

agency in extreme but plausible market conditions. The Framework supports ICC's ability to maintain sufficient risk requirements and enhances ICC's approach to identifying potential weaknesses in the risk management system through the use of independent validations and periodic reviews. The amended Framework continues to provide a process for reviewing and enhancing the models that ICC utilizes as part of its risk processes. The changes strengthen the Framework and ensure completeness by expanding the scope to clearing house models, including procedures regarding ad hoc reviews of methodologies to ensure objective and effective review, and including procedures regarding remedial actions and timelines to ensure remediation of report items in an appropriate and timely manner. Additional changes ensure the Framework remains up-to-date, transparent, and focused on clearly articulating the policies and procedures used to support ICC's model validation efforts, including by reorganizing text, removing unnecessary references to policies, and specifying when an independent periodic review component is not applicable. In ICC's view, the proposed rule change would facilitate and enhance its ability to carry out its validation processes and procedures in respect of the models utilized as part of ICC's risk processes or other methodologies. As such, the proposed amendments would strengthen ICC's ability to maintain its financial resources and withstand the pressures of defaults, consistent with the requirements of Rule 17Ad-22(e)(4)(ii).<sup>16</sup>

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

ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition. The proposed changes to the Framework will apply uniformly across all market participants. They are generally designed to enhance, clarify, and more clearly document ICC's model validation processes and procedures and include clarifications on the scope and applicability of the Framework, responsibilities of relevant stakeholders, and other validation elements. ICC does not believe these amendments would affect the costs of clearing or the ability of market participants to access clearing. Therefore, ICC does not believe the proposed rule change would impose any burden on competition that is inappropriate in furtherance of the purposes 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 rule change have not been solicited or received. ICC will notify the Commission of any written comments received by ICC.

**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 self-regulatory organization 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-ICC-2022-006 on the subject line.

*Paper Comments*

Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549. All submissions should refer to File Number SR-ICC-2022-006. 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 filings will also be available for inspection and copying at the principal office of ICE Clear Credit and on ICE Clear Credit's website at <https://www.theice.com/clear-credit/regulation>.

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-ICC-2022-006 and should be submitted on or before June 24, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2022-11877 Filed 6-2-22; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-95001; File No. SR-MIAX-2022-22]

**Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 519, MIAX Order Monitor**

May 27, 2022.

Pursuant to the provisions of 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 13, 2022, Miami International Securities Exchange, LLC ("MIAX Options" or the "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.

<sup>17</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.

<sup>16</sup> *Id.*

## I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing a proposal to amend Exchange 519, MIA X Order Monitor.

The text of the proposed rule change is available on the Exchange's website at <http://www.miaxoptions.com/rule-filings/> at MIA X Options' 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 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 Exchange proposes to amend Exchange Rule 519, MIA X Order Monitor to (i) establish an Exchange default Threshold Setting for market orders<sup>3</sup> to sell an option when the national best bid is zero; (ii) provide that a Member<sup>4</sup> may supply their own pre-set value to be used as the Threshold Setting; (iii) reorganize the rule text for ease of reference; and (iv) adopt new rule text to add additional detail regarding the Exchange's process for evaluating and reevaluating market orders to sell.

#### Background

Currently, in order to avoid the occurrence of potential obvious or catastrophic errors on the Exchange the MIA X Order Monitor will prevent certain orders from executing or being placed on the Book<sup>5</sup> at prices outside

<sup>3</sup> A market order is an order to buy or sell a stated number of option contracts at the best price available at the time of execution. See Exchange Rule 516(a).

<sup>4</sup> The term "Member" means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

<sup>5</sup> The term "Book" means the electronic book of buy and sell orders and quotes maintained by the System. See Exchange Rule 100.

pre-set standard limits. Beginning after the Opening Process<sup>6</sup> is complete, the MIA X Order Monitor will be operational each trading day until the close of trading.<sup>7</sup> Exchange Rule 519(a)(1)(i) provides that if the Exchange upon initial receipt or reevaluation evaluates a market order to sell an option when the national best bid is zero and the Exchange's disseminated offer is equal to or less than \$0.10, the System<sup>8</sup> will convert the market order to sell to a limit order to sell with a limit price of one Minimum Trading Increment.<sup>9</sup> In this case, such sell orders will automatically be placed on the Book in time priority and will be displayed at the appropriate Minimum Price Variation.<sup>10</sup> Exchange Rule 519(a)(1)(ii) provides that if the Exchange upon initial receipt or reevaluation evaluates a market order to sell an option when the national best bid is zero and the national best offer is greater than \$0.10, the System will cancel the market order to sell.

#### Proposal

The Exchange now proposes to allow Members to determine their own pre-set value to be used as the threshold setting ("Threshold Setting") that the Exchange will use when evaluating market orders to sell when the national best bid is zero and the national best offer is less than, equal to, or greater than, the Threshold Setting. Members are not constrained by the Exchange in determining their Threshold Setting and may set the threshold at any value in accordance to their business and risk tolerances. Members will communicate their desired threshold value to the Exchange's Help Desk<sup>11</sup> in a form and manner to be determined by the Exchange and communicated to Members via Regulatory Circular. The Exchange will establish a default Threshold Setting of \$0.10 (the current setting) and communicate its value to Members via Regulatory Circular.<sup>12</sup>

The Exchange proposes to adopt new subparagraph (i) to paragraph (a)(1) of Rule 519 to provide that, for the

<sup>6</sup> See Exchange Rule 503.

<sup>7</sup> See Exchange Rule 519(a).

<sup>8</sup> The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

<sup>9</sup> See Exchange Rule 510(b).

<sup>10</sup> See Exchange Rule 510(a).

<sup>11</sup> The term "Help Desk" means the Exchange's control room consisting of Exchange staff authorized to make certain determinations on behalf of the Exchange. The Help Desk shall report to and be supervised by a senior executive of the Exchange. See Exchange Rule 100.

<sup>12</sup> The Exchange proposes to convert its current \$0.10 threshold setting to the Exchange default Threshold Setting.

purposes of this Rule a Member may establish a pre-set value to be used as the Threshold Setting by communicating its value to the Exchange's Help Desk in a form and manner to be determined by the Exchange and communicated via Regulatory Circular. The Exchange will establish a default Threshold Setting of \$0.10 and communicate its value to Members via Regulatory Circular. If a Member does not establish a Threshold Setting the Exchange default value will be used. Currently, the Exchange uses a value of \$0.10 as its threshold value for purposes of evaluating or reevaluating market orders to sell when the national best bid is zero.<sup>13</sup>

The Exchange proposes to adopt new subparagraph (ii) to paragraph (a)(1) of Rule 519 to provide that, if the Exchange receives a market order to sell an option when the national best bid is zero and the national best offer is less than or equal to the Threshold Setting, the System will convert the market order to sell, to a limit order to sell, with a limit price of one Minimum Trading Increment.<sup>14</sup> The Exchange proposes to use the national best offer as the reference price in determining how to handle a market order to sell when the national best bid is zero as the national best offer better represents the current market conditions. This provision is consistent with the operation of the current rule, however the Threshold Setting used for evaluation purposes under the Exchange's proposal may now be either the Exchange's default setting of \$0.10 or the Member's Threshold Setting.

The Exchange proposes to adopt new subparagraph (iii) to paragraph (a)(1) of Rule 519 to provide that, if the Exchange reevaluates<sup>15</sup> a market order to sell an option when the resulting national best bid is zero and either the trade price, route price, or national best offer is less than or equal to the Threshold Setting, the System will convert the market order to sell, to a limit order to sell, with a limit price of one Minimum Trading Increment. In the event the Exchange receives a market order to sell and the Exchange is zero bid but an away market is not, the Exchange will route the order to that away exchange at the away market price, the "route price." For the purposes of this rule, the execution price of a trade in the subject series is

<sup>13</sup> See Exchange Rule 519(a)(1)(i) and (ii).

<sup>14</sup> See Exchange Rule 510, Minimum Price Variations and Minimum Trading Increments.

<sup>15</sup> A reevaluation of an order occurs when the order has been routed to an away exchange and is returned to the Exchange partially, or completely, unfilled.

considered the “trade price.” The Exchange uses the route price, trade price, or national best offer to determine the proper disposition of a market order to sell when the national best bid becomes zero.

Current paragraph (i) describes the initial evaluation and reevaluation process of a market order to sell whereas each process is given separate treatment under this proposal. Specifically, new proposed paragraph (ii) describes the initial evaluation process of a market order to sell when the national best bid is zero and new proposed paragraph (iii) describes the reevaluation process of a market order to sell when the national best bid becomes zero. The Exchange believes this format provides additional clarity to the Exchange’s rules regarding its order handling process when the Exchange reevaluates a market order to sell when the national best bid becomes zero.

The Exchange proposes to adopt new subparagraph (iv) to paragraph (a)(1) of Rule 519 to provide that, in either case of (ii) or (iii) above, such sell orders will automatically be placed on the Book in time priority and will be displayed at the appropriate Minimum Price Variation.<sup>16</sup> The Exchange notes that this language is identical to the current rule text.<sup>17</sup>

The Exchange proposes to adopt new subparagraph (v) to paragraph (a)(1) of Rule 519 to provide that, if the Exchange receives a market order to sell an option when the national best bid is zero and the national best offer is greater than the Threshold Setting, the System will reject the order. This provision is consistent with the operation of the current rule, however under the Exchange’s proposal the Threshold Setting used for evaluation purposes may now be either the Exchange default setting of \$0.10 or the Member’s Threshold Setting.

The Exchange proposes to adopt new subparagraph (vi) to paragraph (a)(1) of Rule 519 to provide that, if the Exchange reevaluates a market order to sell an option when the resulting national best bid is zero and both (A) the trade price or route price, and (B) the national best offer, are greater than the Threshold Setting, the System will reject the order or cancel any unexecuted balance of the order. The Exchange uses the route price or trade price, in conjunction with the national best offer to determine the proper disposition of a market order to sell when the national best bid becomes zero. The Exchange believes considering

both the route price or trade price, and the national best offer, provides a clear indication of the current market conditions when either the route price or trade price and the national best offer is greater than the Threshold Setting and allows the Exchange to make the proper determination regarding the disposition of the order.

The proposed rule text provides additional detail regarding the System’s behavior when the Exchange reevaluates a market order to sell and the national best bid has become zero. Example 1 below describes the System processing when the national best bid is below the Threshold Setting, and Example 2 describes the System processing when the national best bid is above the Threshold Setting.

#### Example 1

*MPV:* \$0.05

*Exchange default Threshold Setting:* \$0.10

*Member selected Threshold Setting:* \$0.25

*MBBO*<sup>18</sup> (0)  $0.00 \times 5.00$  (10)

*ABBO*<sup>19</sup> (10)  $0.10 \times 0.15$  (10)

*NBBO*<sup>20</sup> (10)  $0.10 \times 0.15$  (10)

Market order to sell 20 contracts is received by the Exchange.

The Exchange routes the order to the away exchange by sending a limit order to sell 10 contracts at \$0.10 (the route price).

The order is executed on the away exchange, sell 10 at \$0.10, and the away market becomes zero bid.

*MBBO:* (0)  $0.00 \times 5.00$  (10)

*ABBO:* (0)  $0.00 \times 0.15$  (10)

*NBBO:* (0)  $0.00 \times 0.15$  (10)

Using the Member selected Threshold Setting of \$0.25 to reevaluate the order, the remainder of the order (10 contracts) would be converted to a limit order to sell and placed on the Exchange as the national best offer (\$0.15) (and the route price of \$0.10) is less than or equal to the Member selected Threshold Setting of \$0.25. The 10 contracts would then be displayed on the Exchange at an offer price of one minimum trading increment or \$0.05.

*MBBO:* (0)  $0.00 \times 0.05$  (10)

*ABBO:* (0)  $0.00 \times 0.15$  (10)

*NBBO:* (0)  $0.00 \times 0.05$  (10)

<sup>18</sup> The term “MBBO” means the best bid or offer on the Exchange. See Exchange Rule 100.

<sup>19</sup> The term “ABBO” or “Away Best Bid or Offer” means the best bid(s) or offer(s) disseminated by other Eligible Exchanges (defined in Rule 1400(g)) and calculated by the Exchange based on market information received by the Exchange from OPRA. See Exchange Rule 100.

<sup>20</sup> The term “NBBO” means the national best bid or offer as calculated by the Exchange based on market information received by the Exchange from OPRA. See Exchange Rule 100.

If the Exchange default Threshold Setting was used for the evaluation, the remainder of the order would be cancelled as the national best offer (0.15) is greater than the Exchange default Threshold Setting of \$0.10.

#### Example 2

*MPV:* \$0.05

*Exchange default Threshold Setting:* \$0.10

*Member selected Threshold Setting:* \$0.25

*MBBO* (0)  $0.00 \times 5.00$  (10)

*ABBO* (10)  $0.40 \times 0.50$  (10)

*NBBO* (10)  $0.40 \times 0.50$  (10)

Market order to sell 20 contracts is received by the Exchange. The Exchange is zero bid for that series and routes the order to the away exchange by sending a limit order to sell 10 at \$0.40 (the route price).

The order is executed on the away exchange, sell 10 at \$0.40, and the away market becomes zero bid.

*MBBO:* (0)  $0.00 \times 5.00$  (10)

*ABBO:* (0)  $0.00 \times 0.50$  (10)

*NBBO:* (0)  $0.00 \times 0.50$  (10)

Using the Member selected Threshold Setting of \$0.25 to reevaluate the order, the remainder of the order (10 contracts) would be cancelled as both (i) the route price (\$0.40) and (ii) the national best offer (\$0.50) are greater than the Threshold Setting (\$0.25).

## 2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>21</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>22</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes its proposal promotes just and equitable principles of trade, removes impediments to and perfects the mechanisms of a free and open market and a national market system, and in general, protects investors and the public interest by allowing Members to establish the threshold setting for the evaluation of market orders to sell when the national best bid is zero. The Exchange believes

<sup>16</sup> *Id.*

<sup>17</sup> See Exchange Rule 519(a)(1)(i).

<sup>21</sup> 15 U.S.C. 78f(b).

<sup>22</sup> 15 U.S.C. 78f(b)(5).

that allowing Members to determine the threshold setting provides greater flexibility and allows the Member to tailor the threshold setting to the business and risk tolerances of the Member.

The Exchange believes its proposal to allow Members the flexibility to establish their own pre-set value to be used for evaluation purposes of market orders to sell when the national best bid is zero allows Members to align their risk protections with their risk tolerance. Members have the discretion to set their pre-set value to whatever value best aligns to their risk profile, which may be as low as \$0.00.<sup>23</sup> The Exchange provides Members the ability to tailor risk protection functionality to the risk profile of the Member, and has allowed Members to customize their risk protection settings for other risk protections. Specifically, the Exchange allows Members to set the maximum size of an order for the purposes of the MIAX Order Monitor Order Size Protection,<sup>24</sup> and if the maximum size of an order is not designated by the Member, the Exchange provides an Exchange defined default value.<sup>25</sup> Additionally, the Exchange provides Members the option to set a price protection limit on a per order basis,<sup>26</sup> and orders received without a price protection limit specified receive the Exchange defined default value.<sup>27</sup> The current proposal to allow Members to determine a pre-set value to be used as the Threshold Setting continues the Exchange's approach of allowing a Member to customize its risk

protections to better align to the risk tolerance of the Member.

The Exchange believes its proposal to reorganize the current rule text to describe each scenario separately (*i.e.*, evaluation of a market order to sell when the national best bid is zero and the national best offer is less than or equal to the Threshold Setting (proposed paragraph (ii)); reevaluation of a market order to sell when the national best bid becomes zero and the national best offer is less than or equal to the Threshold Setting (proposed paragraph (iii)); initial evaluation of a market order to sell when the national best bid is zero and the national best offer is greater than the Threshold Setting (proposed paragraph (v)); and reevaluation of a market order to sell when the national best bid becomes zero and the national best offer is greater than the Threshold Setting (proposed paragraph (vi))) better organizes the rule text. The Exchange believes discussing each scenario separately and describing the evaluations that are performed by the System to determine the proper disposition of the order provides transparency and clarity in the Exchange's rules.

The Exchange believes its proposal promotes just and equitable principles of trade, removes impediments to and perfects the mechanisms of a free and open market and a national market system, and in general, protects investors and the public interest by providing additional detail regarding the Exchange's process for reevaluating market orders to sell when the national best bid becomes zero. The Exchange believes it is in the interest of investors and the public to accurately describe the behavior of the Exchange's System in its rules as this information may be used by investors to make decisions concerning the submission of their orders. Transparency and clarity are consistent with the Act because it removes impediments to and perfects the mechanism of a free and open market and a national market system, and, in general, protects investors and the public interest by accurately describing how market orders to sell in zero bid series are handled on the Exchange. It is in the public interest for rules to be accurate and concise so as to eliminate the potential for confusion.

Additionally, the Exchange believes its proposal promotes just and equitable principles of trade, removes impediments to and perfects the mechanisms of a free and open market and a national market system, and in general, protects investors and the public interest by re-organizing the rule text for ease of reference. The Exchange

believes that Exchange rules should be clear and transparent so as to avoid the potential for confusion.

#### *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 does not believe that its proposal will impose any burden on intra-market competition as all Members that submit market orders to the Exchange will be treated equally and the Rules of the Exchange apply equally to all Exchange Members. Additionally, the proposal allows each Member to determine the pre-set value to be used as the Threshold Setting and allows each Member to align their Threshold Setting to their risk tolerance.

The Exchange does not believe that its proposal will impose any burden on inter-market competition as the Exchange's proposal is not a competitive filing but one that provides additional detail regarding the Exchange's process for reevaluating market orders to sell when the national bid becomes zero. Additionally, the Exchange's proposal is similar to the rules of at least one other options exchange.<sup>28</sup>

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

Written comments were neither solicited nor received.

### **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 operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A)

<sup>28</sup> See Cboe Rule 5.34(a)(1)(A) which provides that if the System receives a sell market order in a series after it is open for trading with an NBB of zero: (i) If the NBO in the series is less than or equal to \$0.50, then the System converts the market order to a limit order with a limit price equal to the minimum trading increment applicable to the series and enters the order into the Book with a timestamp based on the time it enters the Book. If the order has a Time-in-Force of GTC or GTD that expires on a subsequent day, the order remains on the Book as a limit order until it executes, expires, or the User cancels it. (ii) if the NBO in the series is greater than \$0.50, then the System cancels or rejects the market order, or routes the market order to PAR for manual handling, subject to a User's instructions.

<sup>23</sup> The Exchange notes that the Nasdaq Phlx does not have a threshold evaluation and, in the case where the bid price for any options series is \$0.00, a Market Order accepted into the System to sell that series shall be considered a Limit Order to sell at a price equal to the minimum trading increment as defined in Nasdaq Phlx Options 3, Section 3. Orders will be placed on the Limit Order book in the order in which they were received by the System. With respect to Market Orders to sell which are submitted prior to the Opening Process and persist after the Opening Process, those orders are posted at a price equal to the minimum trading increment as defined in Options 3, Section 3. See Nasdaq Phlx Options 3, Section 10(b).

<sup>24</sup> See Securities Exchange Act Release No. 80121 (February 28, 2017), 82 FR 12656 (March 6, 2017) (SR-MIAX-2017-09).

<sup>25</sup> See MIAX Options Regulatory Circular 2017-15, Mandatory Usage of MIAX Options Order Monitor Protections (March 21, 2017) available at [https://www.miaxoptions.com/sites/default/files/circular-files/MIAX\\_Options\\_RC\\_2017\\_15.pdf](https://www.miaxoptions.com/sites/default/files/circular-files/MIAX_Options_RC_2017_15.pdf).

<sup>26</sup> See Securities Exchange Act Release No. 80230 (March 13, 2017), 82 FR 14251 (March 17, 2017) (SR-MIAX-2017-12).

<sup>27</sup> See MIAX Options Regulatory Circular 2018-37, Changes to MIAX Options Price Protection Process (August 20, 2018) available at [https://www.miaxoptions.com/sites/default/files/circular-files/MIAX\\_Options\\_RC\\_2018\\_37.pdf](https://www.miaxoptions.com/sites/default/files/circular-files/MIAX_Options_RC_2018_37.pdf).

of the Act<sup>29</sup> and Rule 19b-4(f)(6)<sup>30</sup> thereunder.

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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or 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-MIAX-2022-22 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-MIAX-2022-22. 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-MIAX-2022-22, and should be submitted on or before June 24, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>31</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2022-11876 Filed 6-2-22; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-95004; File No. SR-ICEEU-2022-008]

### Self-Regulatory Organizations; ICE Clear Europe Limited; Order Approving Proposed Rule Change Relating to Amendments to the ICE Clear Europe Operational Risk Management Policy and Risk Identification Framework

May 27, 2022.

#### I. Introduction

On March 31, 2022, ICE Clear Europe Limited ("ICE Clear Europe") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend its Operational Risk Management Policy (the "ORMP") and add to ICE Clear Europe's rule framework the Risk Identification Framework (the "RIF"). The proposed rule change was published for comment in the **Federal Register** on April 14, 2022.<sup>3</sup> The Commission did not receive comments regarding the proposed rule

change. For the reasons discussed below, the Commission is approving the proposed rule change.

## II. Description of the Proposed Rule Change

### i. ORMP

The current ORMP describes ICE Clear Europe's process for identifying, assessing, managing, monitoring, and reporting operational risks and requires that ICE Clear Europe assess its operational risks at least annually.<sup>4</sup> The proposed rule change would maintain the overall process as found in the current ORMP but revise the description of the specific steps that make up the overall process—generally by incorporating into the ORMP additional detail regarding current practices relating to those steps—and modify certain aspects of some of those steps.

First, the proposed rule change would explicitly incorporate into the ORMP ICE Clear Europe's Enterprise Risk Register, which ICE Clear Europe also refers to as the Risk Register Dashboard (referred to herein as the "Risk Dashboard"). Currently, once ICE Clear Europe identifies operational risks pursuant to the existing ORMP, it documents those risks in the Risk Dashboard. The Risk Dashboard therefore serves as an inventory of the specific operational risks that ICE Clear Europe has identified as part of its existing risk identification process under the ORMP. The Risk Dashboard also includes information about, among other things, the ICE Clear Europe department that owns the risk (the "Risk Owner"), the level of inherent risk, and the overall rating for the control that mitigates each risk. However, while the Risk Dashboard currently is used as part of ICE Clear Europe's risk identification process under the ORMP, it is not actually referenced in the ORMP. The proposed rule change would formally incorporate the Risk Dashboard into the ORMP and include it as an appendix to the ORMP. The proposed rule change also would add to the ORMP a description of the process for reviewing and updating the Risk Register as part of ICE Clear Europe's existing annual assessment of its operational risks, thereby formalizing that process as a requirement under the ORMP.

The current ORMP requires that Risk Owners complete the risk identification process at least once a year and specifies that this process shall not only allow the

<sup>4</sup> This description is substantially excerpted from the Notice, 87 FR 22273. Capitalized terms not otherwise defined herein have the meanings assigned to them in the ORMP, the RIF, or ICE Clear Europe's Rules, as applicable.

<sup>29</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>30</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

<sup>31</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.

<sup>3</sup> Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing of Proposed Rule Change Relating to Amendments to the ICE Clear Europe Operational Risk Management Policy and Risk Identification Framework, Exchange Act Release No. 34-94649 (Apr. 8, 2022); 87 FR 22273 (Apr. 14, 2022) (SR-ICEEU-2022-008) ("Notice").