V. Effect on Emerging Growth Companies

Section 103(a)(3)(C) of SOX, as amended by section 104 of the Jumpstart Our Business Startups Act of 2012, requires that any rules of the Board requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer (auditor discussion and analysis) shall not apply to an audit of an emerging growth company (''EGC'').[17] Section 103(a)(3)(C) further provides that ''[a]ny additional rules'' adopted by the PCAOB do not apply to audits of EGCs ''unless the Commission determines that the application of such additional requirements is necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation.''

The Board expressed its view that section 103(a)(3)(C) does not apply to the Amendment because the provisions of the Amendment do not fall into those categories and do not impose additional requirements on the audits of EGCs.[18] To the extent that section 103(a)(3)(C) does apply, however, the Board recommended that the Commission determine that the Amendment apply to audits of EGCs.[19]

With respect to the Commission's determination of whether the Amendment will apply to audits of EGCs, the PCAOB provided information, including data and analysis of EGCs, that sets forth its views as to why it believes the Amendment should apply to audits of EGCs.[20] In addition, the Board sought public input on the application of the Amendment to the audits of EGCs. Some commenters agreed the Amendment should apply to the audits of EGCs, although one commenter suggested that the Amendment would have a greater impact on smaller firms with fewer resources to defend personnel and navigate an uncertain liability environment.[21]

We agree with the Board's assessment and believe that applying the Amendment to the audits of EGCs is necessary or appropriate in the public interest, after considering the protection of investors and whether the Amendment will promote efficiency, competition, and capital formation. Specifically, by applying the Amendment to all associated persons of registered public accounting firms engaged in the audits of issuers and registered broker-dealers, including audits of EGCs, investors will benefit from higher standards of audit quality and enhancements to investor protection brought about by the Amendment. Because EGCs are likely to be newer public companies, investors may place greater importance on external audits' adherence to applicable audit standards, in order to enhance and test the credibility of management disclosures, including whether financial statements are free from material misstatement due to error or fraud. Therefore, all else equal, the benefits of the higher audit quality resulting from the Amendment may be more significant for EGCs than for non-EGCs, including improved efficiency of capital allocation, lower cost of capital, and enhanced capital formation. Because investors who lack confidence in a company's financial statements may require a larger risk premium that increases the cost of capital to companies, the improved audit quality resulting from applying the Amendment to associated persons engaged in EGC audits could reduce the cost of capital to those EGCs.

Also, given the Commission's existing authority to sanction associated persons of accounting firms for single acts of contributory negligence, the costs to EGCs associated with the Amendment are expected to be small. Therefore, the Amendment's impact on competition, if any, is expected to be limited.

Accordingly, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation, we believe that the application of the Amendment to associated persons engaged in the audits of EGCs is necessary or appropriate in the public interest.[22]

VI. Conclusion

The Commission has reviewed and considered the Amendment, the information submitted therewith by the PCAOB, the comment letter received, and the recommendation of the Commission's staff. The Commission concludes that the determinations made by the PCAOB as described in the Adopting Release are reasonable. In particular, the Amendment will make Rule 3502 both a more effective deterrent against unethical contributory conduct by associated persons and a more effective enforcement tool. The Amendment also should prompt individuals to exercise the appropriate level of care in their audit work and lead firms to allocate resources more efficiently, which will raise audit quality. In doing so, the Amendment will advance the Board's investor protection mandate under SOX. Therefore, in connection with the PCAOB's filing and the Commission's review:

A. The Commission finds that the Amendment is consistent with the requirements of Title I of SOX and the rules and regulations thereunder and is necessary or appropriate in the public interest or for the protection of investors; and

B. Separately, the Commission finds that the application of the Amendment to associated persons engaged in the audits of EGCs is necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation.

It is therefore ordered, pursuant to section 107 of SOX and section 19(b)(2) of the Exchange Act, that the Amendment (File No. PCAOB–2024–04) be and hereby is approved.

By the Commission.

Vanessa A. Countryman,

Secretary.

[FR Doc. 2024–18984 Filed 8–22–24; 8:45 am]

BILLING CODE 8011–01–P

[17] The term ''emerging growth company'' is defined in Section 3(a)(80) of the Exchange Act (15 U.S.C. 78c(a)(80)). *See also Inflation Adjustments under Titles I and III of the JOBS Act,* Release No. 33–11098 (Sept. 9, 2022) [87 FR 57394 (Sept. 20, 2022)], available at *https://www.sec.gov/files/rules/final/2022/33-11098.pdf.*

[18] *See* Adopting Release, *supra* note 6 at 66–68.

[19] *Id.*

[20] *Id.*

[21] *Id.* at 67–68.

[22] Although the Board expressed the view that Section 103(a)(3)(C) does not apply to the Amendment given that it does not impose any additional audit requirements, we note that Section 103(a)(3)(C) refers to ''[a]ny additional rules'' adopted by the PCAOB. Therefore, to avoid any ambiguity regarding the application of the Amendments within the context of EGC audits, we are making the finding required by Section 103(a)(3)(C).

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–199, OMB Control No. 3235–0199]

Proposed Collection; Comment Request; Extension: Rule 17a–5(c)

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (''PRA'') (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission

(''Commission'') is soliciting comments on the existing collection of information provided for in Rule 17a–5(c) (17 CFR 240.17a–5(c)), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget (''OMB'') for extension and approval.

Rule 17a–5(c) generally requires broker-dealers who carry customer accounts to provide statements of the broker-dealer's financial condition to their customers. Paragraph (c)(5) of Rule 17a–5 provides a conditional exemption from this requirement. A broker-dealer that elects to take advantage of the exemption must publish its statements on its website in a prescribed manner, and must maintain a toll-free number that customers can call to request a copy of the statements.

The purpose of the Rule is to ensure that customers of broker-dealers are provided with information concerning the financial condition of the firm that may be holding the customers' cash and securities. The Commission, when adopting the Rule in 1972, stated that the goal was to ''directly'' send a customer essential information so that the customer could ''judge whether his broker or dealer is financially sound.'' The Commission adopted the Rule in response to the failure of several broker-dealers holding customer funds and securities in the period between 1968 and 1971.

The Commission estimates that approximately 153 broker-dealer respondents carrying approximately 272 million public customer accounts incur a burden of approximately 327,444 hours per year to comply with the Rule.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted by October 22, 2024.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Oluwaseun Ajayi, 100 F Street NE, Washington, DC 20549, or send an email to: *PRA_Mailbox@sec.gov.*

Dated: August 19, 2024.

Vanessa A. Countryman,

Secretary.

[FR Doc. 2024–18917 Filed 8–22–24; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–034, OMB Control No. 3235–0034]

Proposed Collection; Comment Request; Extension: Rule 17f–2(a)

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (''PRA'') (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''Commission'') is soliciting comments on the existing collection of information provided for in Rule 17f–2(a) (17 CFR 240.17f–2(a)), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget (''OMB'') for extension and approval.

Rule 17f–2(a) (Fingerprinting Requirements for Securities Professionals) requires that securities professionals be fingerprinted. This requirement serves to identify security-risk personnel, to allow an employer to make fully informed employment decisions, and to deter possible wrongdoers from seeking employment in the securities industry. Partners, directors, officers, and employees of exchanges, brokers, dealers, transfer agents, and clearing agencies are included.

The Commission staff estimates that approximately 4,480 respondents will submit an aggregate total of 289,780 new fingerprint cards each year or approximately 65 fingerprint cards per year per registrant. The staff estimates that the average number of hours necessary to complete a fingerprint card is one-half hour. Thus, the total estimated annual burden is 144,890 hours for all respondents (289,780 times one-half hour). The average internal cost of compliance per hour is approximately $310. Therefore, the total estimated annual internal cost of compliance for all respondents is $44,915,900 (144,890 times $310).

This rule does not involve the collection of confidential information.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted by October 22, 2024.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Oluwaseun Ajayi, 100 F Street NE, Washington, DC 20549, or send an email to: *PRA_Mailbox@sec.gov.*

Dated: August 19, 2024.

Vanessa A. Countryman,

Secretary.

[FR Doc. 2024–18921 Filed 8–22–24; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–100768; File No. SR–NYSEARCA–2024–05]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Withdrawal of a Proposed Rule Change To List and Trade Shares of the COtwo Advisors Physical European Carbon Allowance Trust Under NYSE Arca Rule 8.201–E (Commodity-Based Trust Shares)

August 19, 2024.

On January 10, 2024, NYSE Arca, Inc. (''NYSE Arca'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to list and trade shares of the

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.