

Notice are consistent with Rule 17Ad–22(e)(6) under the Exchange Act, which requires that OCC establish, implement, maintain, and enforce written policies and procedures reasonably designed to cover its credit exposures to its participants by establishing a risk-based margin system that, among other things: (i) Considers, and produces margin levels commensurate with the risks and particular attributes of each relevant product, portfolio, and market; (ii) calculates margin sufficient to cover its potential future exposure to participants in the interval between the last margin collection and the close out of positions following a participant default; and (iii) uses reliable sources of timely price data and uses procedures and sound valuation models for addressing circumstances in which pricing data is not readily available or reliable.¹⁰⁷

As described above, the proposal contained in the Advance Notice would make several amendments to OCC's margin methodology designed to improve how it: (i) Accounts for asymmetry in conditional variance;¹⁰⁸ (ii) models the statistical distribution of price returns;¹⁰⁹ (iii) models second-day volatility forecasts;¹¹⁰ (iv) estimates covariance and correlations between risk factors to provide for stable and sensitive correlation estimations;¹¹¹ and (v) treats defaulting securities by reducing the impact that illiquid securities with discontinuous data have on default variance estimates.¹¹²

The Commission believes the modifications proposed are designed to improve the manner in which STANS would calculate daily margin requirements for OCC's clearing members. Consequently, the Commission believes that the proposal is designed both (i) to consider, and produce margin levels commensurate with, the risks and particular attributes of each relevant product, portfolio, and market¹¹³ and (ii) to calculate margin sufficient to cover OCC's potential future exposure to participants in the interval between the last margin collection and the close out of positions following a participant default.¹¹⁴ Additionally, as discussed in the Advance Notice,¹¹⁵ the proposal would introduce daily updates for price data

for equity products. This data would be obtained from a reliable industry vendor. Consequently, the Commission believes that the proposal contained in the Advance Notice would help ensure that OCC's margin methodology would utilize a reliable source of timely price data, which would better reflect current market conditions than the current monthly updates, and thereby result in more accurate and responsive margin requirements.¹¹⁶ Consequently, the Commission finds that the proposal is consistent with Exchange Act Rule 17Ad–22(e)(6).

V. Conclusion

It is therefore noticed, pursuant to Section 806(e)(1)(I) of the Payment Supervision Act,¹¹⁷ that the Commission *does not object* to Advance Notice (SR–OCC–2017–811) and that OCC is *authorized* to implement the proposed change.

By the Commission.

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–83302; File No. SR–CboeBZX–2018–034]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Listing and Trading of the iShares Gold Strategy ETF, a Series of the iShares U.S. ETF Trust

May 22, 2018.

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 May 9, 2018, Cboe BZX Exchange, Inc. (“Exchange” or “BZX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b–4(f)(6)(iii)⁴ thereunder, which renders it effective upon filing with the Commission. 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 Exchange filed a proposal to amend a representation made in a rule change previously approved by the Commission relating to the listing and trading of the iShares Gold Strategy ETF (the “Fund”), a series of the iShares U.S. ETF Trust (the “Trust”).

The text of the proposed rule change is available at the Exchange's website at www.markets.cboe.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange 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. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The shares of the Fund (the “Shares”) were approved for listing and trading on the Exchange under Exchange Rule 14.11(i), which governs the listing and trading of Managed Fund Shares.⁵ The Shares have not yet commenced trading on the Exchange. The Fund is a series of the Trust, which was established as a Delaware statutory trust on June 21, 2011. BlackRock Fund Advisors (the “Adviser”) will serve as the investment adviser to the Fund. The Trust is registered with the Commission as an open-end management investment company and has filed a registration statement on behalf of the Fund on Form N–1A (“Registration Statement”) with the Commission.⁶

⁵ See Securities Exchange Act Release No. 83014 (April 9, 2018), 83 FR 16150 (April 13, 2018) (SR–CboeBZX–2017–023) (the “Approval Order”).

⁶ See Registration Statement on Form N–1A for the Trust, filed with the Commission on November 1, 2017 (File Nos. 333–179904 and 811–22649). The descriptions of the Fund and the Shares contained herein are based, in part, on information in the

Continued

¹⁰⁷ 17 CFR 240.17Ad–22(e)(6).

¹⁰⁸ See Notice of Filing of Advance Notice, 82 FR at 61357.

¹⁰⁹ *Id.*

¹¹⁰ *Id.*

¹¹¹ *Id.*

¹¹² See Notice of Filing of Advance Notice, 82 FR at 61357–61358.

¹¹³ See 17 CFR 240.17Ad–22(e)(6)(i).

¹¹⁴ See 17 CFR 240.17Ad–22(e)(6)(iii).

¹¹⁵ See Notice, 82 FR at 61356.

¹¹⁶ See 17 CFR 240.17Ad–22(e)(6)(iv).

¹¹⁷ 12 U.S.C. 5465(e)(1)(G).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b–4(f)(6)(iii).

The Exchange proposes to amend the Approval Order in order to make clear that the representation that limits Fund holdings in the Subsidiary⁷ to 25% of the Fund's total assets (the "25% Limitation") was made to indicate that the Fund will comply with Sub-Chapter M of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and as such, the 25% Limitation was intended to be measured on a quarterly basis. Specifically, the Exchange is proposing to change the sentence that reads:

References below to the holdings of the Fund, including any restrictions thereon that are described within this proposal, are inclusive of the direct holdings of the Fund as well as the indirect holdings of the Fund through the Subsidiary, which may constitute up to 25% of the total assets of the Fund.

The Exchange is proposing to replace that sentence with the following:

References below to the holdings of the Fund, including any restrictions thereon that are described within this proposal, are inclusive of the direct holdings of the Fund as well as the indirect holdings of the Fund through the Subsidiary, which, in compliance with Sub-Chapter M of the Internal Revenue Code of 1986, as amended, may constitute up to 25% of the total assets of the Fund, as determined at the end of each of the Fund's fiscal quarters.

The Exchange believes that this proposed change is a non-controversial change because it is only to clarify that the 25% Limitation is measured on a quarterly basis in compliance with Sub-Chapter M of the Internal Revenue Code. This proposed change regarding the 25% Limitation is the only change covered by this proposal, and all other representations in the Approval Order, including both initial listing requirements and Continued Listing Representations,⁸ remain true and will apply on a continuous basis, as applicable, consistent with Exchange Rule 14.11.

Registration Statement. The Commission has issued an order granting certain exemptive relief to the Adviser and open-end management companies advised by the Adviser under the Investment Company Act of 1940 (15 U.S.C. 80a-1). See Investment Company Act Release No. 29571 (January 24, 2011) (File No. 812-13601).

⁷ The "Subsidiary" is a wholly owned subsidiary of the Fund that is organized in the Cayman Islands and has the same investment objective as the Fund.

⁸ As defined in Rule 14.11(a), the term "Continued Listing Representations" means any of the statements or representations regarding the index composition, the description of the portfolio or reference assets, limitations on portfolio holdings or reference assets, dissemination and availability of index, reference asset, and intraday indicative values (as applicable), or the applicability of Exchange listing rules specified in any filing to list a series of securities under Rule 14.11.

2. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act⁹ in general and Section 6(b)(5) of the Act¹⁰ in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market and, in general, to protect investors and the public interest.

As described above, all of the Continued Listing Representations which formed the basis for the Commission in approving the Approval Order remain true and will continue to constitute listing requirements for the Fund with the exception of the single representation that the Exchange is proposing to make clearer. This proposed change will only make clear the basis for and timing of the calculation of the 25% Limitation and is not proposing to make any substantive changes to the types or amounts of any particular instrument that the Fund can hold. As such, the Exchange believes that the proposal is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that making clear the timing of the calculation of and the basis for the 25% Limitation will have no impact on competition.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act¹³ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)¹⁴ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the proposed rule change may become operative upon filing. The Commission notes that waiver of the 30-day operative delay will allow the Fund to immediately operate under the certainty of the application of the 25% Limitation proposed in this proposal and provide the same clarity to investors. The Commission does not believe that there is any reason for delay when the proposal is only designed to make clear that the 25% Limitation will be measured on a quarterly basis and is designed to comply with Sub-Chapter M of the Internal Revenue Code. Accordingly, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest and hereby waives the operative delay and designates the proposed rule change operative upon filing.¹⁵

At any time within 60 days of the filing of the 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.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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. The Exchange has satisfied this requirement.

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ 17 CFR 240.19b-4(f)(6)(iii).

¹⁵ For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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. Please include File Number SR-CboeBZX-2018-034 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-CboeBZX-2018-034. 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 the 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-CboeBZX-2018-034, and should be submitted on or before June 19, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83306; File No. SR-ISE-2018-46]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Schedule of Fees Related to Complex Orders

May 23, 2018.

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 May 10, 2018, Nasdaq ISE, LLC ("ISE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. 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 Exchange proposes to amend the Schedule of Fees related to Complex Orders traded on the Exchange.

The text of the proposed rule change is available on the Exchange's website at <http://ise.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange 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. The

Exchange 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

The purpose of the proposed rule change is to amend the Schedule of Fees related to Complex Orders traded on the Exchange, including: (1) Priority Customer³ Complex Order rebates, (2) Market Maker⁴ fees, (3) the non-Priority Customer Complex Order taker surcharge, and (4) formatting and other non-substantive changes to the tables. Each of the proposed changes is described in more detail below.

I. Priority Customer Complex Order Rebates

Currently, the Exchange has a fee structure in place for Complex Orders that provides rebates to Priority Customer Complex Orders in order to encourage Members to bring that order flow to the Exchange. Specifically, Priority Customer Complex Orders are provided rebates in Select Symbols⁵ and Non-Select Symbols⁶ (other than NDX and MNX) based on Priority Customer average daily volume ("ADV") in eight tiers as shown in the table below:⁷

³ A "Priority Customer" is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq ISE Rule 100(a)(37A).

⁴ "Market Maker" refers to "Competitive Market Makers" and "Primary Market Makers" collectively. See ISE Rule 100(a)(28).

⁵ "Select Symbols" are options overlying all symbols listed on the Nasdaq ISE that are in the Penny Pilot Program.

⁶ "Non-Select Symbols" are options overlying all symbols excluding Select Symbols.

⁷ The Priority Customer Complex Order rebates are provided per contract per leg if the order trades with non-Priority Customer orders in the Complex Order Book or trades with quotes and orders on the regular order book.

The rebate for the highest tier volume achieved is applied retroactively to all eligible Priority Customer Complex volume once the threshold has been reached.

Members will not receive rebates for net zero complex orders. For purposes of determining which complex orders qualify as "net zero" the Exchange will count all complex orders that leg in to the regular order book and are executed at a net price per contract that is within a range of \$0.01 credit and \$0.01 debit.

¹⁶ 17 CFR 200.30-3(a)(12).

¹⁵ U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.