

subject to copyright protection. All submissions should refer to file number SR–NYSEAMER–2023–31 and should be submitted on or before June 6, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**Sherry R. Haywood,**  
Assistant Secretary.

[FR Doc. 2023–12764 Filed 6–14–23; 8:45 am]

BILLING CODE 8011–01–P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–97682; File No. SR–NYSEARCA–2023–41]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify the NYSE Arca Options Fee Schedule

June 9, 2023.

Pursuant to section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b–4 thereunder,<sup>3</sup> notice is hereby given that, on June 1, 2023, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. 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 modify the NYSE Arca Options Fee Schedule (“Fee Schedule”) regarding credits for Qualified Contingent Cross (“QCC”) transactions. The Exchange proposes to implement the fee change effective June 1, 2023. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.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 self-regulatory organization 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 those 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 parts of such statements.

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

##### 1. Purpose

The purpose of this filing is to amend the Fee Schedule to modify a credit offered to qualifying Submitting Brokers for QCC transactions.<sup>4</sup> The Exchange proposes to implement the rule change on June 1, 2023.

Currently, the Exchange offers Submitting Brokers a credit of (\$0.22) per contract for Non-Customer vs. Non-Customer QCC transactions or (\$0.16) per contract for Customer vs. Non-Customer QCC transactions.<sup>5</sup> QCC executions in which a Customer is on both sides of the QCC trade are not eligible for a credit.<sup>6</sup> In addition, Submitting Brokers who achieve 3 million QCC contracts in a month currently receive an additional (\$0.02) credit on Customer vs. Non-Customer QCC transactions, and an additional (\$0.06) credit on Non-Customer vs. Non-Customer QCC transactions.

The Exchange now proposes to increase the credit on Non-Customer vs. Non-Customer QCC transactions for those Submitting Brokers that achieve the 3 million monthly QCC contract requirement from (\$0.06) to (\$0.08).<sup>7</sup> The proposed (\$0.08) credit will continue to be applicable back to the first QCC contract executed by a Submitting Broker in a month and will not be cumulative across tiers.<sup>8</sup>

<sup>4</sup> A QCC Order is defined as an originating order to buy or sell at least 1,000 contracts that is identified as being part of a qualified contingent trade coupled with a contra-side order or orders totaling an equal number of contracts. See Rule 6.62P–O(g)(1)(A).

<sup>5</sup> See Fee Schedule, QUALIFIED CONTINGENT CROSS (“QCC”) TRANSACTION FEES AND CREDITS.

<sup>6</sup> See *id.*

<sup>7</sup> The Exchange notes that the proposed change does not impact the applicability of Endnote 17, which provides that Submitting Broker QCC credits and Floor Broker rebates earned through the Manual Billable Rebate Program may not combine to exceed \$2,000,000 per month per firm. See Fee Schedule, Endnote 17.

<sup>8</sup> The Exchange currently offers an additional (\$0.01) credit on Customer vs. Non-Customer QCC transactions and an additional (\$0.03) credit on Non-Customer vs. Non-Customer QCC transactions to Submitting Brokers that achieve 1.5 million QCC contracts in a month. The Exchange does not propose any changes to these credits or qualifying requirements. As is currently the case, the additional QCC credits available to Submitting

Brokers that achieve 1.5 million QCC contracts in a month and those available to Submitting Brokers that achieve 3 million QCC contracts in a month are not cumulative across qualifying tiers. For example, a Submitting Broker who transacts 3.1 million QCC contracts in a month would be eligible for an additional (\$0.08) credit on Non-Customer vs. Non-Customer QCC transactions, as proposed, but would not also earn the additional credits offered to Submitting Brokers that achieve 1.5 million QCC contracts in a month.

##### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act,<sup>9</sup> in general, and furthers the objectives of sections 6(b)(4) and (5) of the Act,<sup>10</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

#### The Proposed Rule Change Is Reasonable

The Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”<sup>11</sup>

There are currently 16 registered options exchanges competing for order flow. Based on publicly-available information, and excluding index-based options, no single exchange has more than 16% of the market share of executed volume of multiply-listed equity and ETF options trades.<sup>12</sup> Therefore, no exchange possesses

Brokers that achieve 1.5 million QCC contracts in a month and those available to Submitting Brokers that achieve 3 million QCC contracts in a month are not cumulative across qualifying tiers. For example, a Submitting Broker who transacts 3.1 million QCC contracts in a month would be eligible for an additional (\$0.08) credit on Non-Customer vs. Non-Customer QCC transactions, as proposed, but would not also earn the additional credits offered to Submitting Brokers that achieve 1.5 million QCC contracts in a month.

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>11</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (S7–10–04) (“Reg NMS Adopting Release”).

<sup>12</sup> The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics>.

<sup>19</sup> 17 CFR 200.30–3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b–4.

significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in April 2023, the Exchange had less than 13% market share of executed volume of multiply-listed equity and ETF options trades.<sup>13</sup>

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow, or discontinue or reduce use of certain categories of products, in response to fee changes. Accordingly, competitive forces constrain options exchange transaction fees. Stated otherwise, modifications to exchange transaction fees can have a direct effect on the ability of an exchange to compete for order flow.

The Exchange believes that the proposed change is reasonable because it is designed to incent OTP Holders to increase the number of QCC transactions sent to the Exchange by offering an increased credit on QCC transactions for Submitting Brokers that meet a requisite volume threshold. In addition, the Exchange believes it is reasonable to offer a higher additional credit on Non-Customer vs. Non-Customer QCC transactions than on Customer vs. Non-Customer QCC transactions because Non-Customer vs. Non-Customer QCC transactions are billable on both sides, whereas Customer vs. Non-Customer QCC transactions are billable on one side only. To the extent that the proposed change attracts more volume to the Exchange, this increased order flow would continue to make the Exchange a more competitive venue for order execution, which, in turn, promotes just and equitable principles of trade and removes impediments to and perfects the mechanism of a free and open market and a national market system. The Exchange notes that all market participants stand to benefit from any increase in volume entered by Submitting Brokers, which could promote market depth, facilitate tighter spreads and enhance price discovery, to the extent the proposed change encourages OTP Holders to utilize the Exchange as a primary trading venue, and may lead to a corresponding increase in order flow from other market participants.

Finally, to the extent the proposed change continues to attract greater volume and liquidity, the Exchange

believes the proposed change would improve the Exchange's overall competitiveness and strengthen its market quality for all market participants. In the backdrop of the competitive environment in which the Exchange operates, the proposed rule change is a reasonable attempt by the Exchange to increase the depth of its market and improve its market share relative to its competitors. The Exchange's fees are constrained by intermarket competition, as OTP Holders may direct their order flow to any of the 16 options exchanges, including those offering rebates on QCC transactions.<sup>14</sup> The proposed rule change is designed to continue to incent OTP Holders to direct liquidity and, in particular, QCC transactions to the Exchange. In addition, to the extent OTP Holders are incentivized to aggregate their trading activity at the Exchange, that increased liquidity could promote market depth, price discovery and improvement, and enhanced order execution opportunities for market participants.

#### The Proposed Rule Change Is an Equitable Allocation of Credits and Fees

The Exchange believes the proposed rule change is an equitable allocation of its fees and credits. The proposed change is based on the amount and type of business transacted on the Exchange, and Submitting Brokers can attempt to submit QCC transactions to earn the additional credit or not. In addition, the proposed credit is equally available to all qualifying Submitting Brokers. To the extent the proposed change continues to incent Submitting Brokers to direct increased liquidity to the Exchange, all market participants would benefit from enhanced opportunities for price improvement and order execution. Moreover, the proposed credit is designed to incent Submitting Brokers to encourage OTP Holders to aggregate their executions—including QCC transactions—at the Exchange as a

primary execution venue. To the extent that the proposed change achieves its purpose in attracting more volume to the Exchange, this increased order flow would continue to make the Exchange a more competitive venue for, among other things, order execution. Thus, the Exchange believes the proposed rule change would improve market quality for all market participants on the Exchange and, as a consequence, attract more order flow to the Exchange, thereby improving market-wide quality and price discovery.

#### The Proposed Rule Change Is Not Unfairly Discriminatory

The Exchange believes the proposed change is not unfairly discriminatory because the proposed credit on QCC transactions would be available to all qualifying Submitting Brokers on an equal and non-discriminatory basis. The proposed change is based on the amount and type of business transacted on the Exchange, and Submitting Brokers are not obligated to execute QCC transactions. Rather, the proposal is designed to encourage Submitting Brokers to increase QCC volume sent to the Exchange and to utilize the Exchange as a primary trading venue for all transactions (if they have not done so previously). To the extent that the proposed change attracts more QCC transactions to the Exchange, this increased order flow would continue to make the Exchange a more competitive venue for order execution. Thus, the Exchange believes the proposed rule change would improve market quality for all market participants on the Exchange and, as a consequence, attract more order flow to the Exchange, thereby improving market-wide quality and price discovery. The resulting increased volume and liquidity would provide more trading opportunities and tighter spreads to all market participants and thus would promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors and the public interest.

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange's statement regarding the burden on competition.

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

In accordance with section 6(b)(8) of the Act, the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in

<sup>13</sup> Based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of equity-based ETF options, *see id.*, the Exchange's market share in equity-based options decreased from 12.94% for the month of April 2022 to 12.54% for the month of April 2023.

<sup>14</sup> *See, e.g.*, EDGX Options Exchange Fee Schedule, QCC Initiator/Solicitation Rebate Tiers (applying (\$0.14) per contract rebate up to 999,999 contracts for QCC transactions when only one side of the transaction is a non-customer or (\$0.22) per contract rebate up to 999,999 contracts for QCC transactions with non-customers on both sides); BOX Options Fee Schedule at Section IV.D.1. (QCC Rebate) (providing for (\$0.14) per contract rebate up to 1,499,999 contracts for QCC transactions when only one side of the QCC transaction is a broker-dealer or market maker or (\$0.22) per contract rebate up to 1,499,999 contracts for QCC transactions when both parties are a broker-dealer or market maker); Nasdaq ISE, Options 7, Section 6.B. (QCC Rebate) (offering rebates on QCC transactions of (\$0.14) per contract when only one side of the QCC transaction is a non-customer or (\$0.22) per contract when both sides of the QCC transaction are non-customers).

furtherance of the purposes of the Act. Instead, as discussed above, the Exchange believes that the proposed change would encourage the submission of additional liquidity to a public exchange, thereby promoting market depth, price discovery and transparency and enhancing order execution opportunities for all market participants. As a result, the Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering integrated competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."<sup>15</sup>

**Intramarket Competition.** The proposed change is designed to attract additional QCC transactions to the Exchange, which could increase the volumes of contracts traded on the Exchange. Greater liquidity benefits all market participants on the Exchange, and increased QCC transactions could increase opportunities for execution of other trading interest. The proposed credit would be available to all similarly-situated Submitting Brokers that execute QCC trades and achieve the applicable volume threshold.

**Intermarket Competition.** The Exchange operates in a highly competitive market in which market participants can readily favor one of the 16 competing option exchanges if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow to the Exchange. Based on publicly-available information, and excluding index-based options, no single exchange has more than 16% of the market share of executed volume of multiply-listed equity and ETF options trades.<sup>16</sup> Therefore, currently no exchange possesses significant pricing power in the execution of multiply-listed equity and ETF options order flow. More specifically, in April 2023, the Exchange had less than 13% market share of executed volume of multiply-listed equity and ETF options trades.<sup>17</sup>

<sup>15</sup> See Reg NMS Adopting Release, *supra* note 11, at 37499.

<sup>16</sup> The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: <https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics>.

<sup>17</sup> Based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of equity-based ETF options, *see id.*, the Exchange's market share in equity-based options decreased from 12.94% for the month of April 2022 to 12.54% for the month of April 2023.

The Exchange believes that the proposed rule change reflects this competitive environment because it modifies the Exchange's fees in a manner designed to continue to incent OTP Holders to direct trading interest (particularly QCC transactions) to the Exchange, to provide liquidity and to attract order flow. To the extent that Submitting Brokers are incentivized to utilize the Exchange as a primary trading venue for all transactions, all of the Exchange's market participants should benefit from the improved market quality and increased opportunities for price improvement.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment. The Exchange further believes that the proposed changes could promote competition between the Exchange and other execution venues, including those that currently offer credits on QCC transactions, by encouraging additional orders (and, in particular, QCC transactions) to be sent to the Exchange for execution.<sup>18</sup>

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

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change is effective upon filing pursuant to section 19(b)(3)(A)<sup>19</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>20</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such 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

<sup>18</sup> See note 14, *supra*.

<sup>19</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>20</sup> 17 CFR 240.19b-4(f)(2).

Commission shall institute proceedings under section 19(b)(2)(B)<sup>21</sup> of the Act to determine whether the proposed rule change 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-NYSEARCA-2023-41 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-NYSEARCA-2023-41. 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 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 a.m. and 3 p.m. Copies of the filing also 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

<sup>21</sup> 15 U.S.C. 78s(b)(2)(B).

SR-NYSEARCA-2023-41 and should be submitted on or before July 6, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2023-12755 Filed 6-14-23; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-97691; File No. SR-NYSECHX-2023-09]

### Self-Regulatory Organizations; NYSE Chicago, Inc.; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Adopt New NYSE Chicago Rule 29 To Establish Listing Standards Related to Recovery of Erroneously Awarded Incentive-Based Executive Compensation

June 9, 2023.

#### I. Introduction

On February 22, 2023, NYSE Chicago, Inc. (“NYSE Chicago” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to adopt new Rule 29 to Article 22 of the NYSE Chicago Rules (“NYSE Chicago Rule 29”) to require issuers to adopt and comply with a policy providing for the recovery of erroneously awarded incentive-based compensation received by current or former executive officers as required by Rule 10D-1 under the Act (“Rule 10D-1”). The proposed rule change was published for comment in the **Federal Register** on March 13, 2023.<sup>3</sup> On April 24, 2023, the Commission extended the time period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change.<sup>4</sup> On June 7, 2023, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced and superseded the proposed rule change as originally

filed.<sup>5</sup> The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons and is approving the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

#### II. Background and Description of the Proposal, as Modified by Amendment No. 1

On October 26, 2022, the Commission adopted final Rule 10D-1 <sup>6</sup> to implement section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”), which added section 10D to the Act. Section 10D of the Act requires the Commission to adopt rules directing the national securities exchanges to prohibit the listing of any security of an issuer that is not in compliance with the requirements of section 10D of the Act. Rule 10D-1 requires national securities exchanges that list securities to establish listing standards that require each issuer to adopt and comply with a written executive compensation recovery policy and to provide the disclosures required by Rule 10D-1 and in the applicable Commission filings.<sup>7</sup> Under Rule 10D-1, listed companies must recover from current and former executive officers incentive-based compensation received during the three completed fiscal years preceding the date on which the issuer is required to prepare an accounting restatement.

As required by Rule 10D-1, the Exchange proposes to adopt NYSE Chicago Rule 29 entitled “Erroneously Awarded Compensation.” Proposed NYSE Chicago Rule 29 (the “Rule”)

<sup>5</sup> Amendment No. 1 is available on the Commission’s website at <https://www.sec.gov/comments/sr-nysechx-2023-09/srnysechx202309-201319-402803.pdf>. In Amendment No. 1, the Exchange (i) amends proposed NYSE Chicago Rule 29(b) to provide that the effective date of proposed NYSE Chicago Rule 29 would be October 2, 2023; and (ii) amends proposed NYSE Chicago Rule 29(f) (Noncompliance with Rule 29 (Erroneously Awarded Compensation)) to provide that in the event of any failure by a listed issuer to comply with any requirement of proposed NYSE Chicago Rule 29, the Exchange may at its sole discretion provide such issuer with an initial six-month cure period and an additional six-month cure period.

<sup>6</sup> 17 CFR 240.10D-1.

<sup>7</sup> See Securities Exchange Act Release No. 96159, 87 FR 73076 (November 28, 2022) (“Adopting Release”). Rule 10D-1 requires such exchange listing rules to be effective no later than one year after November 28, 2022. Rule 10D-1 further requires that each listed issuer: (i) adopt the required recovery policy no later than 60 days following the effective date of the listing standard; (ii) comply with the recovery policy for all incentive-based compensation received by executive officers on or after the effective date of the applicable listing standard; and (iii) provide the required disclosures on or after the effective date of the listing standard.

mirrors the text of Rule 10D-1. Specifically, the Rule would require Exchange listed issuers to adopt a recovery policy that complies with the requirements of the Rule (“recovery policy”), comply with their recovery policy, and provide the required disclosures in the applicable Commission filing.<sup>8</sup> Proposed NYSE Chicago Rule 29(f) would prohibit the initial or continued listing of any security of an issuer that is not in compliance with the requirements of any portion of the Rule.<sup>9</sup>

Specifically, proposed NYSE Chicago Rule 29(c)(1) would require each issuer, for initial and continued listing, to adopt and comply with a written recovery policy providing that the issuer will recover reasonably promptly the amount of erroneously awarded incentive-based compensation in the event that the issuer is required to prepare an accounting restatement due to the material noncompliance of the issuer with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

The issuer’s recovery policy must apply to all incentive-based compensation received by a person: (A) after beginning service as an executive officer; (B) who served as an executive officer at any time during the performance period for that incentive-based compensation; (C) while the issuer has a class of securities listed on a national securities exchange or a national securities association; and (D) during the three completed fiscal years immediately preceding the date that the issuer is required to prepare an accounting restatement as described in paragraph (c)(1) of the Rule.<sup>10</sup> An issuer’s obligation to recover erroneously awarded compensation is not dependent on if or when the restated financial statements are filed.

For purposes of determining the relevant recovery period, the date that

<sup>8</sup> See proposed NYSE Chicago Rule 29(b) and (c).

<sup>9</sup> See proposed NYSE Chicago Rule 29(f).

<sup>10</sup> See proposed NYSE Chicago Rule 29(c)(1)(i). In addition to these last three completed fiscal years, the recovery policy must apply to any transition period (that results from a change in the issuer’s fiscal year) within or immediately following those three completed fiscal years. However, a transition period between the last day of the issuer’s previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months would be deemed a completed fiscal year.

<sup>22</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 97052 (March 7, 2023), 88 FR 15476 (“Notice”). No comments were received in response to this Notice.

<sup>4</sup> See Securities Exchange Act Release No. 97363, 88 FR 26374 (April 28, 2023).