

determine whether to disapprove the proposed rule change.⁵ On December 3, 2021, the Commission instituted proceedings under Section 19(b)(2)(B) of the Exchange Act⁶ to determine whether to approve or disapprove the proposed rule change.⁷ On March 4, 2022, the Commission extended the period for consideration of the proposed rule change to May 6, 2022.⁸ On March 21, 2022, the Exchange withdrew the proposed rule change (SR-NYSE-2021-42).

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

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-94504; File No. SR-OCC-2022-801]

Self-Regulatory Organizations; the Options Clearing Corporation; Notice of Extension of Review Period of Advance Notice Concerning the Options Clearing Corporation's Margin Methodology for Incorporating Variations in Implied Volatility

March 24, 2022.

On January 24, 2022, the Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") advance notice SR-OCC-2022-801 ("Advance Notice") pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled Payment, Clearing and Settlement Supervision Act of 2010 ("Clearing Supervision Act")¹ and Rule 19b-4(n)(1)(i)² under the Securities Exchange Act of 1934 ("Exchange Act")³ to change quantitative models related to certain volatility products.⁴ The Advance Notice was published for public comment in the **Federal Register**

⁵ See Securities Exchange Act Release No. 93222, 86 FR 55671 (Oct. 6, 2021). The Commission designated December 7, 2021 as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to approve or disapprove, the proposed rule change.

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 93714, 86 FR 70150 (Dec. 9, 2021).

⁸ See Securities Exchange Act Release No. 94362, 87 FR 13780 (Mar. 10, 2022).

⁹ 17 CFR 200.30-3(a)(12).

¹ 12 U.S.C. 5465(e)(1).

² 17 CFR 240.19b-4(n)(1)(i).

³ 15 U.S.C. 78a *et seq.*

⁴ See Notice of Filing *infra* note 5, at 87 FR 8063.

on February 11, 2022.⁵ The Commission received a comment regarding the changes proposed in the Advance Notice.⁶

Section 806(e)(1)(G) of the Clearing Supervision Act provides that OCC may implement the changes if it has not received an objection to the proposed changes within 60 days of the later of (i) the date that the Commission receives the Advance Notice or (ii) the date that any additional information requested by the Commission is received,⁷ unless extended as described below.

Pursuant to Section 806(e)(1)(H) of the Clearing Supervision Act, the Commission may extend the review period of an advance notice for an additional 60 days, if the changes proposed in the advance notice raise novel or complex issues, subject to the Commission providing the clearing agency with prompt written notice of the extension.⁸

Here, as the Commission has not requested any additional information, the date that is 60 days after OCC filed the Advance Notice with the Commission is March 25, 2022. However, the Commission finds the issues raised by the Advance Notice complex because OCC proposes to change three models within its margin methodology, in part, to build the foundation for a single, consistent framework to model equity volatility products in margin and stress testing.⁹ Therefore, the Commission finds it appropriate to extend the review period of the Advance Notice for an additional 60 days under Section 806(e)(1)(H) of the Clearing Supervision Act.¹⁰

Accordingly, the Commission, pursuant to Section 806(e)(1)(H) of the

⁵ Securities Exchange Act Release No. 94166 (Feb. 7, 2022), 87 FR 8063 (Feb. 11, 2022) (File No. SR-OCC-2022-801) ("Notice of Filing"). On January 24, 2022, OCC also filed a related proposed rule change (SR-OCC-2022-001) with the Commission pursuant to Section 19(b)(1) of the Exchange Act and Rule 19b-4 thereunder ("Proposed Rule Change"). 15 U.S.C. 78s(b)(1) and 17 CFR 240.19b-4, respectively. In the Proposed Rule Change, which was published in the **Federal Register** on February 11, 2022, OCC seeks approval of proposed changes to its rules necessary to implement the Advance Notice. Securities Exchange Act Release No. 94165 (Feb. 7, 2022), 87 FR 8072 (Feb. 11, 2022) (File No. SR-OCC-2022-001). The comment period for the related Proposed Rule Change filing closed on March 4, 2022.

⁶ Since the proposal contained in the Advance Notice was also filed as a proposed rule change, all public comments received on the proposal are considered regardless of whether the comments are submitted on the Proposed Rule Change or the Advance Notice. Comments on the Proposed Rule Change are available at <https://www.sec.gov/comments/sr-occ-2022-001/srocc2022001.htm>.

⁷ 12 U.S.C. 5465(e)(1)(G).

⁸ 12 U.S.C. 5465(e)(1)(H).

⁹ See Notice of Filing, 87 FR 8063.

¹⁰ 12 U.S.C. 5465(e)(1)(H).

Clearing Supervision Act,¹¹ extends the review period for an additional 60 days so that the Commission shall have until May 24, 2022 to issue an objection or non-objection to advance notice SR-OCC-2022-801.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-604, OMB Control No. 3235-0657]

Proposed Collection; Comment Request; Extension: Form N-MFP and Rule 30b1-7

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for extension and approval.

Section 30(b) of the Investment Company Act of 1940 ("Investment Company Act")¹ provides that "[e]very registered investment company shall file with the Commission . . . such information, documents, and reports (other than financial statements), as the Commission may require to keep reasonably current the information and documents contained in the registration statement of such company. . . ." ² Rule 30b1-7 under the Investment Company Act, entitled "Monthly Report for Money Market Funds," provides that every registered investment company, or series thereof, that is regulated as a money market funds under rule 2a-7³ must file with the Commission a monthly report of portfolio holdings on Form N-MFP⁴ no later than the fifth business day of each month.⁵ Form N-

¹¹ *Id.*

¹² 17 CFR 200.30-3(a)(94).

¹ 15 U.S.C. 80a-1 *et seq.*

² 15 U.S.C. 80a-29(b).

³ 17 CFR 270.2a-7.

⁴ 17 CFR 274.201.

⁵ 17 CFR 270.30b1-7.

MFP sets forth the specific disclosure items that money market funds must provide. Filers must submit this report electronically using the Commission's electronic filing system ("EDGAR") in Extensible Markup Language ("XML").

Compliance with rule 30b1-7 is mandatory for any fund that holds itself out as a money market fund in reliance on rule 2a-7. Responses to the disclosure requirements will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The following estimates of average burden hours and costs are made solely for purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms.

The Commission calculates there are currently 353⁶ money market funds that report information on Form N-MFP, with approximately 8⁷ of them being new money market funds that are filing reports on Form N-MFP for the first time.

We estimate that 35% of money market funds (or 124 money market funds, broken down into 121 existing funds and 3 new funds)⁸ license a software solution and file reports on Form N-MFP in house; we further estimate that each fund that files reports on Form N-MFP in house requires an average of approximately 47 burden hours to compile (including review of the information), tag, and electronically file the Form N-MFP for the first time and an average of approximately 13 burden hours for subsequent filings.⁹ Therefore, we estimate the per fund average annual hour burden is 156

⁶ This estimate is based on staff review of reports on Form N-MFP filed with the Commission for the month ended December 31, 2021 and includes both feeder and non-feeder money market funds.

⁷ This calculation is based on staff review of reports on Form N-MFP filed with the Commission for 2019 (16 new funds), 2020 (5 new funds) and 2021 (2 new funds). Averaging those numbers over three years provides an estimate of 8 new funds per year.

⁸ The estimate is based on the following calculation: (353 money market funds × 35% = 124 money market funds. Of that amount, we estimate that 3 are new money market funds (8 new money market funds each year × 35% = 2.8 funds, rounded to 3). Therefore, 124 money market funds – 3 new money market funds = 121 existing money market funds.

⁹ We understand that the required information is currently maintained by money market funds pursuant to other regulatory requirements or in the ordinary course of business. Accordingly, for the purposes of our analysis, we do not ascribe any time to producing the required information.

hours¹⁰ for existing funds and 190 hours¹¹ for new money market funds. Based on an estimate of 121 existing funds and 3 new funds each year, we estimate that filing reports on Form N-MFP in house takes 19,446 hours and costs funds, in aggregate, \$6,319,950 per year.¹²

We estimate that 65% of money market funds (or 229 money market funds, broken down into 224 existing funds and 5 new funds)¹³ retain the services of a third party to provide data aggregation and validation services as part of the preparation and filing of reports on Form N-MFP on the fund's behalf; we further estimate that each fund requires an average of approximately 26 burden hours to compile and review the information with the service provider prior to electronically filing the report for the first time and an average of approximately 9 burden hours for subsequent filings. Therefore, we estimate the per fund average annual hour burden is 108 hours¹⁴ for existing

¹⁰ This estimate is based on the following calculation: 12 filings per year × 13 burden hours per filing = 156 burden hours per year.

¹¹ This estimate is based on the following calculation: (First month's initial filing × 47 burden hours) + (11 subsequent monthly filings × 13 burden hours per filing) = 190 burden hours per year.

¹² These estimates are based on the following calculations: Existing funds: (156 hours × blended hourly rate of \$325 for a financial reporting manager (\$318 per hour), senior accountant (\$237 per hour), senior database administrator (\$373 per hour), senior portfolio manager (\$360 per hour) and compliance manager (\$339 per hour)) = \$44,772. The blended hourly rate was calculated as (\$318 + \$237 + \$373 + \$360 + \$339)/5 = \$325. There are 121 existing money market funds that use in house solutions × 156 hours with an internal time cost of \$50,700 per fund = 18,876 hours with an internal time cost of \$6,134,700.

New money market funds: (190 hours × blended hourly rate of \$325 for a financial reporting manager (\$318 per hour), senior accountant (\$237 per hour), senior database administrator (\$373 per hour), senior portfolio manager (\$360 per hour) and compliance manager (\$339 per hour)) = \$61,750. The blended hourly rate was calculated as (\$318 + \$237 + \$373 + \$360 + \$339)/5 = \$325. Three new money market funds × 190 hours with an internal time cost of \$61,750 per fund = 570 hours with an internal time cost of \$185,250.

Aggregate annual hourly burden for all funds filing reports on Form N-MFP in house: 18,876 hours + 570 hours = 19,446 hours.

Aggregate annual costs for all funds filing reports on Form N-MFP in house: \$6,134,700 + \$185,250 = \$6,319,950.

¹³ The estimate is based on the following calculation: (353 money market funds × 65% = 229 money market funds. Of that amount, we estimate that 5 are new money market funds (8 new money market funds each year × 65% = 5.2 funds, rounded to 5). Therefore, 229 money market funds – 5 new money market funds = 224 existing money market funds.

¹⁴ This estimate is based on the following calculation: 12 filings per year × 9 burden hours per filing = 108 burden hours per year.

funds and 125 hours¹⁵ for new money market funds. Based on an estimate of 224 existing funds and 5 new funds each year, we estimate that filing reports on Form N-MFP using a service provider takes 24,817 hours and costs funds, in aggregate, \$8,065,525 per year.¹⁶ In sum, we estimate that filing reports on Form N-MFP imposes a total annual hour burden of 44,263 hours,¹⁷ at an aggregate cost of \$14,385,475 on all money market funds.¹⁸

Cost burden is the cost of goods and services purchased in connection with complying with the collection of information requirements of rule 30b1-7 and Form N-MFP. The cost burden does not include the cost of the hour burden discussed above.

Based on discussions with industry participants, we estimate that money market funds that file reports on Form N-MFP in house license a third-party software solution to assist in filing their reports at an average cost of \$3,900 per fund per year. In addition, we estimate that money market funds that use a service provider to prepare and file reports on Form N-MFP pay an average fee of \$9,300 per fund per year. In sum, we estimate that all money market funds

¹⁵ This estimate is based on the following calculation: (First month's initial filing × 26 burden hours) + (11 subsequent month filings × 9 burden hours per filing) = 125 burden hours per year.

¹⁶ These estimates are based on the following calculations: existing funds: (108 hours × blended hourly rate of \$325 for a financial reporting manager (\$318 per hour), senior accountant (\$237 per hour), senior database administrator (\$373 per hour), senior portfolio manager (\$360 per hour) and compliance manager (\$339 per hour)) = \$35,000. The blended hourly rate was calculated as (\$318 + \$237 + \$373 + \$360 + \$339)/5 = \$325. There are 224 existing money market funds who use a third-party service provider × 108 hours with an internal time cost of \$35,100 per fund = 24,192 hours with an internal time cost of \$7,862,400.

New money market funds: (125 hours × blended hourly rate of \$325 for a financial reporting manager (\$318 per hour), fund senior accountant (\$237 per hour), senior database administrator (\$373 per hour), senior portfolio manager (\$360 per hour) and compliance manager (\$339 per hour)) = \$40,625. The blended hourly rate was calculated as (\$318 + \$237 + \$373 + \$360 + \$339)/5 = \$325. Five new money market funds × 125 hours with an internal time cost of \$40,625 per fund = 625 hours with an internal time cost of \$203,125.

Aggregate annual hourly burden for all funds filing reports on Form N-MFP using a third party service provider: 24,192 hours + 625 hours = 24,817 hours.

Aggregate annual costs for all funds filing reports on Form N-MFP using a third party service provider: \$7,862,400 + \$203,125 = \$8,065,525.

¹⁷ This estimate is based on the following calculation: 19,446 hours for filers licensing a software solution and filing in-house + 24,817 hours for filers using a third-party service provider = 44,263 hours in total.

¹⁸ This estimate is based on the following calculation: \$6,319,950 (in-house filers) + \$8,065,525 (filers using a service provider) = \$14,385,475.

incur on average, in the aggregate, external annual costs of \$2,613,300.¹⁹

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication by May 31, 2022.

Please direct your written comments to David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, C/O John Pezzullo, 100 F Street NE, Washington, DC 20549; or send an email to: PRA_Mailbox@sec.gov.

Dated: March 25, 2022.

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-94505; File No. SR-LCH SA-2022-003]

Self-Regulatory Organizations; LCH SA; Notice of Filing of Proposed Rule Change Relating to the Restructuring Notification Process for Swaptions

March 24, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 18, 2022, Banque Centrale de Compensation, which conducts business under the name LCH SA ("LCH SA"), filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I, II and III below, which Items have been prepared primarily by LCH

SA. 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

(a) Banque Centrale de Compensation, which conducts business under the name LCH SA ("LCH SA"), is proposing to amend its (i) CDS Clearing Supplement ("Supplement") and (ii) CDS Clearing Procedures ("Procedures") to incorporate new terms and to make conforming, clarifying and clean-up changes to implement a delegation mechanism for clients of CDS Clear clearing members which applies in the context of the restructuring process for swaptions (the "Proposed Rule Change").

The text of the Proposed Rule Change has been annexed [sic] as Exhibit 5.³

The implementation of the Proposed Rule Change will be contingent on LCH SA's receipt of all necessary regulatory approvals.

(b) Not applicable.

(c) Not applicable.

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

In its filing with the Commission, LCH SA 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. LCH SA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of these statements.

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

(a) Purpose

The purpose of the Proposed Rule Change is to [sic] amend the restructuring notification process applicable in respect of swaptions registered in a Client Account Structure. Currently, in the event of a restructuring which would be applicable to a component transaction of the underlying index transaction to which a set of swaptions relate, Clearing Members would be in charge of sending and receiving the relevant notices in respect of this restructuring and notifying LCH SA of any such notice delivered or received by no later than

5:00 p.m. on the cut-off date. Where such restructuring also relate to swaptions registered in a Client Account Structure, this also implies from the Client that it shall first deliver the restructuring notice to its Clearing Member and its Clearing Member delivers the equivalent notice to the other Clearing Member to allow for this notification requirement by the relevant Clearing Member to LCH SA by no later than 5:00 p.m. on the cut-off date.

The proposed amendments to the restructuring process for swaptions registered in a Client Account Structure will remove any dependency between the notification duties in the context of a restructuring. The proposed rule change will provide for a delegation mechanism whereby Clearing Members shall appoint their Clients as their Restructuring Delegation Beneficiaries for the purposes of sending and receiving the relevant notices to the other Clearing Member(s) or Client(s) in the event of a restructuring affecting the swaptions registered in their relevant Client Account Structure. The notification duty vis-à-vis LCH SA following the sending or receiving of the notices will also rely on such Restructuring Delegation Beneficiary. These amendments replicate the current delegation legal mechanism which is used in the context of the exercise process in respect of swaptions registered in a Client Account Structure.

1. Supplement

LCH SA is proposing to modify Part C of the Supplement ("Part C") to incorporate terms for implementing the delegation mechanism for the restructuring process and to make certain conforming and clean-up changes to improve clarity of Part C.

Section 1.2 (*Terms defined in the CDS Clearing Supplement*) of Part C would be amended by adding the following new defined terms.

The term "Restructuring Delegation Beneficiary" would be added to refer to a Client of a Clearing Member designated by such Clearing Member pursuant to new Section 5.7 (*Delegation by Clearing Members to Clients*) as being entitled to send and receive Credit Event Notices and Notices to Exercise Movement Option in respect of the relevant Swaption Restructuring Cleared Transactions on such Clearing Member's behalf.

The term "Swaption Restructuring CCM Client Notice" would be added to make a cross reference to its definition as set out in Mandatory Provision 7.3 (*Duty to Deliver Swaption Restructuring CCM Client Notice*) in Appendix VIII to Part C.

¹⁹ This estimate is based on the following calculation: (124 money market funds (121 existing funds + 3 new funds) that file reports on Form N-MFP in house × \$3,900 per fund, per year) + (229 money market funds (224 existing funds + 5 new funds) that file reports on Form N-MFP using a service provider × \$9,300 per fund, per year) = \$2,613,300.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ All capitalized terms not defined herein have the same definition as in the CDS Clearing Rule Book, Supplement or Procedures, as applicable.