

(“EOD”) recovery rate for single name risk factors (meaning each single name CDS contract).<sup>6</sup> The proposed rule change would add text to explain how ICC derives the EOD recovery rate from price quotes submitted by Clearing Members. For each single name risk factor, the EOD recovery rate would reflect the smaller of the standard market convention recovery rate and the minimum submitted EOD bid price submitted by Clearing Members. The proposed changes would explain that the EOD recovery rate would be the minimum submitted EOD bid price, and therefore would deviate from the standard market convention, when the single name risk factor itself is distressed. The proposed language would further specify the role of the established EOD recovery rate in using the ISDA Standard Model for price-to-spread mapping.

### III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization.<sup>7</sup> For the reasons discussed below, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act<sup>8</sup> and Rule 17Ad-22(e)(6)(vi)(B) thereunder.<sup>9</sup>

#### A. Consistency With Section 17A(b)(3)(F) of the Act

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of ICC be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>10</sup> Based on its review of the record, and for the reasons discussed below, the Commission believes the proposed changes to RPSR Policy are consistent with the promotion of the prompt and accurate clearance and settlement of transactions at ICC.

The Commission believes that the change should improve the RPSR Policy by documenting how ICC derives the EOD recovery rate from price quotes

submitted by Clearing Members for Univariate Level Parameters. The Commission believes that documenting ICC’s approach should help to ensure that ICC derives the EOD recovery rate and related Univariate Level Parameters in a clear and consistent manner. Because ICC uses the RPSR Policy to set and review core parameters for ICC’s risk management model, the Commission believes that this improvement to the RPSR should help to ensure the continued efficacy of the risk management model. An effective risk management model should help to ensure that ICC collects sufficient margin, commensurate with the risks presented by the transactions its clears. The Commission thus believes the proposed rule change should ultimately help to ensure that ICC collects sufficient margin, and in doing so should help improve ICC’s ability to avoid losses that could result during periods of market stress. Because such losses could disrupt ICC’s ability to operate and thus promptly and accurately clear and settle security based swap transactions, the Commission finds the proposed rule change would promote the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act.<sup>11</sup>

#### B. Consistency With Rule 17Ad-22(e)(6)(vi)(B)

Rule 17Ad-22(e)(6)(vi)(B) requires that ICC establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable, cover its credit exposures to its participants by establishing a risk-based margin system that, at a minimum is monitored by management on an ongoing basis and is regularly reviewed, tested, and verified by conducting a sensitivity analysis of its margin model and a review of its parameters and assumptions for backtesting on at least a monthly basis, and considering modifications to ensure the backtesting practices are appropriate for determining the adequacy of ICC’s margin resources.<sup>12</sup> As discussed above, the proposed rule change would document how ICC derives the EOD recovery rate from price quotes submitted by Clearing Members for Univariate Level Parameters. In doing so, the Commission believes the proposed rule change would help to ensure that ICC analyzes this particular aspect of the Univariate Level Parameters, which the RPSR Policy requires ICC’s Risk team to estimate and

review, and perform sensitivity analysis on, at least monthly. Therefore, the Commission finds that the proposed rule change is consistent with Rule 17Ad-22(e)(6)(vi)(B).<sup>13</sup>

### IV. 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 Act<sup>14</sup> and Rule 17Ad-22(e)(6)(vi)(B) thereunder.<sup>15</sup>

*It is therefore ordered* pursuant to Section 19(b)(2) of the Act<sup>16</sup> that the proposed rule change (SR-ICC-2022-002), be, and hereby is, approved.<sup>17</sup>

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

**J. Matthew DeLesDernier,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-774, OMB Control No. 3235-0727]

### Submission for OMB Review; Comment Request; Extension: Rules 400-404 of Regulation Crowdfunding (Intermediaries)

*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 (“PRA”) (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for approval of extension of the previously approved collection of information provided for in Rules 300-304 of Regulation Crowdfunding.<sup>1</sup>

The collections of information required under Rules 400 through 404 is mandatory for all funding portals. Form

<sup>13</sup> 17 CFR 240.17Ad-22(e)(6)(vi)(B).

<sup>14</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>15</sup> 17 CFR 240.17Ad-22(e)(6)(vi)(B).

<sup>16</sup> 15 U.S.C. 78s(b)(2).

<sup>17</sup> 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).

<sup>18</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> See *Regulation Crowdfunding*, Exchange Act Release No. 76324 (Oct. 30, 2015), 80 FR 71387 (Nov. 16, 2015) (Final Rule) (“Regulation Crowdfunding”).

<sup>6</sup> As explained in ICC’s Risk Management Model Description, every index, sub-index, or underlying single name is deemed a Risk Factor. See Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change Relating to the ICC Risk Management Model Description, Exchange Act Release No. 91918 (May 18, 2021), 86 FR 27927 (May 24, 2021).

<sup>7</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>8</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>9</sup> 17 CFR 240.17Ad-22(e)(6)(vi)(B).

<sup>10</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>11</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>12</sup> 17 CFR 240.17Ad-22(e)(6)(vi)(B).

Funding Portal helps ensure that the Commission can make information about funding portals transparent and easily accessible to the investing public, including issuers and obligated persons who engage funding portals; investors who may purchase securities through offerings on funding portals; and other regulators. Further, the information provided on Form Funding Portal expands the amount of publicly available information about funding portals, including disciplinary history. Consequently, the rules and forms allows issuers and the investing public, as well as others, to become more fully informed about funding portals in a more efficient manner.

Rule 400 requires each person applying for registration with the Commission as a funding portal to file electronically with the Commission Form Funding Portal. Rule 400(a) requires a funding portal to become a member of a national securities association registered under Section 15A of the Exchange Act. Rule 400(b) requires a funding portal to file an amendment to Form Funding Portal if any information previously submitted on Form Funding Portal becomes inaccurate for any reason. Rule 400(c) provides that a funding portal can succeed to the business of a predecessor funding portal upon the successor filing a registration on Form Funding Portal and the predecessor filing a withdrawal on Form Funding Portal.

Rule 400(d) requires a funding portal to promptly file a withdrawal of registration on Form Funding Portal upon ceasing to operate as a funding portal. Rule 400(e) states that duplicate originals of the applications and reports provided for in this section must be filed with surveillance personnel designated by any registered national securities association of which the funding portal is a member. Rule 400(f) requires a nonresident funding portal to: (1) Obtain a written consent and power of attorney appointing an agent for service of process in the United States; (2) furnish the Commission with the name and address of its agent for services of process on Schedule C of Form Funding Portal; (3) certify that it can, as a matter of law, and will provide the Commission and any registered national securities association of which it becomes a member with prompt access to its books and records and can, as a matter of law, and will submit to onsite inspection and examination by the Commission and any registered national securities association of which it becomes a member; and (4) provide the Commission with an opinion of counsel and certify on Schedule C on

Form Funding Portal that the firm can, as a matter of law, provide the Commission and registered national securities association of which it becomes a member with prompt access to its books and records and can, as a matter of law, submit to onsite inspection and examination by the Commission and any registered national securities association of which it becomes a member.<sup>2</sup>

Rule 403(a) requires a funding portal to implement written policies and procedures reasonably designed to achieve compliance with the federal securities laws and the rules and regulations thereunder relating to its business as a funding portal. Rule 403(b) provides that a funding portal must comply with privacy rules. Rule 404 requires all registered funding portals to maintain certain books and records relating to their funding portal activities, for not less than five years, the first two in an easily accessible place. Rule 404(e) requires funding portals to furnish promptly to the Commission, its representatives, and the registered national securities association of which the funding portal is a member true, correct, complete and current copies of such records of the funding portal that are requested by the representatives of the Commission and the registered national securities association.

The Commission staff estimates that annualized industry burden would be 36,775 hours to comply with Rules 400–404. The Commission staff estimates that the costs associated with complying with Rules 400–404 are estimated to be approximately a total amount of \$671,793.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Written comments and recommendations for the proposed information collection should be sent by June 21, 2022 to (i) [MBX.OMB.OIRA.SEC\\_desk\\_officer@omb.eop.gov](mailto:MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov) and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/

<sup>2</sup> Exchange Act Section 3(h)(1)(C) permits us to impose, as part of our authority to exempt funding portals from broker registration, “such other requirements under [the Exchange Act] as the Commission determines appropriate.”

o John Pezzullo, 100 F Street NE, Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: May 16, 2022.

**J. Matthew DeLesDernier,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–94915; File No. SR–EMERALD–2022–16]

### Self-Regulatory Organizations; MIAX Emerald, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the MIAX Emerald Fee Schedule To Adopt Fees for the High Precision Network Time Signal Service

May 16, 2022.

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 May 5, 2022, MIAX Emerald, LLC (“MIAX Emerald” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I, II, and III, 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 is filing a proposal to amend the MIAX Emerald Fee Schedule (the “Fee Schedule”) to adopt fees for a new service known as the “High Precision Network Time Signal Service.”<sup>3</sup>

The text of the proposed rule change is available on the Exchange’s website at <http://www.miaxoptions.com/rule-filings/emerald>, at MIAX’s principal office, 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

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> See, generally, Exchange Rule 531(d).