Importantly, the Exchange believes the proposal will not impose a burden on intermarket competition but will rather alleviate any burden on competition because it is the result of a collaborative effort by all SROs to harmonize and improve the process related to the halting and resumption of trading in U.S.-listed equity securities, consistent with the Amended Nasdaq UTP Plan. In this area, the Exchange believes that all SROs should have consistent rules to the extent possible in order to provide additional transparency and certainty to market participants and to avoid inconsistent outcomes that could cause confusion and erode market confidence. The proposed changes would ensure that all SROs handle the situations covered therein in a consistent manner and ensure that all trading centers handle a Regulatory Halt consistently. The Exchange understands that all other non-Primary Listing Markets intend to file proposals that are substantially similar to this proposal.

The Exchange does not believe that its proposals concerning Operational Halts impose an undue burden on competition. Under the existing Rules, the Exchange already possesses discretionary authority to impose Operational Halts for various reasons, including because of an order imbalance or influx that causes another national securities exchange to impose a trading halt in a security. As described earlier, the proposed Rule change clarifies and broadens the circumstances in which the Exchange may impose such Halts, and specifies procedures for both imposing and lifting them. The Exchange does not intend for these proposals to have any competitive impact whatsoever. Indeed, the Exchange expects that other exchanges will adopt similar rules and procedures to govern operational halts, to the extent that they have not done so already.

The Exchange does not believe that the proposed rule change imposes a burden on intramarket competition because the provisions apply to all market participants equally. In addition, information regarding the halting and resumption of trading will be disseminated using several freely accessible sources to ensure broad availability of information in addition to the SIP data and proprietary data feeds offered by the Exchange and other SROs that are available to subscribers. In addition, the declaration and timing of trading halts and the resumption of trading is designed to avoid any advantage to those who can react more quickly than other participants. The proposals encourage early and frequent communication among the SROs, SIPs and market participants to enable the dissemination of timely and accurate information concerning the market to market participants.

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

No written comments were either solicited or 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 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)(iii) of the Act [41] and subparagraph (f)(6) of Rule 19b–4 thereunder.[42]

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.* Please include File Number SR–Phlx–2022–49 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–Phlx–2022–49. 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–Phlx–2022–49 and should be submitted on or before January 19, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[43]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2022–28301 Filed 12–28–22; 8:45 am]

BILLING CODE 8011–01–P

[41] 15 U.S.C. 78s(b)(3)(A)(iii).

[42] 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.

[43] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–96575; File No. SR–FICC–2022–009]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Certain MBSD Fees

December 22, 2022.

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 December 20, 2022, Fixed Income Clearing Corporation (''FICC'') 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. FICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act [3] and Rule 19b–4(f)(2) 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 change consists of modifications to FICC's Mortgage-Backed Securities Division (''MBSD'') Clearing Rules (''MBSD Rules'') and the MBSD EPN Rules (''EPN Rules'' and together with the MBSD Rules, the ''Rules'') in order to amend (i) certain Trade Creates and Trade Processing fees, (ii) the DNA Request fee, (iii) the Matched Pool Instruct fee, (iv) an Account Maintenance fee, and (v) the Message Processing fees, as described further below.[5]

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

FICC is proposing to amend the MBSD Rules and the EPN Rules in order to amend (i) certain Trade Creates and Trade Processing fees; (ii) the DNA Request fee, (iii) the Matched Pool Instruct fee, (iv) an Account Maintenance fee, and (v) the Message Processing fees, as described in greater detail below.

FICC operates a cost plus low-margin pricing model and has in place procedures to control costs and to regularly review pricing levels against costs of operation. FICC reviews pricing levels against its costs of operation typically during the annual budget process. The budget is approved annually by the Board. FICC's fees are cost-based plus a markup as approved by the Board or management (pursuant to authority delegated by the Board), as applicable. This markup or ''low margin'' is applied to recover development costs and operating expenses and to accumulate capital sufficient to meet regulatory and economic requirements.

FICC expects the rising interest rate environment to be a long-term structural change which will continue to negatively impact MBSD revenue. Specifically, as a result of the rising interest rate environment, FICC expects the decrease in transaction volumes for MBSD, and therefore, the decrease in revenues for MBSD, to continue in 2023. FICC expects inflationary pressures, and technology and infrastructure investments related to IT risk mitigation and resiliency initiatives to contribute to costs in 2023. While overall costs in 2023 are expected to be lower than forecasted for 2022, FICC believes the proposed increases in fees, as further described below, would enable FICC to offset the above-described expected decrease in MBSD revenue due to the expected decrease in transaction volumes for MBSD because of rising interest rate environment and would enable FICC to generate sufficient revenues to cover its operating costs plus generate a low net income margin (*i.e.,* to be consistent with its pricing model). The net income margin forecasted for 2022 is lower than the net income margin range that FICC typically aims to achieve. Transaction volumes for MBSD were lower than expected in 2022 and as such, revenues for MBSD were lower than expected in 2022 while technology and infrastructure investments contributed to increased costs in 2022. As described above, FICC believes that the rising interest rate environment is a long-term structural change, which will continue to negatively impact revenues for MBSD in 2023. As such, the proposed increases in fees described in detail below are necessary to enable FICC to cover operating costs while generating a low net income margin. Specifically, these proposed fee increases would enable FICC to generate a low net income margin that would be in a range that FICC typically aims to achieve. As described above, this low margin is applied to recover development costs and operating expenses and to accumulate capital sufficient to meet regulatory and economic requirements.

(i) Certain Trade Creates and Trade Processing Fees

(a) Trade Creates Fees

A trade create is a type of transaction used to identify the submission and/or subsequent processing of trades as opposed to cancels or notifications.

Current Fees

In the MBSD Rules Schedule of Charges Broker Account Group and the MBSD Rules Schedule of Charges Dealer Account Group, there are fees for Trade Creates relating to Trade Processing. In the MBSD Rules Schedule of Charges Dealer Account Group, there are also fees for (i) Trade Creates relating to Trade-for-Trade Transactions, Specified Pool Trades, and Stipulated Trades, and (ii) Trade Creates relating to Options Trades.

The current fee charged to brokers in the MBSD Rules Schedule of Charges Broker Account Group for Trade Creates relating to Trade Processing is $0.20/side.

In the MBSD Rules Schedule of Charges Dealer Account Group, the current fee for Trade Creates relating to Trade Processing are as follows: [6]

Total par amount traded per month	Current fee (par value Millions/Mon.)
01–2,500,000,000	$2.00
2,500,000,001–7,500,000,000	1.58
7,500,000,001–12,500,000,000	1.39
12,500,000,001–300,000,000,000	1.19

[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)(2).

[5] Capitalized terms not otherwise defined herein are defined in the MBSD Rules and the EPN Rules, as applicable, *available at http://www.dtcc.com/legal/rules-and-procedures.*

[6] Certain fees are based on the par value per million per month (''MM'').

Total par amount traded per month	Current fee (par value Millions/Mon.)
300,000,000,001 and over	1.16

In the MBSD Rules Schedule of Charges Dealer Account Group, the current fees for (i) Trade Creates relating to Trade-for-Trade Transactions, Specified Pool Trades, and Stipulated Trades is $1.16/MM and (ii) Trade Creates relating to Option Trades is $1.00/MM.

Proposed Changes

In the MBSD Rules Schedule of Charges Broker Account Group, FICC is proposing to revise the fee for Trade Creates relating to Trade Processing from $0.20/side to $.40/side.

In the MSBD Rules Schedule of Charges Dealer Account Group, FICC is proposing to revise the fee for Trade Creates relating to Trade Processing as follows:

Total par amount traded per month	Current fee (par value Millions/Mon.)	Proposed changes to fees (par value Millions/Mon.)
01–2,500,000,000	2.00	2.36
2,500,000,001–7,500,000,000	1.58	1.86
7,500,000,001–12,500,000,000	1.39	1.64
12,500,000,001–300,000,000,000	1.19	1.40
300,000,000,001 and over	1.16	1.37

In addition, in the MBSD Rules Schedule of Charges Dealer Account Group, FICC is proposing to revise the fees for (i) Trade Creates relating to Trade-for-Trade Transactions, Specified Pool Trades, and Stipulated Trades from $1.16/MM to $1.37/MM, and (ii) Trade Creates relating to Options Trades from $1.00/MM to $1.18/MM.

FICC believes that the proposed increases to the above-described fees for Trade Creates would be consistent with FICC's cost plus low-margin pricing model and would enable FICC to offset the expected decrease in MBSD revenue. As described above, FICC regularly reviews pricing levels against its costs of operation typically during the annual budget process. FICC determined during the 2023 annual budget process that the proposed increase in the above-described fees for Trade Creates would help better align costs to revenue and generate sufficient revenues to cover its operating costs plus generate a low net income margin (*i.e.,* to be consistent with its cost plus low-margin pricing model). As described above, due to the rising interest rate environment, FICC anticipates that transaction volumes will continue to decrease, and therefore, MBSD revenue will also continue to decrease in 2023. As such, FICC believes the proposed increases to the above-described fees for Trade Creates would enable FICC to offset the expected decrease in MBSD revenue, and enable FICC to continue to generate sufficient revenues to cover its operating costs plus generate a low net income margin.

(b) TBA Netting Balance Order (SBON)

In the Trade Processing section of the Schedule of Charges Dealer Account Group in the MBSD Rules, there is also a TBA Netting Balance Order (SBON) fee of $1.00/MM.[7] The TBA Netting Balance Order (SBON) fee is the fee for SBON Trades that are generated from the TBA Netting System.[8] Pursuant to MBSD Rule 6, Section 1, each Clearing Member's SBO-Destined Trades in each Account in the TBA Netting System (other than SBO-Destined Trades that have been converted to Trade-for-Trade Transactions as provided in the MBSD Rules) will be netted by CUSIP on a monthly basis, and the TBA Netting System will generate SBON Trades.[9]

FICC is proposing to revise this trade processing fee from $1.00/MM to $1.20/MM.

FICC believes that this proposed increase in the TBA Netting Balance Order (SBON) fee would be consistent with FICC's cost plus low-margin pricing model and enable FICC to offset the expected decrease in MBSD revenue. As described above, FICC regularly reviews pricing levels against its costs of operation typically during the annual budget process. FICC determined during the 2023 annual budget process that the proposed increase in the TBA Netting Balance Order (SBON) fee would help better align costs to revenue and generate sufficient revenues to cover its operating costs plus generate a low net income margin (*i.e.,* to be consistent with its cost plus low-margin pricing model). As described above, due to the rising interest rate environment, FICC anticipates that transaction volumes for MBSD will continue to decrease, and therefore, MBSD revenue will also continue to decrease in 2023. As such, FICC believes the proposed increase in the TBA Netting Balance Order (SBON) fee would enable FICC to offset the expected decrease in MBSD revenue, and enable FICC to continue to generate sufficient revenues to cover its operating costs plus generate a low net income margin.

(ii) DNA Request Fee

The Do Not Allocate (''DNA'') process is the process by which Clearing Members that have two or more TBA Obligations with the same Par Amount, CUSIP Number and established date in the settlement cycle, may offset such transactions against one another.[10] In order to initiate the offset, Clearing Members are required to submit a request (''DNA Request'') to MBSD. Upon FICC's receipt and verification of this request, the Clearing Member's designated TBA Obligations will be

[7] The term ''TBA'' or ''To-Be-Announced'' means a contract for the purchase or sale of a mortgage-backed security to be delivered at an agreed-upon future date because as of the transaction date, the seller has not yet identified certain terms of the contract, such as the pool number and number of pools, to the buyer. MBSD Rule 1, *supra* note 5.

[8] The term ''SBO'' means the settlement balance orders that constitute the net positions of a Clearing Member as a result of the TBA Netting process. The resulting transactions from this TBA Netting process are identified as SBON Trades. MBSD Rule 1, *supra* note 5.

[9] *Supra* note 5.

[10] MBSD Rule 7, Section 3, *supra* note 5.

offset, and as a result, a Clearing Member's overall number of open TBA Obligations will be reduced.[11]

FICC charges a fee in connection with a Clearing Member's request to include eligible trades in the above-described DNA process (such request is referred to as a "DNA Request"). Currently, in the MBSD Rules Schedule of Charges Dealer Account Group, the DNA Request fee is listed as $1.25/MM.

FICC is proposing to revise this DNA Request fee from $1.25/MM to $1.50/MM.

FICC believes that this proposed increase in the DNA Request fee would be consistent with FICC's cost plus low-margin pricing model and enable FICC to offset the expected decrease in MBSD revenues. As described above, FICC regularly reviews pricing levels against its costs of operation typically during the annual budget process. FICC determined during the 2023 annual budget process that the proposed increase in the DNA Request fee would help better align costs to revenue and enable FICC to generate sufficient revenue to cover its operating costs plus generate a low net income margin (*i.e.,* to be consistent with its cost plus low-margin pricing model). As described above, due to the rising interest rate environment, FICC anticipates that transaction volumes for MBSD will continue to decrease, and therefore, MBSD revenue will also continue to decrease in 2023. As such, FICC believes the proposed increase in the DNA Request fee would enable FICC to offset the expected decrease in MBSD revenue, and enable FICC to continue to generate sufficient revenues to cover its operating costs plus generate a low net income margin.

(iii) Matched Pool Instruct Fee

Pursuant to MBSD Rule 8, Section 1, Pool Netting is a system for aggregating and matching offsetting allocated pools submitted by Clearing Members to satisfy: (i) settlement obligations associated with Trade-for-Trade Transactions and (ii) settlement obligations resulting from the TBA Netting system. Each Business Day, FICC will calculate and report to each Clearing Member each Pool Net Settlement Position of such Member. With respect to each such Pool Net Settlement Position, FICC will report to the Member the extent to which the Member is obligated to deliver Eligible Securities to FICC and/or to receive Eligible Securities from FICC in accordance with each such Pool Net Settlement Position.[12]

In the Pool Netting fees section of the MBSD Rules Schedule of Charges Dealer Account Group, there is a fee for Matched Pool Instructs of $1.00 per side. The fee for Matched Pool Instructs is the fee for pools that are submitted into Pool Netting.

FICC is proposing to increase this fee for Matched Pool Instructs from $1.00 per side to $1.20 per side.

FICC believes that this proposed increase in the Matched Pool Instruct fee would be consistent with FICC's cost plus low-margin pricing model and enable FICC to offset the expected decrease in MBSD revenue. As described above, FICC regularly reviews pricing levels against its costs of operation typically during the annual budget process. FICC determined during the 2023 annual budget process that the proposed increase in the Matched Pool Instruct fee would help better align costs to revenue and enable FICC to generate sufficient revenue to cover its operating costs plus generate a low net income margin (*i.e.,* to be consistent with its cost plus low-margin pricing model). As described above, due to the rising interest rate environment, FICC anticipates that transaction volumes for MBSD will continue to decrease, and therefore, MBSD revenue will also continue to decrease in 2023. As such, FICC believes the proposed increase in the Matched Pool Instruct fee would enable FICC to offset the expected decrease in MBSD revenue, and enable FICC to continue to generate sufficient revenues to cover its operating costs plus generate a low net income margin.

(iv) Account Maintenance Fee

In the Account Maintenance fees section of the EPN Service Schedule of Charges in the EPN Rules, the current fee for Direct Accounts is $1,000.00 per month (per account). FICC is proposing to revise this Account Maintenance fee for Direct Accounts from $1,000.00 per month (per account) to $1,200.00 per month (per account). FICC has not increased the Account Maintenance fee for Direct Accounts since 2014.[13]

FICC believes that this proposed increase in the Account Maintenance fee for Direct Accounts would be consistent with FICC's cost plus low-margin pricing model and enable FICC to offset the expected decrease in MBSD revenue. As described above, FICC regularly reviews pricing levels against its costs of operation typically during the annual budget process. FICC determined during the 2023 annual budget process that the proposed increase in the Account Maintenance fee would help better align costs to revenue and enable FICC to generate sufficient revenue to cover its operating costs plus generate a low net income margin (*i.e.,* to be consistent with its cost plus low-margin pricing model). As described above, FICC has not increased the Account Maintenance fee for Direct Accounts since 2014, and this proposed increase would enable FICC to offset the expected decrease in MBSD revenue, and enable FICC to continue to generate sufficient revenues to cover its operating costs plus generate a low net income margin.[14]

(v) Message Processing Fees

FICC's electronic pool notification service (the "EPN Service") provides Clearing Members and EPN Users with the ability to electronically communicate pool information to other EPN Users or FICC.

In connection with the EPN Service, certain message processing fees are charged. Specifically, there are fees for the following EPN message types: (i) Notification Send, (ii) Notification Receive, (iii) Pool Substitution Cancel/Correct. The Notification Send fee is a fee for sending an EPN message type that provides MBS pool information and the Notification Receive fee is the fee for receiving an EPN message type that contains MBS pool information. Pool Substitution Cancel/Correct is an EPN message type that supports the simultaneous "cancel" of previously allocated pools and the "correct" notification of substituted pools; this EPN message type provides Clearing Members and EPN Users with a method of transmitting pool substitutions to their allocation counterparties. FICC charges a fee for this EPN message type.

FICC is also proposing to amend the "Message Processing Fees" in the EPN Service Schedule of Charges in the EPN Rules as described below:

[11] *Id.*

[12] MBSD Rule 8, *supra* note 5.

[13] *See* Securities Exchange Act Release No. 72305 (June 4, 2014), 79 FR 33244 (June 10, 2014) (SR–FICC–2014–03).

[14] *Id.*

Message processing fees	Current fees	Proposed changes to fees
ON Send:		
Opening of Business to 1:00 p.m	$.19/million Current Face	$.20/million Current Face.
1:00 p.m. to 2:00 p.m	$.95/million Current Face	$1.00/million Current Face.
2:00 p.m. to 3:00 p.m	$1.90/million Current Face	$2.00/million Current Face.
3:00 p.m. to Close of Business	$1.58/million Current Face	$1.67/million Current Face.
ON Receive:		
Opening of Business to 1:00 p.m	$.51/million Current Face	$.54/million Current Face.
1:00 p.m. to 2:00 p.m	$.26/million Current Face	$.28/million Current Face.
2:00 p.m. to 3:00 p.m	$.26/million Current Face	$.28/million Current Face.
Pool Substitution Cancel/Correct		
Cancel/Correct Send:		
Open of Business up to 11:00 a.m	$0.19/million Current Face	$0.20/million Current Face.
11:00 a.m. up to 12:00 p.m	$0.95/million Current Face	$1.00/million Current Face.
12:00 p.m. up to 12:15 p.m	$1.90/million Current Face	$2.00/million Current Face.
12:15 p.m. to End of Day	$0.19/million Current Face	$0.20/million Current Face.

FICC believes that the proposed increases in the above-described Message Processing fees would be consistent with FICC's cost plus low-margin pricing model and enable FICC to offset the expected decrease in MBSD revenue. As described above, FICC regularly reviews pricing levels against its costs of operation typically during the annual budget process. FICC determined during the 2023 annual budget process that the proposed increases in the Message Processing fees would help better align costs to revenue and enable FICC to generate sufficient revenue to cover its operating costs plus generate a low net income margin (*i.e.,* to be consistent with its cost plus low-margin pricing model). As described above, due to the rising interest rate environment, FICC anticipates that transaction volumes for MBSD will continue to decrease, and therefore, MBSD revenue will also continue to decrease in 2023. As such, FICC believes the proposed increases in the Message Processing fees would enable FICC to offset the expected decrease in MBSD revenue, and enable FICC to continue to generate sufficient revenues to cover its operating costs plus generate a low net income margin.

(vi) Expected Member Impact

The proposed rule change is expected to increase FICC's annual revenue by approximately $16.5 million.

In general, FICC anticipates that the proposal would result in fee increases for all MBSD Clearing Members and EPN Users. FICC anticipates that the proposal would result in a fee increase of (i) less than $10,000 per year for approximately 53% of impacted affiliated MBSD Clearing Members and EPN Users, (ii) between $10,000 and $100,000 for approximately 30% of impacted affiliated MSBD Clearing Members and EPN Users, and (iii) more than $100,000 for approximately 17% of impacted affiliated MBSD Clearing Members and EPN Users.

(vii) Member Outreach

FICC has conducted ongoing outreach to each Clearing Member and EPN User in order to provide them with notice of the proposed changes and the anticipated impact for the Clearing Members and EPN Users. As of the date of this filing, no written comments relating to the proposed changes have been received in response to this outreach. The Commission will be notified of any written comments received.

Implementation Timeframe

FICC would implement this proposal on January 1, 2023. As proposed, a legend would be added to the Schedule of Charges Broker Account Group in the MBSD Rules, the Schedule of Charges Dealer Account Group in the MBSD Rules, and the EPN Service Schedule of Charges in the EPN Rules, as appropriate, stating there are changes that became effective upon filing with the Commission but have not yet been implemented. The proposed legend would include the date on which such changes would be implemented and the file number of this proposal, and state that once this proposal is implemented, the legend would automatically be removed.

2. Statutory Basis

Section 17A(b)(3)(D) of the Act requires that the rules of a clearing agency, such as FICC, provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.[15] FICC believes that the proposed changes to increase (i) certain Trade Creates and Trade Processing fees, (ii) the DNA Request fee, (iii) the Matched Pool Instruct fee, (iv) an Account Maintenance fee, and (v) the Message Processing fees are consistent with this provision of the Act.[16]

FICC believes the proposed changes to increase (i) certain Trade Creates and Trade Processing fees, (ii) the DNA Request fee, (iii) the Matched Pool Instruct Fee, and (iv) the Message Processing fees, as described above, are consistent with Section 17A(b)(3)(D).[17] The proposal would provide for the equitable allocation of fees among participants because the proposal would apply to all participants, such that all Clearing Members and EPN Users, as applicable, would be subject to these proposed increases in these fees following the implementation of the proposed changes. The above-described fees are and would continue to be charged to all Clearing Members and EPN Users, as applicable, and are and would continue to be based on each Clearing Member's and each EPN User's utilization of MBSD's services. Specifically, each Clearing Member and EPN User would be charged based on the volume of transactions and/or messages submitted to MBSD.

Similarly, FICC believes the above-described (i) Trade Create and Trade Processing fees, (ii) DNA Request fee, (iii) Matched Pool Instruct Fee, and (iv) Message Processing fees would continue to be reasonable fees under the proposed changes described above. The proposed changes to increase (i) certain Trade Creates and Trade Processing fees, (ii) the DNA Request fee, (iii) the Matched Pool Instruct Fee, and (iv) the Message Processing fees, as described above, would be consistent with FICC's cost plus low-margin pricing model. With the proposed changes to these fees, FICC believes it would still be able to continue to generate sufficient revenues to cover its operating costs plus generate a low net income margin. Furthermore, the proposed changes to these fees

[15] 15 U.S.C. 78q–1(b)(3)(D).

[16] *Id.*

[17] 15 U.S.C. 78q–1(b)(3)(D).

would enable FICC to offset the expected decrease in MBSD revenue attributed to the long-term structural change due to the rising interest rate environment. As described above, FICC expects the rising interest rate environment to be a long-term structural change which will continue to negatively impact MBSD revenue. Specifically, as a result of the rising interest rate market, FICC expects the decrease in transaction volumes for MBSD, and therefore, the decrease in revenues for MBSD, to continue in 2023. As such, FICC believes the proposed changes to increase (i) certain Trade Creates and Trade Processing fees, (ii) the DNA Request fee, (iii) the Matched Pool Instruct Fee, and (iv) the Message Processing fees would enable FICC to offset the above-described expected decrease in MBSD revenue due to the expected decrease in transaction volumes for MBSD because of rising interest rate environment.

FICC also believes the proposed change to increase the Account Maintenance fee for Direct Accounts is consistent with Section 17A(b)(3)(D) of the Act.[18] The proposal would provide for the equitable allocation of fees among participants because the proposal would apply to all participants, such that all Clearing Members and EPN Users with Direct Accounts would be subject to the proposed increase in the Account Maintenance fee for Direct Accounts.

In addition, FICC believes the Account Maintenance fee for Direct Accounts would continue to be a reasonable fee under the proposed change described above. The proposed change to increase the Account Maintenance fee for Direct Accounts would be consistent with FICC's cost plus low-margin pricing model, and as described above, FICC has not increased this fee since 2014. With the proposed change to this fee, FICC believes it would still be able to continue to generate sufficient revenues to cover its operating costs plus generate a low net income margin. FICC believes the proposed increase in the Account Maintenance fee for Direct Accounts would enable FICC to offset the expected decrease in MBSD revenue due to the expected decrease in transaction volumes for MBSD because of the rising interest rate environment.

Based on the foregoing, FICC believes the proposed rule change is consistent with Section 17A(b)(3)(D) of the Act.[19]

[18] 15 U.S.C. 78q–1(b)(3)(D).

[19] *Id.*

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

FICC believes that the proposed changes to increase (i) certain Trade Creates and Trade Processing fees, (ii) the DNA Request fee, (iii) the Matched Pool Instruct fee, (iv) an Account Maintenance fee, and (v) the Message Processing fees may impose a burden on competition. However, FICC believes any burden on competition that may result from the proposed fee increases would be necessary and appropriate in furtherance of the purposes of the Act, as permitted by Section 17A(b)(3)(I) of the Act.[20]

FICC believes the proposed changes to increase (i) certain Trade Creates and Trade Processing fees, (ii) the DNA Request fee, (iii) the Matched Pool Instruct fee, (iv) an Account Maintenance fee, and (v) the Message Processing fees are necessary because these proposed fee increases would provide FICC with the ability to achieve and maintain its net income margin. In addition, FICC believes these proposed fee increases are appropriate because these proposed fee increases would enable FICC to offset the expected decrease in revenue in MBSD due to the expected decrease in transaction volumes for MBSD because of the rising interest rate environment (which FICC believes is a long-term structural change).

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

FICC reviewed the proposed rule change with Clearing Members and EPN Users. FICC has not received any written comments relating to this proposal. If any additional written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b–4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b–4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, *available at https://www.sec.gov/regulatory-actions/how-to-submit-comments.* General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the SEC's Division of Trading and Markets at *tradingandmarkets@sec.gov* or 202–551–5777.

[20] 15 U.S.C. 78q–1(b)(3)(I).

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)[21] of the Act and paragraph (f)[22] of Rule 19b–4 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.

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.* Please include File Number SR–FICC–2022–009 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–FICC–2022–009. 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

[21] 15 U.S.C. 78s(b)(3)(A).

[22] 17 CFR 240.19b–4(f).

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 FICC and on DTCC's website (*http://dtcc.com/legal/sec-rule-filings.aspx*). 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–FICC–2022–009 and should be submitted on or before January 19, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[23]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2022–28304 Filed 12–28–22; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–96567; File No. SR–NASDAQ–2022–078]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 7, Section 2 Concerning the NOM Pricing Schedule

December 22, 2022.

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 December 14, 2022, The Nasdaq Stock Market LLC (''Nasdaq'' 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 Nasdaq Options Market LLC (''NOM'') Pricing Schedule at Options 7, Section 2.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/nasdaq/rules,* 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 Exchange proposes to amend NOM's Pricing Schedule at Options 7, Section 2(1), ''Nasdaq Options Market—Fees and Rebates.'' Today, NOM Options 7, Section 2(1) provides for various fees and rebates applicable to NOM Participants.

Customer[3] and Professional[4] Rebates to Add Liquidity in Penny Symbols are paid per the highest tier achieved among the 6 available tiers. To determine the applicable percentage of total industry customer equity and ETF option average daily volume, unless otherwise stated, the Exchange considers the Participant's Penny and Non-Penny Symbol Customer and/or Professional volume that adds liquidity. Below is the criteria for each Rebate to Add Liquidity in Penny Symbol tier.

MONTHLY VOLUME

Tier 1	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols of up to 0.10% of total industry customer equity and ETF option average daily volume (''ADV'') contracts per day in a month.
Tier 2	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.10% to 0.20% of total industry customer equity and ETF option ADV contracts per day in a month.
Tier 3	Participant: (a) adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.20% to 0.30% of total industry customer equity and ETF option ADV contracts per day in a month; or (b) adds Customer and/or Professional liquidity in Penny Symbols and/or Non-Penny Symbols of 0.05% to less than 0.10% of total industry customer equity and ETF option ADV contracts per day in a month and qualifies for MARS.
Tier 4	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.30% to 0.40% of total industry customer equity and ETF option ADV contracts per day in a month.
Tier 5	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.40% to 0.80% of total industry customer equity and ETF option ADV contracts per day in a month.

[23] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] The term ''Customer'' or (''C'') applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation (''OCC'') which is not for the account of broker or dealer or for the account of a ''Professional'' (as that term is defined in Options 1, Section 1(a)(47)). *See* Options 7, Section 1(a).

[4] The term ''Professional'' or (''P'') means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s) pursuant to Options 1, Section 1(a)(47). All Professional orders shall be appropriately marked by Participants. *See* Options 7, Section 1(a).