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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106443; File No. SR-COIN-2026-001]

Self-Regulatory Organizations; Coinbase Derivatives, LLC; Notice of Filing of a Proposed Rule Change Relating to Customer Margin Requirements for Security Futures Products

September 21, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on September 18, 2026, Coinbase Derivatives, LLC ("CDE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change described in Items I, II, and III below, which Items have been substantially prepared by CDE. CDE filed the proposed rule change pursuant to Section 19(b)(2) of the Act.[3] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. CDE's Statement of the Terms and Substance of the Proposed Rule Change

CDE's proposed rule change is filed as Exhibit 5 and consists of certain provisions in Chapter 12 of the CDE Rulebook relating to customer margin requirements for security futures contracts. Each provision is described in more detail below.

II. CDE's Statement of the Purpose of, and Statutory Basis for the Proposed Rule Change

In its filing with the Commission, CDE 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. CDE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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1 15 U.S.C. § 78s(b)(1).

2 17 CFR § 240.19b-4.

3 15 U.S.C. § 78s(b)(3)(A).

A. CDE's Statement of the Purpose of, and Statutory Basis for the Proposed Rule Change

1. Purpose

Background

CDE is registered with the Commodity Futures Trading Commission ("CFTC") as a designated contract market ("DCM") under the Commodity Exchange Act ("CEA"). On September 1, 2026, CDE, in its capacity as a DCM, submitted a Form 1-N notice filing to the Securities and Exchange Commission ("SEC" or "Commission") to register as a national securities exchange for security futures products pursuant to the notice registration provisions of Section 6(g) of the Securities Exchange Act of 1934, as amended ("Act" or "Exchange Act"). On September 8, 2026, the Commission acknowledged receipt of such written notice and effectiveness of CDE's notice registration as a national securities exchange contemporaneously with CDE's submission of the 1-N notice on September 1, 2026.[4]

Under its notice registration, CDE intends to list cash-settled futures on individual equity securities and exchange-traded fund shares, including perpetual single-stock futures, consistent with listing standards that it will adopt under a separate rule filing pursuant to Section 19(b)(7) of the Act and Rule 19b-7 under the Act. CDE is submitting this proposed rule change to establish customer-level margin requirements for security futures that align with current Commission (and CFTC) requirements, as described in the following section.

Description of the Proposed Rule Change

Proposed Chapter 12 of the CDE Rulebook will govern the listing, trading, clearing, adjustment, and settlement of security futures products. Certain rules in proposed Chapter 12 address customer margin requirements for security futures products and are the subject of this filing. The remainder of proposed Chapter 12 is the subject of a separate rule filing under

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[4] Acknowledgement of Receipt of Notice of Registration as a National Securities Exchange Pursuant to Section 6(g) of the Securities Exchange Act of 1934 by Coinbase Derivatives, LLC, Exchange Act Release No. 106295 (Sept. 8, 2026), 91 Fed. Reg. 57944 (Sept. 11, 2026).

Section 19(b)(7) and Rule 19b-7. CDE Rule 1215 (Customer Margin) is the primary proposed rule establishing customer margin requirements for security futures. CDE Rule 1215 will determine the applicable margin rates, the types of assets that can be accepted by a Participant Firm or Clearing Firm as margin, the effect of an undermargined customer account on Participant Firm and Clearing Firm net capital requirements, which entities are exempted from Exchange margin requirements, and the liquidation requirements for undermargined customer accounts.

General Rule. Rule 1215(a) provides that Participant Firms and Clearing Firms that are "securities futures intermediaries" shall calculate, collect, and maintain the margin required by Rule 1215 and applicable SEC and CFTC regulations. Participant Firms and Clearing Firms that are members of the Clearing House will separately have an obligation to post margin with the Clearing House under the rules of the Clearing House. Rule 1215(g), consistent with Rule 1221(c), clarifies that nothing in Rule 1215 limits the authority of the Clearing House under its own rules with respect to margin collection, settlement processing, default management, or other clearing functions, except as required by law.

Margin Rates. Rule 1215(b) provides that the Exchange shall establish initial and maintenance margin requirements applicable to security futures held in a futures account, subject to the minimum margin requirements in SEC Rule 242.403[5] and CFTC Regulation 41.45[6]. Rule 1215(b) is substantially identical to CME Rule 930.B.2.c., which provides that "[t]he Exchange shall establish initial and maintenance performance bond [*i.e.*, margin] requirements applicable to Security Futures and held in a futures account, provided that the performance bond requirement for any long or short position held by a clearing member on behalf of a Customer shall not be less than 15% of the current market value of the relevant Contract; or, such other requirement as may be established by the CFTC and SEC for purposes of CFTC Regulation

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5 17 CFR § 242.403.

6 17 CFR § 41.45.

41.45(b)(1) and SEC Rule 242.403(b)(1) except as provided below."[7] Other exchanges have adopted similar provisions.[8]

Under SEC and CFTC regulations, Participant Firms and Clearing Firms that are "security futures intermediaries" are required to compute and collect required margin based on the "current market value" of a security future on a daily basis.[9] Under SEC Rule 242.401(a)(4)(i)(A)[10] and CFTC Regulation 41.43(a)(4)(i)(A)[11], "current market value" means on any day, with respect to a single-stock security future, "the product of the daily settlement price of such security future as shown by any regularly published reporting or quotation service, and the applicable number of shares per contract." SEC Rule 242.401(a)(6)[12] and CFTC Regulation 41.43(a)(6)[13] define "daily settlement price" as "the settlement price of [a] security future determined at the close of trading each day, under the rules of the applicable exchange, clearing agency, or derivatives clearing organization." Thus, SEC and CFTC regulations contemplate that exchange rules will determine the applicable settlement price. Under Rule

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7 CME Rule 930.B.2.c.

8 *See* Self-Regulatory Organizations; Board of Trade of the City of Chicago, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change Relating to Customer Margin Requirements for Security Futures, Exchange Act Release No. 53626 (Apr. 10, 2006), 71 Fed. Reg. 19774, 19775 (Apr. 17, 2006), SR-CBOT-2006-01 ("The Exchange shall establish initial and maintenance margin requirements applicable to Security Futures that are held in a futures account, provided that the margin requirement for any long or short position held by a member firm on behalf of a Customer shall not be less than 20% of the current market value of the relevant Security Futures Contract, or such other requirement as may be established by the CFTC and SEC for purposes of CFTC Regulation 41.45(b)(1) and SEC Regulation 242.403(b)(1), unless a lower margin level is available for such position pursuant to paragraph (e) below."); Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by OneChicago, LLC Relating to Customer Margin Requirements for Security Futures, Exchange Act Release No. 46555 (Sept. 26, 2002), 67 Fed. Reg. 61707, 61708 (Oct. 1, 2002), SR-OC-2002-01 ("The Exchange will set and publish the initial and maintenance margin rates to be used in determining Exchange margin requirements; provided that in no case shall the required margin for any long or short position held by a Clearing Member or, if applicable, Exchange Member on behalf of a Customer be less than 20% of the current market value of the relevant Contract (or such other rate from time to time determined by the Commission and the Securities and Exchange Commission for purposes of Commission Regulation §41.45(b)(1) and Rule 403(b)(1) under the Exchange Act) unless a lower margin level is available for such position pursuant to paragraph (m) below.").

9 Customer Margin Rules Relating to Security Futures, Exchange Act Release No. 46292 (Aug. 1, 2002), 67 Fed. Reg. 53146 (Aug. 14, 2002).

10 17 CFR § 242.401(a)(4)(i)(A).

11 17 CFR § 41.43(a)(4)(i)(A).

12 17 CFR § 242.401(a)(6).

13 17 CFR § 41.43(a)(6).

1215(b), the "daily settlement price" would be the "Daily Settlement Price," as determined by Rule 1209 and the relevant Product Appendix. To comply with SEC Rule 242.401(a)(4)(i)(A) and CFTC Regulation 41.43(a)(4)(i)(A), the Exchange intends to regularly publish the Daily Settlement Price.

Rule 1215(b)(2) provides for lower minimum margin requirements where Customers hold "offsetting positions." Under SEC Rule 242.403(b)(2)[14] and CFTC Regulation 41.45(b)(2)[15], a self-regulatory authority may set the required initial or maintenance margin level for offsetting positions involving security futures and related positions at a level lower than the level that would apply if the positions were margined separately, provided that Exchange rules governing offsetting positions meet the criteria set forth in Section 7(c)(2)(B) of the Act.[16] Under Section 7(c)(2)(B):

(I) The margin requirements for a security futures product must be consistent with the margin requirements for comparable option contracts traded on any exchange registered pursuant to [Section 6(a) of the Act];[17] and

(II) Initial and maintenance margin levels for a security future product may not be lower than the lowest level of margin, exclusive of premium, required for any comparable option contract traded on any exchange registered pursuant to [Section 6(a) of the Act],[18] other than an option on a security future.

Rule 1215(b)(2) includes a table that sets out in detail the margin offsets available with respect to particular combinations of security futures and related positions. The offsets in the table align with those the SEC and CFTC have acknowledged are permissible, as set forth in their joint 2020 release on Customer Margin Rules Relating to Security Futures (the "Customer

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14 17 CFR § 242.403(b)(2).

15 17 CFR § 41.45(b)(2).

16 15 U.S.C. § 78g(c)(2)(B).

17 15 U.S.C. § 78f(a).

18 15 U.S.C. § 78f(a).

Margin Release")[19] and prior approval orders[20]. Rule 1215(b)(2) establishes the minimum amount of margin that Participant Firms and Clearing Firms that carry security futures positions must collect from their Customers. Participant Firms and Clearing Firms may choose to collect additional margin from their Customers.

"Exempted Person" Exclusion. Rule 1215(b)(1) identifies "Exempted Persons" and "Market Makers" as non-Customers for purposes of Rule 1215. Those non-Customers are therefore exempt from the application of Rule 1215. Exempted Persons are specifically identified by reference to applicable SEC and CFTC Regulations.

Market Maker Exclusion. SEC Rule 242.400(c)(2)(v)[21] and CFTC Regulation 41.42(c)(2)(v)[22] permit exchanges to adopt rules with specified requirements for security futures dealers, on the basis of which the financial relations between security futures intermediaries, on the one hand, and qualifying security futures dealers, on the other, are excluded from the margin requirements for security futures. Rules so adopted by an exchange must meet the criteria set forth in Section 7(c)(2)(B) of the Act.[23] CDE proposes a market maker exclusion in its proposed Rule 1215(b)(1) consistent with the requirements of those provisions. To qualify as a "Market Maker" for purposes of the exclusion, a Person must register with the Exchange as a Security Futures Dealer. A Market Maker must be a Participant Firm and registered as a floor trader or a floor broker with the CFTC under Section 4f(a)(1) of the CEA or as a dealer with the SEC under Section 15(b) of the Act.[24] A Market Maker also must hold itself out as willing to buy and sell security futures for its own account on a regular or continuous basis. The Exchange will

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19 Customer Margin Rules Relating to Security Futures, Exchange Act Release No. 90244 (Oct. 22, 2020), 85 Fed. Reg. 75112 (Nov. 24, 2020).

20 Self-Regulatory Organizations; Chicago Mercantile Exchange Inc.; Order Approving a Proposed Rule Change Relating to Amendments to Chicago Mercantile Exchange Inc.'s Rules Governing Performance Bond Requirements: Account Holder Level, Exchange Act Release No. 105899 (July 13, 2026), 91 Fed. Reg. 43699 (July 16, 2026), SR-CME-2026-001.

21 17 CFR § 242.400(c)(2)(v).

22 17 CFR § 41.42(c)(2)(v).

23 15 U.S.C. § 78g(c)(2)(B).

24 15 U.S.C. § 78o(b).

determine whether a Market Maker has satisfied this standard, consistent with applicable SEC and CFTC guidance, on a case-by-case basis.

Rule 1215(b)(1)(a) requires a Participant Firm that seeks to register as a Security Futures Dealer to provide the Exchange with information about its business necessary for the Exchange to determine whether to permit the Participant Firm to register as a Security Futures Dealer. Market Makers are also required to maintain books and records including trading statements and other financial records that would evidence compliance with the standards set forth in Rule 1215(b)(1)(a), CFTC Regulation 41.42(c)(2)(v) and SEC Rule 242.400(c)(2)(v). This recordkeeping requirement includes, without limitation, such trading statements and other financial records as may be necessary specifically to verify compliance. Under Rule 1215(b)(1)(b), failure on the part of a Market Maker to comply with applicable Rules of the Exchange, CFTC Regulations 41.41 through 41.49 and SEC Rules 242.400 through 242.406 may result in revocation of Security Futures Dealer status or other sanctions provided under CDE rules.

Type, Form and Use of Margin. Rule 1215(c) identifies the types of assets that a security futures intermediary may accept from a Customer as margin. Consistent with SEC Rule 242.404(b)[25] and CFTC Regulation 41.46(b)[26], acceptable assets are limited to: deposits of cash, margin securities (subject to specified restrictions), exempted securities, any other assets permitted under Regulation T of the Board of Governors of the Federal Reserve System to satisfy a margin deficiency in a securities margin account, any other assets permitted under CFTC Regulation 41.46 and SEC Rule 242.404, and any combination of the foregoing. Rule 1215(c) further provides that the equity in a Customer account and thus the applicable margin deposit requirements shall be calculated in accordance with CFTC Regulations 41.46(c), 41.46(d), 41.46(e) and 41.46(f) and SEC Rules 242.404(c), 242.404(d), 242.404(e) and

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25 17 CFR § 242.404(b).

26 17 CFR § 41.46(b).

242.404(f), as applicable.[27] The Exchange added the phrase "any other assets permitted under CFTC Regulation 41.46 and SEC Rule 242.404" to accommodate other assets that may be permitted under applicable CFTC and SEC regulations in the future. If the SEC, the CFTC or the Board of Governors of the Federal Reserve System amend SEC Rule 242.404, CFTC Regulation 41.46 or Regulation T[28], respectively, or otherwise provide exemptive or interpretive relief, the Exchange intends to permit Participant Firms and Clearing Firms to collect payment stablecoins as margin.

Rule 1215(c)(1) addresses the treatment of "Funding Payments," as described in Rules 1202 and 1212, in calculating account equity under Rule 1215. Funding Payments are periodic payments between the parties to a perpetual security futures contract based on the difference between the futures price and the spot price. The calculation of Funding Payments will be described in greater detail in the product specifications for listed security futures contracts. Funding Payments are necessary to align the futures price of a perpetual security futures contract with the spot price of the underlying. Under Rule 1215(c)(1), Funding Payments receivable (or payable) by an account at the close of trading on any day in connection with an open security futures position shall be treated as variation settlement receivable (or payable) and thus shall be treated as a credit (or debit) to the account on that day for purposes of calculating account equity under applicable SEC and CFTC regulations.[29] SEC Rule 242.401(a)(32)[30] and CFTC Regulation 41.43(a)(32)[31] define "variation settlement" as "any credit or debit to a customer account, made on a daily or intraday basis, for the purpose of marking to market a security future or any other contract that is: (i) [i]ssued by a clearing agency that is registered under section 17A of the Exchange Act or cleared and guaranteed by a derivatives clearing organization that is

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27 17 CFR § 41.46(c)-(f); 17 CFR § 242.404(c)-(f).

28 17 CFR Part 220.

29 17 CFR § 41.46(c)(vi); 17 CFR § 242.404(c)(vi).

30 17 CFR § 242.401(a)(32).

31 17 CFR § 41.43(a)(32).

registered under Section 5b of the [CEA]; and (ii) [t]raded on or subject to the rules of a self-regulatory authority." Funding Payments qualify as variation settlement because they will be credited or debited to a Customer account daily in order to mark a position in a cleared, exchange-traded security future to the current futures price and spot price.

Rules 1215(c)(2), 1215(c)(3) and 1215(c)(4) limit the assets that can be accepted by Participant Firms and Clearing Firms as margin. Rule 1215(c)(2) provides that shares of a money market mutual fund must meet the requirements of CFTC Regulation 1.25, SEC Rule 242.404(b)(2) and CFTC Regulation 41.46(b)(2). Rule 1215(c)(3) provides that Participant Firms and Clearing Firms shall not accept as margin from any Customer securities that have been issued by that Customer or an affiliate of that Customer unless the Participant Firm or Clearing Firm files a petition with and receives permission from the Exchange for such purpose. Rule 1215(c)(4) provides that all assets deposited by a Customer to meet margin requirements must be and remain unencumbered by third-party claims against that Customer.

Withdrawal of Margin. Rule 1215(d) requires Participants to comply with SEC and CFTC regulations regarding the withdrawal of margin from a futures account. As noted above, in calculating equity in a Customer account under SEC Rule 242.405(a)[32] and CFTC Regulation 41.47(a)[33], Funding Payments would be treated as variation settlement.

Undermargined Accounts. Rule 1215(e) requires a Participant Firm or Clearing Firm that is a security futures intermediary to take the deduction required with respect to an underfunded account in computing its net capital under applicable SEC and CFTC regulations if a Customer of the security futures intermediary has failed to comply with a required margin call within a reasonable period of time. This requirement is consistent with SEC Rule 242.406(a)[34] and CFTC Regulation 41.48(a).[35] Further, Rule 1215(e) requires the liquidation of an account where there

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32 17 CFR § 242.405(a).

33 17 CFR § 41.47(a).

34 17 CFR § 242.406(a).

35 17 CFR § 41.48(a).

is a liquidating deficit, in accordance with SEC Rule 242.406(b)[36] and CFTC Regulation 41.48(b).[37]

Additional Margin Requirements. Rule 1215(f) provides that the Exchange may establish additional concentration, emergency, or product-specific margin requirements in accordance with applicable law and published procedures.

Funding Payments. Rule 1212(c) clarifies that Funding Payments may be processed through the Clearing House as cash adjustments separate from variation margin. In other words, the Clearing House may separately calculate and assess Funding Payments and variation margin.

Adjustments for Corporate Actions. As noted above, margin requirements will be calculated by reference to the Daily Settlement Price of a security futures contract. Rules 1213(e) and (f) permit adjustments for corporate actions and state that, following a stock split, reverse split, fractional split, stock dividend or similar stock distribution, the Exchange may restate the prior Daily Settlement Price to avoid a variation margin gain or loss caused solely by such stock distribution. Rule 1213(n) provides that margin applicable to a position will continue to apply to the position following a corporate action-related adjustment, except to the extent the Exchange or Clearing House determines otherwise pursuant to applicable law and published procedures.

Clearing. Finally, Rule 1221 clarifies that nothing in Chapter 12 of the Exchange's rulebook limits the authority of the Clearing House under its own rules with respect to margin collection, settlement processing, default management, or other clearing functions, except as otherwise required by law. CDE is not registered with the Commission as a clearing agency and is not registered with the CFTC as a derivatives clearing organization. CDE intends to designate a third-party clearing organization registered with the Commission or the CFTC as the "Clearing House" referenced in its rules.

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36 17 CFR § 242.406(b).

37 17 CFR § 41.48(b).

2. Statutory Basis

CDE's proposed rule change is consistent with Section 6(h)(3)(L) of the Act[38] in conjunction with Section 7(c)(2)(B) of the Act,[39] in that the proposed margin requirements for a security futures product will not be lower than the lowest level of margin (excluding premium) required for a comparable option contract traded on any registered national securities exchange. The SEC has implemented this provision in Rule 242.403(b)(1) under the Act,[40] which as revised in 2020 under the Customer Margin Release sets the minimum margin requirements for security futures at 15% of current market value (reduced from 20%). CDE's proposed Rule 1215 follows that 15% standard and also follows the offset strategies recognized under the Customer Margin Release. Thus, CDE's proposed rule change is consistent with Exchange Act Sections 6(h)(3)(L) and 7(c)(2)(B) and the SEC's current requirements implementing those statutory provisions. The Exchange notes that the SEC's margin requirements apply equally to all security futures contracts, including perpetual security futures. Rules 1212(c), 1213(f), 1213(n) and 1221(c) clarify the application of the margin rules in specific contexts but do not alter the minimum margin requirements.

CDE's proposed rule change is also consistent with Section 6(b)(5) of the Act[41] in that it promotes competition and is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest. CDE believes that the proposed rule change is designed to accomplish these goals by permitting members to trade security futures contracts (as permitted under the Commission's rules and regulations) and by establishing the margin requirements to be not lower than the requirements under SEC and CFTC regulations.

B. CDE's Statement on Burden on Competition

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38 15 U.S.C. § 78f(h)(3)(L).

39 15 U.S.C. § 78g(c)(2)(B).

40 17 CFR § 242.403(b)(1).

41 15 U.S.C. § 78f(b)(5).

CDE 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, because it will apply generally to market participants that trade security futures that CDE lists for trading and will not discriminate between market participants.

C. CDE's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change.

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 (https://www.sec.gov/rules/sro.shtml); or
- Send an email to rule-comments@sec.gov. Please include file number SR-COIN-2026-001 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-COIN-2026-001. 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 (https://www.sec.gov/rules/sro.shtml). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-COIN-2026-001 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[42]

Sherry R. Haywood,

Assistant Secretary.

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[42] 17 CFR 200.30-3(a)(12).