

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. As noted above, Nasdaq faces competition in the market for listing services, and competes, in part, by offering valuable services to companies. Nasdaq believes that it is reasonable to offer complimentary services to attract and retain listings as part of this competition. The proposed rule changes reflect that competition, but do not impose any burden on the competition with other exchanges. Other exchanges can also offer similar services to companies, thereby increasing competition to the benefit of those companies and their shareholders.

Further, all similarly situated companies are eligible for the same package of services. While the proposed changes will affect services that will be available only to Eligible Switches with a market capitalization of \$750 million or more, Nasdaq does not believe that it is unfairly discriminatory to offer different services based on a company's market capitalization given that larger companies generally will need more and different Market Advisory Tools, and that those issuers will likely bring greater future value to Nasdaq by switching to its market than would other issuers.

Nasdaq also believes that the proposal to modify the definition of an Eligible Switch to include companies switching their listing not only from the New York Stock Exchange, as currently provided by Listing Rule IM-5900-7(a)(2), but also from any other national securities exchange will eliminate a potential existing burden on competition between companies listed on different exchanges, in that it will treat exchange-listed companies in a uniform manner, regardless of which national securities exchange they are currently listed on. Further, this change is designed to increase competition with other national securities exchanges.

Accordingly, Nasdaq does not believe the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act, as amended.

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

No written comments were either solicited or received.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-NASDAQ-2024-059 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-NASDAQ-2024-059. 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-NASDAQ-2024-059 and should be submitted on or before November 26, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

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

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## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-101477; File No. SR-NYSE-2024-58]

### **Self-Regulatory Organizations; New York Stock Exchange LLC; Order Approving a Proposed Rule Change To Amend NYSE Rule 7.13**

October 30, 2024

#### **I. Introduction**

On September 12, 2024, New York Stock Exchange LLC ("NYSE" 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 amend NYSE Rule 7.13 to remove references to the Chair of the Board of Directors of the Exchange ("Board"). The proposed rule change was published in the **Federal Register** on September 30, 2024.<sup>3</sup> The Commission received no comments on the proposal. This order approves the proposed rule change.

#### **II. Description of the Proposal**

The Exchange has proposed amending NYSE Rule 7.13 (Trading Suspensions) to remove references to the Chair of the Board. Under current NYSE Rule 7.13, the Chair or the chief executive officer of the Exchange ("CEO"), or the officer designee of the Chair or the CEO, has the power to suspend trading on any and all securities trading on the Exchange whenever in his or her

<sup>20</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. 101150 (September 24, 2024), 89 FR 79664.

opinion such suspension would be in the public interest. No such action would continue longer than two days or as soon thereafter as a quorum of Directors can be assembled, unless the Board approves the continuation of such suspension. According to the Exchange, the Chair has not acted under NYSE Rule 7.13 since the rule was adopted.<sup>4</sup>

Pursuant to the proposed rule change, the CEO or the officer designee of the CEO would continue to have the power to suspend trading in any and all securities trading on the Exchange whenever in his or her opinion such suspension would be in the public interest. Further, the requirement that no such action continue longer than two days or as soon thereafter as a quorum of Directors can be assembled, unless the Board approves the continuation of such suspension, would remain.

### III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>5</sup> In particular, the Commission finds that the proposed rule change is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>7</sup> which requires, among other things, that the rules of a national securities exchange 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 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.

The Commission finds that the proposed rule change is consistent with the Act in that it removes references to the Chair, who is currently not required to act under NYSE Rule 7.13, while still preserving the ability of the CEO or his or her officer designee the authority to act under the rule when it would be in the public interest. As noted above, the Chair has not acted under NYSE Rule 7.13 since the rule was adopted and therefore, the proposed rule change

more accurately reflects Exchange practice. Moreover, the Commission notes that the Chair and the Board would continue to have an oversight role, since the requirement would remain that no suspension of trading continue longer than two days, or as soon thereafter as a quorum of Directors can be assembled, unless the Board approves the continuation of such suspension.

Based on the foregoing, the Commission finds that the proposed rule change is consistent with the Act.

### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>8</sup> that the proposed rule change (SR-NYSE-2024-58) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-264, OMB Control No. 3235-0341]

### Submission for OMB Review; Comment Request; Extension: Rule 17Ad-4(b) & (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 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for approval of extension of the previously approved collection of information provided for in Rule 17Ad-4(b) & (c) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (“Exchange Act”).

Rule 17Ad-4(b) & (c) (17 CFR 240.17Ad-4) is used to document when transfer agents are exempt, or no longer exempt, from the minimum performance standards and certain recordkeeping provisions of the Commission’s transfer agent rules. Pursuant to Rule 17Ad-4(b), if the Commission or the Office of the Comptroller of the Currency (“OCC”) is the appropriate regulatory agency

(“ARA”) for an exempt transfer agent, that transfer agent is required to prepare and maintain in its possession a notice certifying that it is exempt from certain performance standards and recordkeeping and record retention provisions of the Commission’s transfer agent rules. This notice need not be filed with the Commission or OCC. If the Board of Governors of the Federal Reserve System (“Fed”) or the Federal Deposit Insurance Corporation (“FDIC”) is the transfer agent’s ARA, that transfer agent must prepare a notice and file it with the Fed or FDIC.

Rule 17Ad-4(c) sets forth the conditions under which a registered transfer agent loses its exempt status. Once the conditions for exemption no longer exist, the transfer agent, to keep the appropriate ARA apprised of its current status, must prepare, and file if the ARA for the transfer agent is the Fed or the FDIC, a notice of loss of exempt status under paragraph (c). The transfer agent then cannot claim exempt status under Rule 17Ad-4(b) again until it remains subject to the minimum performance standards for non-exempt transfer agents for six consecutive months.

ARAs use the information contained in the notices required by Rules 17Ad-4(b) and 17Ad-4(c) to determine whether a registered transfer agent qualifies for the exemption, to determine when a registered transfer agent no longer qualifies for the exemption, and to determine the extent to which that transfer agent is subject to regulation.

The Commission estimates that approximately 10 registered transfer agents each year prepare or file notices in compliance with Rules 17Ad-4(b) and 17Ad-4(c). The Commission estimates that each such registered transfer agent spends approximately 1.5 hours to prepare or file such notices for an aggregate total annual burden of 15 hours (1.5 hours times 10 transfer agents). The Commission staff estimates that compliance staff work at registered transfer agents results in an internal cost of compliance, at an estimated hourly wage of \$319, of \$478.50 per year per transfer agent (1.5 hours × \$319 per hour = \$478.50 per year). Therefore, the aggregate annual internal cost of compliance for the approximate 10 transfer agents annually preparing or filing notices pursuant to Rules 17Ad-4(b) and 17Ad-4(c) is approximately \$4,785 (\$478.50 × 10 = \$4,785). This reflects an increase in the aggregate annual internal cost of compliance of \$540 due to the increase in the hourly wage of transfer agents from \$283 to \$319.

<sup>4</sup> *Id.* at 79665.

<sup>5</sup> In approving this proposed rule change, the Commission notes that it has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> 17 CFR 200.30-3(a)(12).