

### 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 up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange 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-CBOE-2018-016 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-CBOE-2018-016. 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 website (<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 website 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2018-016, and should be submitted on or before March 9, 2018.

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

**Eduardo A. Aleman,**  
*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82692; File No. SR-ICEEU-2018-001]

### Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing of Proposed Rule Change, Security-Based Swap Submission or Advance Notice Relating to Amendments to the ICE Clear Europe CDS Clearing Stress Testing Policy (the "Stress Testing Policy")

February 12, 2018.

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 February 6, 2018, ICE Clear Europe Limited ("ICE Clear Europe") filed with the Securities and Exchange Commission ("Commission") the proposed rule changes described in Items I, II, and III below, which Items have been prepared by ICE Clear Europe. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

ICE Clear Europe proposes revising its Stress Testing Policy, among other matters, to recategorize certain CDS stress testing scenarios and make certain other enhancements and clarifications. These revisions do not involve any

changes to the ICE Clear Europe Clearing Rules or Procedures.<sup>3</sup>

#### II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, ICE Clear Europe 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. ICE Clear Europe has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

##### (A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### (a) Purpose

ICE Clear Europe proposes revising its Stress Testing Policy, among other matters, to recategorize certain CDS stress testing scenarios, address specific wrong way risk, introduce new forward looking credit event scenarios and make certain other enhancements and clarifications. These revisions do not involve any changes to the ICE Clear Europe Clearing Rules or Procedures.<sup>4</sup>

ICE Clear Europe currently maintains a broad array of stress testing scenarios that are applied to portfolios of positions as part of its risk management practices for the CDS product category. As part of the existing policy, the Clearing House management regularly evaluates whether to retire certain scenarios or portfolios as outdated or otherwise inapplicable, and whether to add new scenarios or portfolios for testing purposes. ICE Clear Europe is not proposing to change the frequency of stress testing or of its regular reviews of stress testing scenarios, models and underlying parameters and assumptions.

The amendments generally reorganize the existing stress testing scenarios into two broad categories: Extreme but plausible market scenarios and extreme market scenarios. Extreme but plausible scenarios include both historical scenarios (such as those involving the 2008/2009 credit crisis, the Lehman Brothers default and discordant scenarios, where there are discordant moves among major indices) and hypothetical scenarios (such as

<sup>3</sup> Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Europe Clearing Rules (the "Rules").

<sup>4</sup> Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Europe Clearing Rules (the "Rules").

<sup>15</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.

hypothetical inversion or steepening of credit spread curves, and scenarios that are the opposite of certain of the historical scenarios). The amendments also add a new category of forward looking credit event scenarios, which are based on historically observed extreme but plausible market scenarios augmented with the occurrence of specified adverse credit events involving both clearing member reference entities and non-clearing member reference entities. In addition it is proposed to explicitly incorporate in the range of stress test scenarios the Opposite Lehman Brothers scenario, which is derived from the existing Lehman Brothers scenario by applying a factor of -0.75 to reflect the reduced magnitude of observed price increases during the considered period.

The treatment of extreme market scenarios, which generally apply certain of the base "extreme but plausible" scenarios but with higher magnitudes of spread widening or tightening, would be clarified to state in greater detail the approach used for scaling up such factors. In particular, the approach reflects the CDS market structure and the resulting asymmetric effects of spread widening versus tightening. The amendments also remove certain specific scenario tables from the policy as unnecessary given that they are reflected in the revised general description.

The Stress Testing Policy has also been amended to expressly address specific wrong-way risk in the calculation of hypothetical losses as part of stress testing. If a portfolio being stress tested presents specific wrong way risk (*i.e.*, the risk arising where a clearing member has provided credit protection on itself or an affiliate), the calculation takes into account the full uncollateralized loss given default (in other words, it is assumed that the clearing member whose portfolio is being analyzed will default).

The provisions of the Stress Testing Policy relating to the analysis of CDS guaranty fund adequacy are being revised to clarify that stress testing is conducted for both sold and bought credit protection, in order to test the main risk drivers of clearing member portfolios which would result in full depletion of the Guaranty Fund. With respect to hypothetical spread realizations, maximum levels would similarly be set to result in full depletion of the CDS guaranty fund.

The amendments also incorporate the overall Board risk appetite and limit framework, in a manner similar to other Clearing House policies. The amendments make various other

drafting updates and clarifications, including updating references to relevant Clearing House personnel titles, management structures and governance policies. The amendments further address annual validation of models supporting the policy, routine review of the policy by Clearing House personnel, the CDS Risk Committee and Board Risk Committee, and procedures for escalation and notification of breaches of relevant thresholds.

#### (b) Statutory Basis

ICE Clear Europe believes that the changes described herein are consistent with the requirements of Section 17A of the Act<sup>5</sup> and the regulations thereunder applicable to it, and in particular are consistent with the prompt and accurate clearance of and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts and transactions, the safeguarding of securities and funds in the custody or control of ICE Clear Europe or for which it is responsible and the protection of investors and the public interest, within the meaning of Section 17A(b)(3)(F) of the Act.<sup>6</sup> ICE Clear Europe is implementing the amendments in order to clarify the stress scenarios being tested as well as make certain enhancements to elements of its stress testing practices. These include addressing specific wrong way risk, introduction of new forward looking credit event stress testing scenarios, and clarification of the scaling factors used to generate extreme spread widening and tightening scenarios. The amendments do not affect the Rules or Procedures, and do not otherwise affect the rights or obligations of clearing members. In ICE Clear Europe's view, the amendments will thus enhance its ongoing stress testing practices and strengthen its risk management infrastructure, consistent with the prompt and accurate clearance and settlement of transactions and the protection of market participants and the public interest, within the meaning of Section 17A(b)(3)(F) of the Act.<sup>7</sup> In addition, the amendments are for similar reasons consistent with, and will facilitate compliance with, the specific stress testing requirements of Rule 17Ad-22(e)(4)(vi).<sup>8</sup>

#### (B) Clearing Agency's Statement on Burden on Competition

ICE Clear Europe does not believe the proposed changes to the rules would

have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purpose of the Act. The amendments will solely affect the method and factors utilized by ICE Clear Europe for purposes of CDS stress testing. ICE Clear Europe is not changing the Rules or Procedures, or the rights or obligations of Clearing Members. As a result, ICE Clear Europe does not believe the amendments would adversely affect Clearing Members, materially affect the cost of clearing, adversely affect access to clearing in CDS Contracts for Clearing Members or their customers, or otherwise adversely affect competition in clearing services. Although revisions to stress testing could ultimately affect the required level of margin or guaranty fund contributions, any such changes would, in ICE Clear Europe's view, be appropriate in furtherance of the risk management of the Clearing House, consistent with the standards of the Act and regulations thereunder. As a result, ICE Clear Europe does not believe that the amendments would impose any impact or burden on competition that is not appropriate in furtherance of the purpose of the Act.

#### (C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments relating to the proposed amendments have not been solicited or received by ICE Clear Europe. ICE Clear Europe will notify the Commission of any comments received with respect to the proposed rule change.

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Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate 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 the proposed rule change or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and

<sup>5</sup> 15 U.S.C. 78q-1.

<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>8</sup> 17 CFR 240.17Ad-22(e)(4)(vi).

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-ICEEU-2018-001 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-ICEEU-2018-001. 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 website (<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 website viewing and printing in the Commission's Public Reference Section, 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 Europe and on ICE Clear Europe's website at <https://www.theice.com/clear-europe/regulation#rule-filings>.

All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-ICEEU-2018-001 and should be submitted on or before March 9, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Eduardo A. Aleman,**  
*Assistant Secretary.*

[FR Doc. 2018-03201 Filed 2-15-18; 8:45 am]

**BILLING CODE 8011-01-P**

**DEPARTMENT OF STATE**

**[Public Notice: 10310]**

**Office of the Under Secretary of State for Public Diplomacy and Public Affairs Request for Proposal (RFP) for the Fundraising, Project Management, Design, Construction, Operation, Disassembly and Removal of a USA Pavilion at Expo 2020 Dubai**

**AGENCY:** Department of State.

**ACTION:** Request for Proposals for the Design, Development, Installation, Operation, and Final Disposition of a U.S. Pavilion at Expo Dubai 2020.

**SUMMARY:** The Expo Unit within the Office of the Under Secretary of State for Public Diplomacy and Public Affairs of the U.S. Department of State requests proposals from private U.S. individuals, firms, associations, educational institutions, and organizations (for profit and non-profit) for the fundraising, project management, design, construction, operation, and disassembly and removal of a USA Pavilion at Expo 2020 Dubai, in the United Arab Emirates (UAE) (<https://expo2020dubai.ae/>). The UAE is a strong U.S. partner, and the largest export market for U.S. goods and services in the Middle East. The six-month long Expo 2020 Dubai from October 2020-April 2021 will be the first Expo (also known as World's Fair) to take place in the Middle East, North Africa, or South Asia and is expected to attract 25 million visitors and coincides with the UAE's 50th founding anniversary. Proposals from non-U.S. citizens or non-U.S. firms or organizations shall be deemed ineligible for consideration.

**DATES:** Submit proposals on or before April 17, 2018.

**FOR FURTHER INFORMATION CONTACT:** Matthew Asada, Dubai Expo 2020 Project Manager, at [expo@state.gov](mailto:expo@state.gov) or by phone at: (202) 647-9905.

**SUPPLEMENTARY INFORMATION:**

**I. Description of Project**

*Authority*

Overall authority for Department of State support for U.S. participation in

international expositions is contained in Section 102(a)(3) of the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2452(a)(3)), also known as the Fulbright-Hays Act. The purpose of the Act is "to enable the Government of the United States to increase mutual understanding between the people of the United States and the people of other countries . . . to strengthen the ties which unite us with other nations by demonstrating the educational and cultural interests, developments, and achievements of the people of the United States and other nations . . . and thus to assist in the development of friendly, sympathetic and peaceful relations between the United States and the other countries of the world." Pursuant to this authority, the Secretary of State has authorized the Under Secretary of State for Public Diplomacy and Public Affairs to provide for U.S. participation in international expositions abroad. The Expo Unit, in the Office of the Under Secretary for Public Diplomacy and Public Affairs, will represent the U.S. Government in dealings with the organizers of Expo 2020 Dubai and serve as the primary point of contact with the selected applicant.

*Background*

Expo 2020 Dubai is a large-scale, universal exposition (also known as a World's Fair) registered by the Bureau of International Expositions (BIE). The BIE is an international treaty organization established to regulate certain international exhibitions. The United States rejoined the BIE on May 10, 2017. Invitations to world's fairs are extended from the host government to other governments.

The Government of the United Arab Emirates (UAE) has invited the United States to participate in Expo 2020 Dubai and, on October 19, 2017, the Secretary of State informed the UAE Government of the U.S. Government's intention to participate with an official USA Pavilion, contingent upon identification of a viable private sector partner and successful fundraising efforts. The Expo officially opens on October 20, 2020, and closes on April 10, 2021.

With a projected 25 million visitors, 70 percent of whom will come from outside of the UAE, Expo 2020 Dubai offers an excellent opportunity to inform and inspire foreign audiences—especially those residing in the Middle East, South Asia, and East Asia—about the United States, its people, values and foreign policies, and to promote U.S. economic and commercial interests. Expo 2020 Dubai is the first World's Fair hosted in the Middle East. U.S.

<sup>9</sup> 17 CFR 200.30-3(a)(12).