

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

Release No. 34-77617A; File No. S7-25-11

RIN 3235-AL10

Business Conduct Standards for Security-Based Swap Dealers and Major Security-Based Swap Participants; Correction

AGENCY: Securities and Exchange Commission.

ACTION: Final rule; correction.

SUMMARY: The Securities and Exchange Commission (“SEC” or “Commission”) is making a technical correction to a burden estimate for Paperwork Reduction Act purposes and a corresponding estimate in the Economic Analysis of the business conduct standards for security-based swap dealers and major security-based swap participants.

DATES: Effective: [Date of publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: Lourdes Gonzalez, Assistant Chief Counsel – Sales Practices, Office of Chief Counsel, Division of Trading and Markets, at (202) 551-5550, at the Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: In Business Conduct Standards for Security-Based Swap Dealers and Major Security-Based Swap Participants (FR Doc. 2016-10918), published in the Federal Register on May 13, 2016, the following corrections are made:

1. On page 30090, in the third column, under the heading “1. Verification of Status,” the second sentence is hereby deleted and replaced with the sentence: “As noted above, Rule 15Fh-3(a)(3) differs from the CFTC’s rule, which instead

- includes an opt-in for plans “defined in” ERISA, but not subject to Title I of ERISA.” Footnote 1529 remains as published.
2. Also on page 30090, in the third column, in the fourth sentence under the same heading, the phrase “complying with the rules, as adopted,” is replaced with the phrase “complying with Rules 15Fh-3(a)(1) and (2)”.
 3. On page 30091, in the first column, under the same heading, a new paragraph begins after footnote 1531, beginning with the sentence “We do not anticipate any ongoing burdens with respect to this rule.”
 4. Also on page 30091, in the first column, under the same heading, the following sentence is added to the end of the last paragraph under this heading: “We also anticipate that all 55 SBS Entities will incur, on average, an initial internal burden of 30 minutes to prepare the notice required pursuant to Rule 15Fh-3(a)(3) for counterparties defined in Rule 15Fh-2(d)(4), for an aggregate total of 27.5 hours.”
 5. On page 30110, in the first column, in the first sentence of the sixth paragraph under the heading “C. Costs and Benefits of Business Conduct Rules, 1. Verification of Status and Know Your Counterparty Rules,” the estimate for the direct costs of compliance is corrected to \$28,050 from \$17,600.
 6. Footnote 1655 on page 30110, is corrected to: “Initial outside counsel cost: \$500 * (20 non-CFTC registered SBS Entities) = \$10,000. Initial adherence letter and notification burden: (In-house attorney at \$380 per hour) x 47.5 hours = \$18,050.”
 7. On page 30120, in the first column, in the fourth paragraph under the heading “4. Special Entities, a. Scope and Verification,” the third sentence is corrected to: “Out of 3,635 special entities subscribed to the ISDA August 2012 DF Protocol,

1,453 market participants (approximately 40%) are special entities not defined in Rule 15Fh-2(d)(3).”

May 19, 2016

Brent J. Fields
Secretary