditions of any of the Orders within 30 days of discovery of the material violation.

#### Temporary Order

The Commission has considered the matter and finds that Applicants have made the necessary showing to justify granting a temporary exemption.

Accordingly,

*It is hereby ordered*, pursuant to section 9(c) of the Act, that the Applicants and any other Covered Persons are granted a temporary exemption from the provisions of section 9(a), effective as the date of the Guilty Plea, solely with respect to the Guilty Plea entered into pursuant to the Plea Agreement, subject to the representations and conditions in the application, until the Commission takes final action on their application for a permanent order.

By the Commission.

**Robert W. Errett,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82585; File No. SR-OCC-2017-020]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change Concerning Enhanced and New Tools for Recovery Scenarios

January 25, 2018.

On December 18, 2017, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-OCC-2017-020 ("Proposed Rule Change") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and

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

Rule 19b-4 thereunder,<sup>2</sup> concerning enhanced and new tools for recovery scenarios.<sup>3</sup> The Proposed Rule Change was published for comment in the **Federal Register** on December 26, 2017.<sup>4</sup> To date, the Commission has received one comment letter to the Proposed Rule Change.<sup>5</sup>

Section 19(b)(2) of the Act<sup>6</sup> provides that, within 45 days of the 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 finds 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 February 9, 2018. The Commission is extending this 45-day time period.

In order to provide the Commission with sufficient time to consider the Proposed Rule Change, the Commission finds that it is appropriate to designate a longer period within which to take action on the Proposed Rule Change.

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

<sup>3</sup> On December 8, 2017, OCC also filed this proposal as an advance notice SR-OCC-2017-809 (“Advance Notice”) with the Commission pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled the Payment, Clearing, and Settlement Supervision Act of 2010 (12 U.S.C. 5465(e)(1)) and Rule 19b-4(n)(1)(i) of the Act (17 CFR 240.19b-4(n)(1)(i)). Notice of filing of the Advance Notice was published for comment in the **Federal Register** on January 23, 2018. Securities Exchange Act Release No. 34-82513 (Jan. 17, 2018), 83 FR 3244 (Jan. 23, 2018) (SR-OCC-2017-809).

On January 22, 2018, the Commission sent OCC a request for additional information, which tolls the Commission’s 60-day review period for the Advance Notice. See Memorandum from Office of Clearance and Settlement, Division of Trading and Markets, dated January 23, 2018, available at <https://www.sec.gov/comments/sr-occ-2017-809/occ2017809.htm>. The new review period will be 60 days from the date the Commission receives the information requested. See Section 806(e)(1). The proposal in the Proposed Rule Change and the Advance Notice shall not take effect until all regulatory actions required with respect to the proposal are completed.

<sup>4</sup> Securities Exchange Act Release No. 34-82531 (Dec. 19, 2017), 82 FR 61107 (Dec. 26, 2017) (SR-OCC-2017-020).

<sup>5</sup> See Letter from Jacqueline H. Mesa, Senior Vice President of Global Policy, FIA, dated Jan. 16, 2018, available at <https://www.sec.gov/comments/sr-occ-2017-020/occ2017020.htm>. Since the proposal contained in the Proposed Rule Change was also filed as an Advance Notice, the Commission is considering all public comments received on the proposal regardless of whether the comments are submitted to the Proposed Rule Change or the Advance Notice.

<sup>6</sup> 15 U.S.C. 78s(b)(2).

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>7</sup> designates March 26, 2018 as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove proposed rule change SR-OCC-2017-020.

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

**Eduardo A. Aleman,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82586; File No. SR-OCC-2017-021]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change Concerning Updates to and Formalization of OCC’s Recovery and Orderly Wind-Down Plan

January 25, 2018.

On December 8, 2017, The Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) proposed rule change SR-OCC-2017-021 (“Proposed Rule Change”) 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> concerning updates to and formalization of OCC’s recovery and orderly wind-down plan.<sup>3</sup>

<sup>7</sup> *Id.*

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

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

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

<sup>3</sup> On December 8, 2017, OCC also filed this proposal as an advance notice SR-OCC-2017-810 (“Advance Notice”) with the Commission pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled the Payment, Clearing, and Settlement Supervision Act of 2010 (12 U.S.C. 5465(e)(1)) and Rule 19b-4(n)(1)(i) of the Act (17 CFR 240.19b-4(n)(1)(i)). Notice of filing of the Advance Notice was published for comment in the **Federal Register** on January 23, 2018. Securities Exchange Act Release No. 34-82514 (Jan. 17, 2018), 83 FR 3224 (Jan. 23, 2018) (SR-OCC-2017-810).

On January 22, 2018, the Commission sent OCC a request for additional information, which tolls the Commission’s 60-day review period for the Advance Notice. See Memorandum from Office of Clearance and Settlement, Division of Trading and Markets, dated January 23, 2018, available at <https://www.sec.gov/comments/sr-occ-2017-810/occ2017810.htm>. The new review period will be 60 days from the date the Commission receives the information requested. See Section 806(e)(1). The proposal in the Proposed Rule Change and the Advance Notice shall not take effect until all regulatory actions required with respect to the proposal are completed.

The Proposed Rule Change was published for comment in the **Federal Register** on December 26, 2017.<sup>4</sup> To date, the Commission has not received any comment letters to the Proposed Rule Change.

Section 19(b)(2) of the Act<sup>5</sup> provides that, within 45 days of the 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 finds 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 February 9, 2018. The Commission is extending this 45-day time period.

In order to provide the Commission with sufficient time to consider the Proposed Rule Change, the Commission finds that it is appropriate to designate a longer period within which to take action on the Proposed Rule Change.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>6</sup> designates March 26, 2018 as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove proposed rule change SR-OCC-2017-021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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<sup>4</sup> Securities Exchange Act Release No. 34-82532 (Dec. 19, 2017), 82 FR 61072 (Dec. 26, 2017) (SR-OCC-2017-021).

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

<sup>6</sup> *Id.*

<sup>7</sup> 17 CFR 200.30-3(a)(31).