

Therefore, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act.¹⁶

B. Consistency With Rule 17Ad-22(e)(1)

Rule 17Ad-22(e)(1) requires that LCH SA establish, implement, maintain, and enforce written policies and procedures reasonably designed to provide for a well-founded, clear, transparent, and enforceable legal basis for each aspect of its activities in all relevant jurisdictions.¹⁷ As discussed above, the proposed rule change would help to clarify and ensure that LCH SA's Rules accurately reflect and appropriately apply the legal terms and conditions applicable to the CDS contracts and swaptions that are cleared and settled by LCH SA. The Commission believes that this, in turn, would help ensure that the LCH SA CDS Supplement provides a consistent and enforceable legal basis for clearing and settling CDS contracts and swaptions to which the NTCE Supplement applies in light of the amendments made by the NTCE Supplement.

Therefore, the Commission finds that the proposed rule change is consistent with Rule 17Ad-22(e)(1).¹⁸

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as modified by Partial Amendment No. 1, 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-LCH SA-2019-011 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-LCH SA-2019-011. 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 LCH SA and on LCH SA's website at: <https://www.lch.com/resources/rules-and-regulations/proposed-rule-changes-0>. 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-LCH SA-2019-011 and should be submitted on or before February 21, 2020.

V. Accelerated Approval of the Proposed Rule Change, as Modified by Partial Amendment No. 1

The Commission finds good cause, pursuant to Section 19(b)(2) of the Act,¹⁹ to approve the proposed rule change prior to the 30th day after the date of publication of Partial Amendment No. 1 in the **Federal Register**. As discussed above, Partial Amendment No. 1 amends the CDS Clearing Supplement so that, instead of referring to the specific date for various ISDA supplements, it explicitly refers to and incorporates whichever versions of the supplements to the standard contract terms are currently effective. By providing this additional clarity, Partial Amendment No. 1 provides for a more clear and comprehensive understanding of the estimated application of the proposed rule change, which helps to improve the Commission's review of the proposed rule change for consistency with the Act and helps market participants understand the impact of the proposed rule change.

Additionally, because Partial Amendment No. 1 would help clarify and ensure that the appropriate legal terms and conditions are applied to the CDS contracts and swaptions cleared

and settled by LCH SA, and for similar reasons as discussed above, the Commission finds that Partial Amendment No. 1 is designed to promote the prompt and accurate clearance and settlement of securities transactions, help assure the safeguarding of securities and funds which are in the custody or control of LCH SA, and, in general, to protect investors and the public interest, consistent with Section 17A(b)(3)(F) of the Act.²⁰ Accordingly, the Commission finds good cause for approving the proposed rule change, as modified by Partial Amendment No. 1, on an accelerated basis, pursuant to Section 19(b)(2) of the Exchange Act.²¹

VI. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act, and in particular, with the requirements of Section 17A(b)(3)(F) of the Act²² and Rule 17Ad-22(e)(1) thereunder.²³

It is therefore ordered pursuant to Section 19(b)(2) of the Act²⁴ that the proposed rule change, as modified by Partial Amendment No. 1 (SR-LCH-SA-2019-011), be, and hereby is, approved on an accelerated basis.²⁵

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁶

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2020-01517 Filed 1-30-20; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

TIME AND DATE: 2:00 p.m. on Wednesday, February 5, 2020.

PLACE: The meeting will be held at the Commission's headquarters, 100 F Street NE, Washington, DC 20549.

STATUS: This meeting will be closed to the public.

MATTERS TO BE CONSIDERED: Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain

²⁰ 15 U.S.C. 78q-1(b)(3)(F).

²¹ 15 U.S.C. 78s(b)(2).

²² 15 U.S.C. 78q-1(b)(3)(F).

²³ 17 CFR 240.17Ad-22(e)(1).

²⁴ 15 U.S.C. 78s(b)(2).

²⁵ 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).

²⁶ 17 CFR 200.30-3(a)(12).

¹⁶ 15 U.S.C. 78q-1(b)(3)(F).

¹⁷ 17 CFR 240.17Ad-22(e)(1).

¹⁸ *Id.*

¹⁹ 15 U.S.C. 78s(b)(2).

staff members who have an interest in the matters also may be present.

In the event that the time, date, or location of this meeting changes, an announcement of the change, along with the new time, date, and/or place of the meeting will be posted on the Commission's website at <https://www.sec.gov>.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

The subject matters of the closed meeting will consist of the following topics:

- Institution and settlement of injunctive actions;

- Institution and settlement of administrative proceedings;

- Resolution of litigation claims; and

- Other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

CONTACT PERSON FOR MORE INFORMATION: For further information; please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

Dated: January 29, 2020.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2020-02018 Filed 1-29-20; 4:15 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88049; File No. SR-DTC-2020-001]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the DTC Fee Guide

January 27, 2020.

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 January 21, 2020, The Depository Trust Company ("DTC") 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 by the clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rules 19b-4(f)(2) and (f)(4) thereunder.⁴ 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

The proposed rule change⁵ of DTC would amend the Guide to the DTC Fee Schedule⁶ ("Fee Guide") to (i) eliminate certain fees within the Corporate Actions section⁷ and the Securities Processing section⁸ of the Fee Guide and (ii) modify the names and descriptions of certain fees in the Settlement Services section⁹ of the Fee Guide, as described below.

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

In its filing with the Commission, the clearing agency 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 clearing agency 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

1. Purpose

The proposed rule change would amend the Guide to the Fee Schedule to (i) eliminate certain fees within the Corporate Actions section¹⁰ and the Securities Processing section¹¹ of the Fee Guide, including the addition and deletion of fees and (ii) modify the descriptions of certain fees in the Settlement Services section¹² of the Fee Guide, as described below.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(2) and (f)(4).

⁵ Each capitalized term not otherwise defined herein has its respective meaning as set forth the Rules, By-Laws and Organization Certificate of DTC (the "Rules"), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

⁶ Available at <http://www.dtcc.com/-/media/Files/Downloads/legal/fee-guides/dtcfeeguide.pdf>.

⁷ See *id.* at 6-8.

⁸ See *id.* at 4-6.

⁹ See *id.* at 19-21.

¹⁰ See *id.* at 6-8.

¹¹ See *id.* at 4-6.

¹² See *id.* at 19-21.

Corporate Actions Fee Eliminations

To streamline the Corporate Actions fee schedule, DTC proposes to eliminate certain corporate actions fees relating to services relating to physical securities processing, specifically, bearer bonds and the Coupon Collection service ("CCS"),¹³ as described below. The related products have seen a substantial decrease in volume over the years due to increased dematerialization leading to limited use of the services.¹⁴

A bearer bond is a corporate or municipal debt Security for which whoever physically holds the Security certificate is the presumptive owner of the instrument. Bearer bond coupons for interest payments are physically attached to the Security and must be submitted to an authorized agent, in order to receive payment. Due to changes in the marketplace, including the increasing move towards dematerialization of Securities, the issuance of bearer bonds has significantly curtailed over the years, and as a result, the inventory of bearer bonds held by DTC on behalf of Participants has significantly diminished. In 1990, DTC had 24 million bearer bonds in its vault, the bulk of which have matured.¹⁵ In 2010 the amount of bearer bonds held by DTC was just over 132,800 bearer bonds.¹⁶ As of November 2019, DTC holds approximately 46 issues of bearer bonds in its vault and, based on the historical trend, the number of bearer bonds in DTC's vault is expected to continue to rapidly diminish, with the final bond on deposit scheduled to mature by 2030.

DTC charges a Participant a fee of \$4.00 per interest and principal payment on bearer bonds. Due to the steep drop in the amount of bearer bonds on deposit at DTC, DTC's need to allocate staff and systems resources to the processing of such payments has diminished to an insignificant level and DTC believes it would be appropriate to eliminate this fee.

Under CCS, DTC provides Participants with a method for collecting interest payable on coupons

¹³ See DTC Custody Service Guide ("Custody Guide"), available at <http://www.dtcc.com/-/media/Files/Downloads/legal/service-guides/Custody.pdf>, at 8, 11 and 14. CCS is referred to in the Custody Guide alternatively as the Coupon Collection service and the Coupon Clipping service. *Id.*

¹⁴ Michael Scholl, The Incredible Shrinking Vaults, available at <http://www.dtcc.com/news/2010/march/01/the-incredible-shrinking-vaults> (March 1, 2010).

¹⁵ Edward C. Kelleher, Certificates in DTC Vaults Drop Below 1 Million, available at <http://www.dtcc.com/news/2011/march/01/certificates-in-dtc-vaults-drop-below-1-million> (March 1, 2011).

¹⁶ *Id.*

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.