

automatic nature of the registration process in many states where, under a 30-day standard, a state may not have Form U5 information before it is required to make a new licensing decision.²⁷ NASAA further suggests that it is time for a comprehensive review of Form U5 filing deadlines.²⁸ In addition, NASAA asserts that the importance of state licensing decisions outweigh any arguable burden of the shorter filing deadline.²⁹ NASAA also asserts that because “approximately 73% of Form U5s are already filed within 10 days of a representative’s termination,” the burden of maintaining a shorter filing deadline is demonstrably minimal, as the vast majority of firms already comply with the deadline.³⁰ Thus, NASAA does not believe that the 10-day requirement imposes a competitive disadvantage on the Exchanges’ members.³¹ NASAA also asserts that Commission approval of the proposal would be premature, as NASAA’s ongoing work in this area may lead to an industry-wide examination of Form U5 filing issues, and ultimately a recommendation to shorten the deadlines for filing the Form U5.³² OIA supports a harmonized approach among the self-regulatory organizations but argues that the appropriate way to harmonize the requirement would be to shorten the filing timeframes to 10 days across the industry.³³

NYSE responds by stating that the proposed rule changes would harmonize the Exchanges’ rules with the existing rules of the other exchanges and FINRA and thereby ensure uniformity and promote clarity and consistency.³⁴ In addition, the Exchange believes that maintaining a requirement for NYSE MKT and NYSE Arca Members different from the requirement for FINRA members results in a burden on competition.³⁵ With respect to concerns regarding timely access to information by investors, NYSE references a proposed rule change that amended FINRA’s rules to reduce the time period within which information disclosed on Form U5 is made available to the public via BrokerCheck from 15

days to three days.³⁶ In this regard, NYSE suggests that the relevant timing is when information provided on the Form U5 is made available on BrokerCheck. NYSE also states that unless FINRA moves to a shorter timeframe it would be a burden on competition for NYSE MKT and NYSE Arca to continue to maintain a different standard than is required of members of other self-regulatory organizations.³⁷

Finally, NYSE asserts its belief that the proposals are consistent with the Act because they conform to the rules of other self-regulatory organizations.³⁸ Further, NYSE believes that the proposals should eliminate potential reporting inaccuracies caused by any such disparities among exchanges’ regulatory reporting requirements and ensure greater accuracy in Form U5 reporting because the proposed timeframes would provide Members with sufficient time to perform due diligence before reporting a termination.³⁹ Specifically responding to SIFMA and ARM, NYSE states that the proposed rule language is not ambiguous, adding that the “prompt” requirement is consistent with rules of other self-regulatory organizations and should encourage prompt filing of Form U5, but does not shorten the deadline of 30 days.⁴⁰

As discussed above, the Commission believes that the changes, which will provide additional time for Members to file Forms U5, may result in more accurate information describing the reasons for the termination of a registered person, which would serve to protect investors and the public interest. Certain commenters appear to be concerned that Members may require additional time to accurately and completely respond to questions on the

Form U5.⁴¹ The additional time associated with the proposed rule change should contribute to the accuracy of information contained in the Form U5. The Commission notes that Forms U5 must be accurate and complete so that investors have the information that they need to determine if they wish to work with a particular registered person, and regulators have the information they need to properly oversee the associated persons engaged in the securities business in their jurisdictions, as soon as possible. In addition, the Commission notes that proposed time limits are consistent with the rules of other self-regulatory organizations.⁴²

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁴³ that the proposed rule changes (SR–NYSEMKT–2016–52 and SR–NYSE Arca 2016–103) be, and hereby are, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁴

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017–04606 Filed 3–8–17; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–80147; File No. SR–OCC–2017–001]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving Proposed Rule Change Concerning The Options Clearing Corporation’s Margin Coverage During Times of Increased Volatility

March 3, 2017.

On January 4, 2017, The Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR–OCC–2017–001 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b–4 thereunder.² The proposed rule change was published for comment in the **Federal Register** on January 25, 2017.³ The

⁴¹ See SIFMA letter at 2, ARM Letter I at 1–2 and ARM Letter II at 2.

⁴² See *supra*, note 14 and accompanying text.

⁴³ 15 U.S.C. 78s(b)(2).

⁴⁴ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ Securities Exchange Act Release No. 79818 (January 18, 2017) 82 FR 8455 (January 25, 2017) (SR–OCC–2017–001) (“Notice”).

²⁷ See NASAA Letter at 2 and NASAA Response at 2. See also ASC Letter at 2 (stating it is far more efficient for a state to prevent an agent with disqualifying history from becoming registered than it is to revoke or suspend a registered agent).

²⁸ See NASAA Response at 2.

²⁹ See *id.*

³⁰ See *id.*

³¹ See *id.* at 2–3.

³² See *id.* at 3.

³³ See OIA Letter at 3.

³⁴ See NYSE Letter III at 2.

³⁵ See NYSE Letter I at 1, NYSE Letter II at 2.

³⁶ See NYSE Letter I at 2. *But see* OIA Letter at 6 noting “that, while timelier disclosure of Form U5 information on BrokerCheck impacts the speed in which a retail investor may be alerted to red flag conduct, it has no impact on the speed in which regulators are alerted to, and can respond to, the information in the Form U5.”

³⁷ See NYSE Letter I at 2, NYSE Letter II at 3.

³⁸ See NYSE Letter I at 1–2, NYSE Letter II at 1–2, NYSE Letter III at 1–2. NYSE refers to similar exchange rules featuring a 30-day time limit for the filing and amending of the Form U5, including two rules adopted in 2016. See NYSE Letter II at 2. The Commission approved a rule change, SR–NYSEArca–2016–104, which amended one rule to add “calendar” to modify the 30-day time frame within which to submit Form U5 and a second rule to shorten the time within which to submit the Form U5 from 30 business days to 30 calendar days. See Securities Exchange Act Release No. 78809 (September 9, 2016), 81 FR 63543 (September 15, 2016).

³⁹ See NYSE Letter III at 2.

⁴⁰ See *id.*

Commission received one comment letter on the Notice.⁴ This order approves the proposed rule change.

I. Description of the Proposed Rule Change

A. Background

OCC protects itself against potential losses that could result from the default of a clearing member by requiring margin to be posted in connection with each member's positions. The amount of margin calculated and collected from OCC's clearing members, along with mutualized clearing-fund resources, is intended to make available to OCC sufficient financial resources for the orderly transfer or liquidation of a defaulting clearing member's positions. OCC's proprietary risk management system, the System for Theoretical Analysis and Numerical Simulations ("STANS"), calculates each clearing member's margin requirement by utilizing Monte Carlo simulations to forecast price movements related to the positions in each clearing member's portfolio. The STANS margin requirement is intended to be sufficient to collateralize the member's losses across its portfolio over a two-day period, under normal market conditions.

To determine margin requirements, STANS utilizes time-series data, including pricing data on assets underlying the options contracts that OCC clears, and performs calculations related to, among other things, the volatilities of these underliers. The margin amount collected from each clearing member also accounts for expected changes in the value of collateral posted in connection with that member's portfolio.

According to OCC, one of the primary risk drivers in the STANS methodology relates to the volatilities of individual equity securities, which are derived from pricing data imported monthly into STANS. Between data feeds, the STANS margin methodology relies on a process that adjusts the individual volatility measures of equity-based option underliers (e.g., GE or IBM) by a multiplier derived from the volatility of the Standard & Poor's® 500 index ("SPX"). OCC refers to that multiplier as the uniform scale factor. To account for intra-month changes in volatility, the uniform scale factor adjusts individual volatilities of applicable underliers by a

factor tied to the relationship between the short-term and long term volatility of the SPX. Specifically, the uniform scale factor is used as a proxy to "scale up" volatilities of equity-based option underliers⁵ when near-term volatility estimates fall below a certain ratio relative to long-term average volatility, in each case based on the SPX. OCC asserts that, by applying a scale factor in this way, margin requirements better account for intra-month volatility risks for individual equity-based option underliers and thereby better ensure that clearing members maintain sufficient margin assets in connection with option positions based upon those underliers.

B. The Proposed Rule Change

In its filing, OCC proposed a number of enhancements to its STANS margin methodology that it believes would result in more accurate clearing member margin requirements. Specifically, OCC proposed the following: (1) To change the length of time-series data used to calculate the uniform scale factor; (2) to introduce new equity index-based scale factors; (3) to anchor individual risk factor volatilities to longer-term averages; and (4) to implement daily data updates of risk factors in OCC's statistical models used to value U.S. Treasury securities for collateral and margin purposes.

First, OCC proposed to change the time-series data period and thereby the data set used to calculate the uniform scale factor. One aspect of the uniform scale factor calculation relies on pricing information, or time-series data, relating to the individual components of the SPX index dating back to 1946, which pre-dates the 1957 introduction of the SPX. Because the time-series data pre-dates the SPX's publication, OCC's current practice is to supplement the published SPX data with additional pricing information that relies upon assumptions about what theoretically could have been the index's composition prior to 1957. OCC proposed to discontinue that practice going forward, and instead rely on post-1957 information only. OCC stated that this change would improve the quality of data used in the uniform scale factor calculation.

Second, OCC proposed to introduce four new scale factors for equity-based options. OCC stated that the uniform scale factor is derived from SPX pricing

information and currently serves as OCC's sole volatility proxy used to scale equity-based option underliers. According to OCC, the new scale factors would be based upon indices whose volatility characteristics more closely correlate with the volatility characteristics of the underliers to which they will be applied. Accordingly, OCC believes the new scale factors would serve as more appropriate volatility proxies than the uniform scale factor currently in use. Specifically, OCC proposed to introduce new scale factors based upon the following indices: (1) The Russell 2000® Index (12/29/1978); (2) the Dow Jones Industrial Average Index (9/23/1997); (3) the NASDAQ-100 Index (2/4/1985); and (4) the S&P 100 Index (1/2/1976).⁶ OCC stated that although the SPX-based uniform scale factor would continue to serve as the default scale factor for most equity-based products, the new scale factors would apply to a number of index options, options on exchange-traded funds, and options on exchange-traded notes that more closely correlate to the indices used in the proposed scale factor calculations.

Third, OCC proposed to anchor risk factor volatilities to longer-term trends by applying either the uniform scale factor or the applicable proposed new scale factor to the greater of two volatility estimates: (i) An observed, historical average; or (ii) a forecasted volatility measure. The proposed change would modify OCC's current practice of applying the uniform scale factor solely to the forecasted volatility measure for applicable underliers. OCC stated that its revised methodology would better ensure that short-term or temporary decreases in forecasted volatility do not result in significant margin reductions, thereby improving risk management in those cases where observed, historical average volatilities exceed forecasted volatility measures.

Finally, OCC proposed to implement daily updates to risk factors used to construct the U.S. Treasury yield curve and value U.S. Treasury securities for collateral and margin purposes. According to OCC, daily updates to the U.S. Treasury yield curve would better ensure that the STANS margin calculations accurately reflect the current state of the U.S. Treasury market, particularly during periods of heightened volatility, which would lead to more accurate margin calculations.

⁴ See comment from Tressifa S. Moore (January 19, 2017). The comment appears to be an excerpt from the EDGAR Filer Manual, available at www.sec.gov/info/edgar/edmanuals.htm, and does not have any substantive relevance to the proposed rule change.

⁵ The uniform scale factor applies to the volatility measures for single-name and index underliers. It does not apply to exchange-traded funds, futures, or volatility-based underliers. For the latter types of options, STANS uses a constant volatility measure calculated from monthly data feeds.

⁶ The dates in parentheses are the dates from which OCC has historical data on the specified index.

II. Discussion and Findings

Section 19(b)(2)(C)⁷ of the Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that the rule change, as proposed, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization.

The Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act, which requires, among other things, that the rules of a clearing agency assure the safeguarding of securities and funds that are in the custody or control of the clearing agency or for which it is responsible.⁸ As described above, the proposed rule changes are designed to improve the accuracy, and ensure the sufficiency, of margin collateral posted by clearing members. First, OCC's proposed change to rely only on published SPX index data to calculate the uniform scale factor is an appropriate improvement to the process for performing intra-month volatility adjustments in STANS; in turn, having more accurate margin calculations should better ensure that OCC has sufficient financial resources to protect itself in the event of a clearing member default, thereby supporting the safeguarding of securities and funds in OCC's custody and control.

Second, OCC's proposed change to introduce new scale factors for equity-based products whose underliers correlate more closely with the indices used in the proposed scale factor calculations appropriately improves the accuracy of STANS calculations relating to volatility risks. More accurately accounting for volatility risks in margin calculations, as above, should better ensure that OCC has sufficient financial resources in the event of a clearing-member default, in turn supporting the safeguarding of securities and funds in OCC's custody and control.

Third, the proposed change to apply the relevant scale factor to the greater of the historical and forecasted volatility measures will support OCC in safeguarding securities and funds in its control by better ensuring that reductions in forecasted volatility do not result in commensurate reductions in margin requirements. By mitigating procyclical reductions in margin requirements, the proposed change is designed to ensure that OCC maintains sufficient margin to protect itself against losses in the event of a clearing member default. This, in turn, better safeguards

the securities and funds in OCC's custody and control.

Fourth, the proposed change to incorporate daily updates into the time-series data used to construct the U.S. Treasury yield curve serves to better ensure that the STANS margin calculations for U.S. Treasury securities accurately reflect their value as collateral, especially during periods of heightened volatility. By ensuring that U.S. Treasury securities are accurately valued for collateral and margin purposes, the proposed change is designed to ensure that clearing member accounts do not become under-margined and to protect OCC's non-defaulting members against the potential loss of securities and funds in OCC's custody and control. The proposed rule changes are designed to ensure that OCC is better able to accurately compute and collect sufficient margin from its clearing members, thereby better ensuring that OCC appropriately estimates and manages its credit exposures. For these reasons, the Commission finds that the proposed change is consistent with Section 17A(b)(3)(F) of the Act.

Additionally, the Commission finds that the proposed rule change is consistent with the Clearing Agency Standards, specifically rules 17Ad-22(b)(1) and (b)(2) under the Act.⁹ Rule 17Ad-22(b)(1) requires OCC to establish, implement, maintain, and enforce written policies and procedures reasonably designed to, among other things, limit its exposures to potential losses from defaults by its participants under normal market conditions so that the operations of the clearing agency would not be disrupted and non-defaulting participants would not be exposed to losses that they cannot anticipate or control.¹⁰ Rule 17Ad-22(b)(2) requires OCC to establish, implement, maintain, and enforce written policies and procedures reasonably designed to, among other things, use margin requirements to limit its credit exposures to participants under normal market conditions and use risk-based models and parameters to set such margin requirements.¹¹

The Commission finds that the proposed rule change is consistent with rules 17Ad-22(b)(1) and (b)(2) under the Act. The proposed rule change is designed to better enable OCC to limit its potential losses from clearing-member defaults under normal market conditions by improving the data, scale factors, and methodology used to derive

certain volatility and other estimates for purposes of margin calculations. By improving these estimates, the STANS margin requirements would better ensure that OCC's members post sufficient collateral in connection with their options positions, thereby protecting OCC against the potential losses from a clearing-member default. Furthermore, by limiting OCC's exposure to such losses, the proposed rule change better ensures that OCC would continue operations without disruption and that non-defaulting clearing members would not be exposed to losses they cannot anticipate or control.

The proposed rule change also would improve the risk-based models and parameters that OCC uses to set margin requirements and limit its credit exposures to clearing members under normal market conditions. STANS, as discussed above, is a risk-based, forecasting tool that OCC currently uses to calculate margin requirements that are intended to be sufficient to collateralize each clearing member's losses over a two-day period under normal market conditions. The proposed change incrementally enhances STANS by improving the data, scale factors, and methodology used to derive certain volatility and other estimates relevant to risk-based margin calculations. The proposed rule change would improve the quality of data used to estimate risk drivers in the STANS margin calculations, for example, by relying solely on published index data throughout the uniform scale factor time-series data period. In addition, the four new scale factors would more accurately reflect intra-month volatility risks associated with applicable option underliers in the STANS margin calculations. The proposed rule change would better ensure that the STANS margin requirements remain anchored to historical average volatilities, thereby mitigating procyclical reductions in margin requirements, by applying the relevant scale factor to the greater of an observed, historical average and a forecasted volatility measure. Finally, incorporating daily updates into time-series data used to construct the U.S. Treasury yield curve would improve valuation of U.S. Treasury collateral and the accuracy of STANS margin calculations, because margin requirements account for expected changes in the value of posted U.S. Treasury collateral. For the reasons stated above, the Commission finds that the proposed change is consistent with Rules 17Ad-22(b)(1) and (b)(2) under the Act.

⁷ 15 U.S.C. 78s(b)(2)(C).

⁸ 15 U.S.C. 78q-1(b)(3)(F).

⁹ 17 CFR 240.17Ad-22(b)(1) and (b)(2).

¹⁰ 17 CFR 240.17Ad-22(b)(1).

¹¹ 17 CFR 240.17Ad-22(b)(2).

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed change is consistent with the requirements of the Act, and in particular, with the requirements of Section 17A of the Act¹² and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,¹³ that the proposed rule change (SR-OCC-2017-001) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017-04599 Filed 3-8-17; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80153; File No. SR-NASDAQ-2017-022]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Billing Ports and Other Services

March 3, 2017.

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 February 21, 2017, The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “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 Chapter XV, entitled “Options Pricing,” at Section 3, which governs pricing for Exchange members using the NASDAQ Options Market (“NOM”), the Exchange’s facility for executing and routing standardized equity and index

options. The Exchange proposes to clarify that NOM port fees and other services in Chapter VX, Section 3 of NOM Rules are not prorated.

The text of the proposed rule change is available on the Exchange’s Web site at <http://nasdaq.cchwallstreet.com>, 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 purpose of the proposed rule change is to include language within Chapter XV, Section 3 to clarify that the port fees and other services noted in this section are not subject to proration.

Chapter XV, Section 3, entitled “NASDAQ Options Market—Ports and other Services” includes pricing for TradeInfo,³ various port fees and Remote ITCH to Trade Options (ITTO) Wave Ports.⁴ The port fees include

³ TradeInfo allows an Options Participant to scan for all orders it submitted to NOM in a particular security or all orders of a particular type, regardless of their status (open, canceled, executed, etc.) [sic] Also, it permits a participant to cancel open orders at the port or firm mnemonic level. TradeInfo allows a NOM Participant to manage its order flow and mitigate risk by giving users the ability to view its orders and executions, as well as the ability to perform cancels at the port or firm mnemonic level. Finally, TradeInfo has the ability download records of orders and executions for recordkeeping purposes.

⁴ These are wireless networks through which Nasdaq provides ITTO market data. A Remote Wave Port is a physical port located in Nasdaq’s space within a third-party’s (remote) data center that receives market data delivered by Nasdaq via a wireless network, which is then simultaneously distributed to Wave Ports within that location. Clients must separately subscribe to the data received by the Remote Wave Port service.

Order Entry Ports,⁵ CTI Ports,⁶ OTTO Ports,⁷ ITTO Ports,⁸ BONO Ports,⁹ Order Entry DROP Ports,¹⁰ OTTO DROP Ports¹¹ and SQF Ports.¹² Today, the

⁵ The Order Entry Port Fee is a connectivity fee in connection with routing orders to the Exchange via an external order entry port. NOM Participants access the Exchange’s network through order entry ports. A NOM Participant may have more than one order entry port.

⁶ CTI offers real-time clearing trade updates. A real-time clearing trade update is a message that is sent to a member after an execution has occurred and contains trade details. The message containing the trade details is also simultaneously sent to The Options Clearing Corporation. The trade messages are routed to a member’s connection containing certain information. The administrative and market event messages include, but are not limited to: System event messages to communicate operational-related events; options directory messages to relay basic option symbol and contract information for options traded on the Exchange; complex strategy messages to relay information for those strategies traded on the Exchange; trading action messages to inform market participants when a specific option or strategy is halted or released for trading on the Exchange; and an indicator which distinguishes electronic and non-electronically delivered orders.

⁷ OTTO provides a method for subscribers to send orders and receive status updates on those orders. OTTO accepts limit orders from system subscribers, and if there is a matching order, the orders will execute. Non-matching orders are added to the limit order book, a database of available limit orders, where they are matched in price-time priority.

⁸ ITTO is a data feed that provides quotation information for individual orders on the NOM book, last sale information for trades executed on NOM, and Order Imbalance Information as set forth in NOM Rules Chapter VI, Section 8. ITTO is the options equivalent of the NASDAQ TotalView/ITCH data feed that NASDAQ offers under NASDAQ Rule 7023 with respect to equities traded on NASDAQ. As with TotalView, members use ITTO to “build” their view of the NOM book by adding individual orders that appear on the feed, and subtracting individual orders that are executed. See Chapter VI, Section 1 at subsection (a)(3)(A).

⁹ Best of NASDAQ Options or “BONO”^(SM) is a data feed that provides the NOM Best Bid and Offer (“NBBO”) and last sale information for trades executed on NOM. The NBBO and last sale information are identical to the information that NOM sends the Options Price Regulatory Authority (“OPRA”) and which OPRA disseminates via the consolidated data feed for options.

¹⁰ The DROP interface provides real time information regarding orders sent to NOM and executions that occurred on NOM. The DROP interface is not a trading interface and does not accept order messages.

¹¹ The OTTO DROP data feed provides real-time information regarding orders entered through OTTO and the execution of those orders. The OTTO DROP data feed is not a trading interface and does not accept order messages.

¹² SQF is an interface that allows NOM Market Makers to connect and send quotes and sweeps into the System. Data includes the following: (1) Options Auction Notifications (e.g., opening imbalance, market exhaust, PRISM Auction information, or other information); (2) Options Symbol Directory Messages; (3) System Event Messages (e.g., start of messages, start of system hours, start of quoting, start of opening); (4) Option Trading Action Messages (e.g., halts, resumes); and (5) Quote Messages (quote/sweep messages, risk protection triggers or purge notifications). An Active Purge Port may be configured as a “Purge-only” port of purging option interest from the Exchange’s system

¹² In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ 17 CFR 200.30-3(a)(12).

¹⁵ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.