

Section 19(b)(2) of the Exchange Act¹¹ provides that proceedings to determine whether to approve or disapprove a proposed rule change must be concluded within 180 days of the date of publication of notice of filing of the proposed rule change. The time for conclusion of the proceedings may be extended for up to 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination.¹² The 180th day after publication of the Notice in the **Federal Register** is September 11, 2024.

The Commission is extending the period for Commission action on the Proposed Rule Change, as modified by Partial Amendment No. 1. The Commission finds that it is appropriate to designate a longer period within which to take action on the Proposed Rule Change so that the Commission has sufficient time to consider the issues raised by the Proposed Rule Change and to take action on the Proposed Rule Change. Accordingly, pursuant to Section 19(b)(2)(B)(ii)(II) of the Exchange Act,¹³ the Commission designates November 10, 2024, as the date by which the Commission should either approve or disapprove the Proposed Rule Change SR-FICC-2024-003.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100967; File No. SR-NYSE-2024-24]

Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the Existing Note in the Connectivity Fee Schedule

September 6, 2024.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that on August 27, 2024, NYSE National, Inc. (“NYSE National” 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 amend the existing note in the Connectivity Fee Schedule (“Fee Schedule”) regarding cabinet and combined waitlists. The proposed rule change is available on the Exchange’s website at 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 Exchange proposes to amend the existing note in the Fee Schedule regarding cabinet and combined waitlists.

Background

Shortly after the onset of the Covid-19 pandemic, the Exchange began experiencing unprecedented User⁴

⁴ For purposes of the Exchange’s colocation services, a “User” means any market participant that requests to receive colocation services directly from the Exchange. See Securities Exchange Act Release No. 83351 (May 31, 2018), 83 FR 26314 at n.9 (June 6, 2018) (SR-NYSE-2018-07). As specified in the Fee Schedule, a User that incurs colocation fees for a particular colocation service pursuant thereto would not be subject to colocation fees for the same colocation service charged by the New York Stock Exchange LLC (“NYSE”), NYSE American LLC, NYSE Arca, Inc., and NYSE Chicago, Inc. (together, the “Affiliate SROs”). Each Affiliate SRO has submitted substantially the same proposed rule change to propose the changes described herein. See SR-NYSE-2024-49, SR-

demand for cabinets and power at the Mahwah, New Jersey data center (“MDC”).⁵ In order to manage its inventory, in late 2020, the Exchange filed to create purchasing limits and a waitlist for cabinet orders (“Cabinet Waitlist”).⁶ In early 2021, the Exchange filed to create additional purchasing limits and a waitlist for orders for additional power in the MDC.⁷

In 2021 and 2022, the Exchange expanded the amount of space and power available in the MDC by opening a new colocation hall (*i.e.*, Hall 4). ICE is currently expanding the amount of colocation space and power available at the MDC through a new colocation hall (*i.e.*, Hall 5).

The Exchange subsequently amended the Fee Schedule to provide an alternative procedure by which the Exchange can allocate power in the Mahwah Data Center via deposit-guaranteed orders from Users made within a 90-day “Ordering Window.”⁸ The Ordering Window procedure was designed with the goal of addressing both (a) whether customer demand would support additional expansion projects to provide further power, and (b) the fact that previous procedures in the Fee Schedule were not well-tailored to allocating large amounts of power that become available all at once, such as when a new colocation hall opens.⁹ Orders received during an Ordering Window are not considered finalized until the Exchange has received the User’s signed order form and a deposit equal to two months’ worth of the monthly recurring costs of the amount of new power ordered.

The Exchange had a power and cabinet waitlist (“Combined Waitlist”) in place before the Ordering Window.

NYSEAMER-2024-52, SR-NYSEARCA-2024-71, and SR-NYSECHX-2024-27.

⁵ Through its Fixed Income and Data Services (“FIDS”) (previously ICE Data Services) business, Intercontinental Exchange, Inc. (“ICE”) operates the MDC. The Exchange and the Affiliate SROs are indirect subsidiaries of ICE.

⁶ See Securities Exchange Act Release No. 90732 (December 18, 2020), 85 FR 84443 (December 28, 2020) (SR-NYSE-2020-73, SR-NYSEAMER-2020-66, SR-NYSEArca-2020-82, SR-NYSECHX-2020-26, and SR-NYSE-2020-28) (establishing the procedures in current Colocation Note 6(a) and 7(a)).

⁷ See Securities Exchange Act Release No. 91515 (April 8, 2021), 86 FR 19674 (April 14, 2021) (SR-NYSE-2021-12, SR-NYSEAMER-2021-08, SR-NYSEArca-2021-11, SR-NYSECHX-2021-02, and SR-NYSE-2021-03) (establishing the procedures in current Colocation Note 6(b) and 7(b)).

⁸ See Securities Exchange Act Release No. 98937 (November 14, 2023), 88 FR 80795 (November 20, 2023) (SR-NYSE-2023-29, SR-NYSEAMER-2023-39, SR-NYSEArca-2023-53, SR-NYSECHX-2023-16, and SR-NYSE-2023-18) (“Ordering Window Approval Order”).

⁹ *Id.*, at 80794.

¹¹ 15 U.S.C. 78s(b)(2).

¹² 15 U.S.C. 78s(b)(2)(B)(ii)(III).

¹³ *Id.*

¹⁴ 17 CFR 200.30-3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

The Exchange found that when the Combined Waitlist was in effect, approximately $\frac{2}{3}$ of its offers of power were rejected. Users further down the Combined Waitlist received power only after those higher up the Combined Waitlist were offered the power and rejected it. As a result, the Users that actually wanted power received it only after a delay that lasted weeks or even months.

Proposed Changes

In response, the Exchange proposes to amend Fee Schedule Colocation Note 7 (Cabinet and Combined Waitlists) (“Note 7”) to require that Users wanting to be placed on a waitlist must guarantee their order with a deposit.¹⁰ Requiring Users to submit deposits with their orders in order to be placed on the waitlist would help avoid delays for Users further down the list, by encouraging Users to carefully assess their true power and cabinet needs and protecting against Users ordering more power or cabinets than they actually intend to purchase. Requiring Users to submit deposits along with their orders was approved by the Commission in the Exchange’s Ordering Window filing,¹¹ and so the deposit requirement here would not be novel.

To implement the change, Note 7(a), which sets forth the practices the Exchange follows for a Cabinet Waitlist, would be revised to provide that a User would be placed on the Cabinet Waitlist based on the date its finalized order is received, and that a User’s order would be finalized when the Exchange receives (a) User’s signed order form and (b) a deposit equal to two months’ worth of the monthly recurring costs of the power requested for the cabinets ordered.¹²

Note 7(b), which sets forth the practices the Exchange follows for a Combined Waitlist, similarly would be revised to provide that a User would be placed on the Combined Waitlist based on the date its finalized order for cabinets and/or additional power is received, and that a User’s order would

¹⁰ The proposed change would not apply to Users that are already on a waitlist at the time the proposed change becomes operative.

¹¹ See Ordering Window Approval Order, *supra* note 8.

¹² Because monthly charges are calculated based on power, not on cabinets, the Exchange proposes to calculate the deposit based on the power requested for the cabinets ordered. In such a case, the deposit would be calculated as (a) the number of kilowatts allocated to the cabinets the User is ordering, multiplied by (b) the appropriate “Per kW Monthly Fee” as indicated in the Connectivity Fee Schedule. The Per kW Monthly Fee is a factor of the total number of kilowatts allocated to all of a User’s dedicated cabinets and varies based on the total kilowatts allocated to a User.

be finalized when the Exchange receives (a) User’s signed order form and (b) a deposit equal to two months’ worth of the monthly recurring costs of (i) the power requested for the cabinets ordered and/or (ii) the additional power ordered.¹³

Note 7(a) and (b) would be revised to provide that:

- If a User changes the size of its order while it is on the Cabinet or Combined Waitlist, as the case may be, and any additional deposit is received by the Exchange, it will maintain its place, provided that the User may not increase the size of its order such that it would exceed the Cabinet Limits or Combined Limits, as applicable.
- If a User wishes to reduce the size of its order while it is on the Cabinet or Combined Waitlist, its deposit would not be reduced or returned, but rather would be applied against the User’s first and subsequent months’ invoices after cabinets are, and/or the power is, delivered until the deposit is depleted.
- If the User removes its order from the Cabinet Waitlist or Combined Waitlist, its deposit will be returned.
- A User that is removed from the Cabinet or Combined Waitlist but subsequently submits a new finalized order for cabinets and/or additional power will be added back to the bottom of the waitlist.
- The deposit will be applied to the User’s first and subsequent months’ invoices after the cabinets are and/or additional power is delivered until the deposit is completely depleted.

General

The proposed changes would not apply differently to distinct types or sizes of market participants. Rather, they would apply to all Users equally. As is currently the case, the Fee Schedule would be applied uniformly to all Users. FIDS does not expect that the proposed rule change will result in new Users.

The proposed changes are not otherwise intended to address any other issues relating to co-location services and/or related fees, and the Exchange is not aware of any problems that customers would have in complying with the proposed change.

¹³ The deposit would be calculated as (a) the number of kilowatts allocated to the cabinets the User is ordering, if any, plus the number of kilowatts of additional power, multiplied by (b) the appropriate “Per kW Monthly Fee” as indicated in the Connectivity Fee Schedule. The Per kW Monthly Fee is a factor of the total number of kilowatts allocated to all of a User’s dedicated cabinets and varies based on the total kilowatts allocated to a User.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁵ in particular, because it is 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 securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest and because it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange further believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁶ because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers, or dealers.

The Proposed Change Is Reasonable

The Exchange believes that the proposed change is reasonable because requiring Users to submit deposits with their orders in order to be placed on the waitlist would help avoid delays for Users further down the list, by encouraging Users to carefully assess their true power and cabinet needs and protecting against Users ordering more power or cabinets than they actually intend to purchase. Without firm, guaranteed commitments from waitlisted Users to purchase cabinets or power if made available, the Exchange runs the risk of overestimating waitlisted Users’ true demand, creating delays for Users further down the list. The proposed deposit requirement would address this by discouraging waitlisted Users from submitting orders for more cabinets or power than they actually intend to purchase.

The proposed deposit requirement is reasonable because, on the one hand, it is not so onerous as to dissuade Users from submitting orders, and, on the other hand, it is not so trivial that it would fail to deter Users from submitting exaggerated orders. It is substantially similar to the deposit provision already required under the Ordering Window, and as such, the

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ 15 U.S.C. 78f(b)(4).

deposit requirement here would not be novel.¹⁷

In addition, the Exchange believes that the proposed change is reasonable because the deposit is proportional to the size of the order, and not a fixed amount. As a result, smaller Users would not be disproportionately affected by the deposit requirement.

Under the proposed procedure, if a User wishes to reduce an order while on a waitlist, its deposit would not be reduced or returned, but rather would be applied against the User's first and subsequent months' invoices after the cabinets are, or the power is, delivered until the deposit is completely depleted. The Exchange believes that this would remove impediments and perfect the mechanism of a free and open market and a national market system because a waitlisted User would be reimbursed for all of its deposit even if it reduces its order. This would remove any incentive a User otherwise might have to understate its needs for cabinets and/or power out of a concern that it would not be reimbursed for the full amount of its deposit.

The Proposed Change Is Equitable and Not Unfairly Discriminatory

The Exchange believes that the proposed change provides for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers, or dealers because it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The proposed changes would apply equally to all types and sizes of market participants. All Users would receive equal notice of the deposit requirement through the proposed changes to Note 7, and the deposit requirement would be the same for all Users. Smaller Users with more modest power needs would not be disadvantaged by the proposed changes, as the deposit is proportional to the size of the order and not a fixed amount.

¹⁷ See Ordering Window Approval Order, *supra* note 8. The NYSE requires market participants to submit deposits in other contexts as well. For example, since 2012, the NYSE has required prospective issuers to pay a \$25,000 initial application fee as part of the process for listing a new security on the exchange. This fee functions as a deposit that is credited toward the issuer's listing fees after it is listed on the exchange. The deposit functions as "a disincentive for impractical applications by issuers." The deposit is forfeited if the issuer does not ultimately list on the exchange. See Securities Exchange Act Release No. 68470 (December 19, 2021), 77 FR 76116 at 76117 (December 26, 2012) (SR-NYSE-2012-68).

The proposed deposit requirement is equitable because, on the one hand, it is not so onerous as to dissuade Users from submitting orders, and, on the other hand, it is not so trivial that it would fail to deter Users from submitting exaggerated orders. It is substantially similar to the deposit provision already required under the Ordering Window, and as such, the deposit requirement here would not be novel.¹⁸

Under the proposed procedure, if a User wishes to reduce an order while on a waitlist, its deposit would not be reduced or returned, but rather would be applied against the User's first and subsequent months' invoices after the cabinets are, or the power is, delivered until the deposit is completely depleted. The Exchange believes that this is equitable because a waitlisted User would be reimbursed for all of its deposit even if it reduces its order. This would remove any incentive a User otherwise might have to understate its needs for cabinets and/or power out of a concern that it would not be reimbursed for the full amount of its deposit.

For the reasons above, the proposed changes do not unfairly discriminate between or among market participants that are otherwise capable of satisfying any applicable co-location fees, requirements, terms, and conditions established from time to time by the Exchange.

For these reasons, the Exchange believes that the proposal is consistent with the Act.

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

The Exchange believes that the proposal will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of Section 6(b)(8) of the Act.¹⁹

The Exchange believes that the proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is designed to help avoid delays for waitlisted Users, by encouraging Users to carefully assess their true power and cabinet needs and protecting against Users ordering more power or cabinets than they actually intend to purchase. Without firm, guaranteed commitments from waitlisted Users to purchase cabinets or power if made available, the Exchange runs the risk of overestimating

¹⁸ See Ordering Window Approval Order, *supra* note 8.

¹⁹ 15 U.S.C. 78f(b)(8).

waitlisted Users' true demand, creating delays for Users further down the list. The proposed deposit requirement would address this by discouraging waitlisted Users from submitting orders for more cabinets or power than they actually intend to purchase, thereby facilitating a more equitable distribution of cabinets and power. Moreover, the Ordering Window already requires a deposit, and as such, the deposit requirement here would not be novel.²⁰

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 Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act²¹ and Rule 19b-4(f)(6) thereunder.²² Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.²³

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 Commission shall institute proceedings under Section 19(b)(2)(B)²⁴ of the Act to determine whether the proposed rule

²⁰ See Ordering Window Approval Order, *supra* note 8.

²¹ 15 U.S.C. 78s(b)(3)(A)(iii).

²² 17 CFR 240.19b-4(f)(6).

²³ 17 CFR 240.19b-4(f)(6)(iii). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

²⁴ 15 U.S.C. 78s(b)(2)(B).

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. Please include file number SR-NYSENAT-2024-24 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-NYSENAT-2024-24. 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 SR-NYSENAT-2024-24 and should be submitted on or before October 3, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-373, OMB Control No. 3235-0422]

Submission for OMB Review; Comment Request; Extension: Rule 23c-3 and Form N-23c-3

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 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the "Commission") has submitted to the Office of Management and Budget ("OMB") a request for extension of the previously approved collection of information discussed below.

Rule 23c-3 (17 CFR 270.23c-3) under the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) permits a registered closed-end investment company ("closed-end fund" or "fund") that meets certain requirements to repurchase common stock of which it is the issuer from shareholders at periodic intervals, pursuant to repurchase offers made to all holders of the stock. The rule enables these funds to offer their shareholders a limited ability to resell their shares in a manner that previously was available only to open-end investment company shareholders.

A closed-end fund that relies on rule 23c-3 must send shareholders a notification that contains specified information each time the fund makes a repurchase offer (on a quarterly, semi-annual, or annual basis, or, for certain funds, on a discretionary basis not more often than every two years). The fund also must file copies of the shareholder notification with the Commission (electronically through the Commission's Electronic Data Gathering, Analysis, and Retrieval System ("EDGAR")) on Form N-23c-3, a filing that provides certain information about the fund and the type of offer the fund is making.¹ The fund

²⁵ 17 CFR 200.30-3(a)(12).

¹ Form N-23c-3, entitled "Notification of Repurchase Offer Pursuant to Rule 23c-3," requires the fund to state its registration number, its full

name and address, the date of the accompanying shareholder notification, and the type of offer being made (periodic, discretionary, or both).

must describe in its annual report to shareholders the fund's policy concerning repurchase offers and the results of any repurchase offers made during the reporting period. The fund's board of directors must adopt written procedures designed to ensure that the fund's investment portfolio is sufficiently liquid to meet its repurchase obligations and other obligations under the rule. The board periodically must review the composition of the fund's portfolio and change the liquidity procedures as necessary. The fund also must file copies of advertisements and other sales literature with the Commission as if it were an open-end investment company subject to Section 24 of the Investment Company Act (15 U.S.C. 80a-24) and the rules that implement Section 24. Rule 24b-3 under the Investment Company Act (17 CFR 270.24b-3), however, exempts the fund from that requirement if the materials are filed instead with the Financial Industry Regulatory Authority ("FINRA").

The requirement that the fund send a notification to shareholders of each offer is intended to ensure that a fund provides material information to shareholders about the terms of each offer. The requirement that copies be sent to the Commission is intended to enable the Commission to monitor the fund's compliance with the notification requirement. The requirement that the shareholder notification be attached to Form N-23c-3 is intended to ensure that the fund provides basic information necessary for the Commission to process the notification and to monitor the fund's use of repurchase offers. The requirement that the fund describe its current policy on repurchase offers and the results of recent offers in the annual shareholder report is intended to provide shareholders current information about the fund's repurchase policies and its recent experience. The requirement that the board approve and review written procedures designed to maintain portfolio liquidity is intended to ensure that the fund has enough cash or liquid securities to meet its repurchase obligations, and that written procedures are available for review by shareholders and examination by the Commission. The requirement that the fund file advertisements and sales literature as if it were an open-end fund is intended to facilitate the review of these materials by the Commission or FINRA to prevent incomplete, inaccurate, or misleading disclosure

name and address, the date of the accompanying shareholder notification, and the type of offer being made (periodic, discretionary, or both).