

increasing the number of decisions with respect to unidentified companies that SPAC investors would be required to make, and determine whether or not to exercise redemption rights, the Exchange's proposal could add considerable complexity to the structure and business combination strategies of SPACs, and exacerbate the investor protection concerns presented by companies where the business plan is to combine with another company that is unidentified at the time of investment.⁴⁴

Nasdaq has not addressed these risks or how its proposal is consistent with Section 6(b)(5) of the Exchange Act in light of them, other than to state that shareholders will not be adversely affected because they still have the right to redeem their full pro rata share of the deposit account through more than one transaction.⁴⁵ Based on the above, the Commission cannot find that the proposal is consistent with the requirement under Section 6(b)(5) of the Act that the proposal be designed, among other things, to protect investors and the public interest.

As stated above, under the Commission's Rules of Practice, the "burden to demonstrate that a proposed rule change is consistent with the Exchange Act and the rules and regulations issued thereunder . . . is on the self-regulatory organization that proposed the rule change."⁴⁶ For the foregoing reasons, the Exchange has not met its burden to demonstrate that its proposal is consistent with the Exchange Act. In particular, the Exchange has not adequately demonstrated that its proposal to allow a SPAC to contribute a portion of the amount held in its deposit account to

protections. *See id.* at 44796–97. The Commission has subsequently stated that "[b]ecause of their unique structure, and the fact that at the outset investors will not know the ultimate business of the company similar to a blank check company, the Commission approved Nasdaq listing standards for SPACs that were similar in some respects to the investor protection measures contained in Rule 419 under the Securities Act of 1933." Securities Exchange Act Release No. 63607 (December 23, 2010), 75 FR 82420, 82422 (December 30, 2010) (order approving SR–NASDAQ–2010–137).

⁴⁴ *See supra* note 43 (describing how Nasdaq's listing standards for SPACs are designed to address additional investor protection concerns presented by SPAC issuers given their unique structure). *See also* Securities Exchange Act Release No. 57785 (May 6, 2008), 73 FR 27597, 27599 (May 13, 2008) (SR–NYSE–2008–17) (approving listing standards for SPACs on NYSE and stating that SPACs are "essentially shell companies" and that the additional investor protection criteria on NYSE, which are comparable to those in IM–5101–2, "should further the ability of investors to protect and monitor their investment pending a [b]usiness [c]ombination").

⁴⁵ *See Notice, supra* note 3, at 36843; proposed IM–5101–2(f)(vi).

⁴⁶ 17 CFR 201.700(b)(3).

the deposit account of a new SpinCo SPAC is consistent with investor protection, the public interest, and other relevant provisions of Section 6(b)(5) of the Exchange Act. Accordingly, for the reasons set forth above, the Commission must disapprove the proposed rule change because the Exchange has not met its burden to demonstrate that the proposal is consistent with Section 6(b)(5) of the Exchange Act.⁴⁷

IV. Conclusion

The Commission does not find, pursuant to Section 19(b)(2) of the Exchange Act,⁴⁸ that the proposed rule change is consistent with the Exchange Act and the rules and regulations thereunder applicable to a national securities exchange, and in particular, Section 6(b)(5) of the Exchange Act.

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,⁴⁹ that the proposed rule change (SR–NASDAQ–2021–054) be, and hereby is, disapproved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵⁰

J. Matthew DeLesDernier,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–94383; File No. SR–MSRB–2022–01]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Further Extend the Regulatory Relief and Permit Dealers To Conduct Office Inspections Remotely Until December 31, 2022 Pursuant to MSRB Rule G–27, on Supervision

March 9, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")

⁴⁷ In disapproving 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). As described above, two commenters expressed their belief that the proposal would result in a more efficient SPAC structure and use of capital. *See supra* notes 29–31 and accompanying text. For the reasons discussed throughout, however, the Commission is disapproving the proposed rule change because it does not find that the proposed rule change is consistent with the Exchange Act.

⁴⁸ 15 U.S.C. 78s(b)(2).

⁴⁹ *Id.*

⁵⁰ 17 CFR 200.30–3(a)(12).

or "Exchange Act")¹ and Rule 19b–4 thereunder,² notice is hereby given that on March 1, 2022, the Municipal Securities Rulemaking Board ("MSRB") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. 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 MSRB filed with the Commission a proposed rule change to amend Supplementary Material .01, Temporary Relief for Completing Office Inspections, of MSRB Rule G–27, on supervision, to further extend the regulatory relief and permit brokers, dealers and municipal securities dealers (collectively, "dealers") to conduct office inspections, due to be completed during calendar year 2022, remotely until December 31, 2022 (the "proposed rule change").

The MSRB has designated the proposed rule change as constituting a "noncontroversial" rule change under Section 19(b)(3)(A)³ of the Act and Rule 19b–4(f)(6)⁴ thereunder, which renders the proposal effective upon receipt of this filing by the Commission. The MSRB proposes an operative date of May 2, 2022.

The text of the proposed rule change is available on the MSRB's website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2022-Filings.aspx, at the MSRB's principal office, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

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

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)(6).

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The MSRB continues to closely monitor the impact on municipal market participants resulting from the coronavirus disease (“COVID–19” or “pandemic”) and believes the additional six-month extension of time to conduct office inspections remotely, due to be completed in calendar year 2022, would allow dealers to better address ongoing operational challenges caused by the pandemic. In light of these operational challenges and disruptions to normal business functions as a result of the pandemic, the MSRB previously filed a proposed rule change for immediate effectiveness with the SEC in April 2020,⁵ a second proposed rule change in December 2020,⁶ and a third proposed rule change in October 2021⁷ (“April relief,” “December relief,” and “October relief”). In connection with the April relief, the MSRB provided an extension of time for dealers to complete certain supervisory obligations, including, among other things, that office inspections due to be conducted during calendar year 2020 could be conducted by March 31, 2021, but with the expectation that dealers would conduct their inspections on-site. The December relief provided dealers with the option to conduct their office inspections remotely that were due to be completed by March 31, 2021 (for calendar year 2020) and those for calendar year 2021, subject to certain conditions being met. The October relief provided an additional extension of time permitting dealers to continue to conduct office inspections remotely until June 30, 2022, for their office inspections that are due to be completed for calendar year 2022.⁸

Through stakeholder engagement, the MSRB notes that dealers have delayed their return to office plans due to the

⁵ See Exchange Act Release No. 88694 (April 20, 2020), 85 FR 23088 (April 24, 2020) (File No. SR–MSRB–2020–01).

⁶ See Exchange Act Release No. 90621 (December 9, 2020), 85 FR 81254 (December 15, 2020) (File No. SR–MSRB–2020–09).

⁷ See Exchange Act Release No. 93435 (October 27, 2021), 86 FR 60522 (November 2, 2021) (File No. SR–MSRB–2021–06).

⁸ The MSRB noted in the October relief that it would continue to monitor the effectiveness of remote office inspections on dealers’ overall supervisory systems and would consider more long-term regulatory initiatives that align with and promote the evolving ways dealers are doing business and supervising the activities of the dealer and its associated persons. *Id.* The MSRB is still undertaking such review.

continued pandemic and are considering, or have implemented, hybrid work arrangements dependent on functions and regulatory requirements, which has created logistical challenges to conducting in-person office inspections. To that end, in order to address ongoing industry-wide concerns regarding having to conduct in-person office inspections while safety concerns related to the pandemic persist⁹ and to align with the ongoing pandemic-related regulatory relief provided by FINRA,¹⁰ the MSRB is proposing amendments to Supplementary Material .01 of MSRB Rule G–27. The proposed amendments to Supplementary Material .01 of MSRB Rule G–27 would allow dealers to satisfy their office inspection obligations by permitting dealers to conduct calendar year 2022 office inspections remotely for the remainder of calendar year 2022—extending the current relief for an additional six months from June 30, 2022, to December 31, 2022.¹¹

The conditions required to be met for dealers to avail themselves of the option to conduct office inspections remotely remain unchanged; however, amendments are being proposed to paragraph (a) and (d) to reflect the additional extension of time under the proposed rule change. Pursuant to paragraphs (b)–(d) of Supplementary Material .01 of MSRB Rule G–27, in dealers electing to conduct their office inspections remotely, such dealers must (i) amend or supplement their written

⁹ See The Centers for Disease Control and Prevention (“CDC”), Omicron Variant: What You Need to Know (stating, in part, that “the Omicron variant spreads more easily than the original virus that causes COVID–19 and the Delta variant. [The] CDC expects that anyone with Omicron infection can spread the virus to others, even if they are vaccinated or don’t have symptoms.”) available at <https://www.cdc.gov/coronavirus/2019-ncov/variants/omicron-variant.html> (updated February 2, 2022).

¹⁰ On January 10, 2022, FINRA made a filing with the SEC for immediate effectiveness having noted that amendments to FINRA Rule 3110.17 provides a tailored regulatory alternative for their member firms to have the option, subject to specified conditions, to complete their inspection obligations remotely. See Exchange Act Release No. 94018 (January 20, 2022), 87 FR 4072 (January 26, 2022) (File No. SR–FINRA–2022–001). Previously, on September 13, 2021, FINRA made a filing with the SEC for immediate effectiveness, noting that while some firms have taken affirmative steps to develop and implement phased-in office re-entry plans based on local conditions, there are many other firms that have not. See Exchange Act Release No. 93002 (September 15, 2021), 86 FR 52508 (September 21, 2021) (File No. SR–FINRA–2021–023).

¹¹ As previously noted, a temporary location established in response to the implementation of a business continuity plan is not deemed an office for purposes of complying with the office inspection obligations, under MSRB Rule G–27. See *supra* note 5.

supervisory procedures as appropriate to provide for remote inspections that are reasonably designed to assist in detecting and preventing violations of, and achieving compliance with, applicable securities laws and regulations, and with applicable Board rules; (ii) use remote office inspections as part of an effective supervisory system, which would include the ongoing review of activities and functions occurring at all offices and locations whether or not the dealer conducts inspections remotely; and (iii) make and maintain the required records for all offices or locations that had inspections that were conducted remotely; and any offices or locations for which the dealer determined to impose additional supervisory procedures or more frequent monitoring.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Exchange Act,¹² which provides that the MSRB’s rules shall:

be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The proposed rule change is designed to provide dealers additional time to comply with certain obligations under MSRB rules for a temporary period of time; it does not relieve dealers from compliance with their core regulatory obligations to establish and maintain a system to supervise the activities of each of its associated persons that is reasonably designed to achieve compliance with applicable rules and regulations, and with applicable MSRB rules, which serve to protect investors, municipal entities, obligated persons, and the public interest. The MSRB continues to believe extending the relief and affording dealers the option to conduct remote inspections due to be completed in calendar year 2022, an additional six-month extension, until December 31, 2022, is a prudent regulatory approach allowing dealers more time to assess when and how to have their employees safely return to

¹² 15 U.S.C. 78o–4(b)(2)(C).

their offices while continuing to serve the important investor protection objectives of the inspection obligations under these unique circumstances.

In a time when faced with unique challenges resulting from the sustained pandemic, the proposed rule change will afford dealers the ability to safeguard the health and safety of their personnel and to more effectively allocate resources to serve and promote the protection of investors, municipal entities, obligated persons and the public interest while much uncertainty still remains. In addition, the proposed rule change will also alleviate some of the operational challenges dealers may be experiencing, which will allow them to more effectively allocate resources to the operations that facilitate transactions in municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products.¹³

B. Self-Regulatory Organization's Statement on Burden on Competition

Section 15B(b)(2)(C) of the Act requires that MSRB rules be designed not to impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.¹⁴ In fact, the MSRB does not believe that the proposed rule change will have any burden on competition because the proposed rule change treats all dealers equally in that all dealers have the option to elect to conduct remote inspections remotely through December 31, 2022. The goal of the proposed rule change is to grant additional time for dealers to assess their resources, establish office inspection schedules for the second half of 2022 and meet their office inspection obligations, under Supplementary Material .01 of Rule G-27, while also determining how to best implement their return to office plans in a safe and effective manner during the exigent circumstances of the COVID-19 pandemic. The temporary relief afforded does not alter dealers underlying obligations under the rule and with applicable MSRB rules that directly serve investor protection.

¹³ The proposed amendments only create the option for dealers to conduct office inspections remotely through December 31, 2022. With that in mind, dealers should consider whether, under their particular operating conditions, reliance on remote inspections would be reasonable under the circumstances.

¹⁴ 15 U.S.C. 78o-4(b)(2)(C).

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

Written comments were neither solicited nor received on the proposed rule change.

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) of the Act¹⁵ and Rule 19b-4(f)(6)¹⁶ 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-MSRB-2022-01 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-MSRB-2022-01. 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

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f)(6).

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 MSRB. 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-MSRB-2022-01 and should be submitted on or before April 5, 2022.

For the Commission, by the Office of Municipal Securities, pursuant to delegated authority.¹⁷

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-94384; File No. SR-MIAX-2022-11]

Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the MIAX Options Fee Schedule To Adopt Fees for a New Data Product Called the Liquidity Taker Event Report—Complex Orders

March 9, 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 February 25, 2022, Miami International Securities Exchange, LLC ("MIAX" or "Exchange") 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 Exchange. The Commission is publishing this notice to solicit comments on the

¹⁷ 17 CFR 200.30-3a(a)(2).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.