

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.⁴

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.⁵ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b) of the Act,⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁷ 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,⁸ 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.⁹

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2024-25634 Filed 11-4-24; 8:45 am]

BILLING CODE 8011-01-P

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.

⁴ *Id.* at 79665.

⁵ 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).

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).

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.

The public may view background documentation for this information collection at the following website: www.reginfo.gov. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice by December 5, 2024 to (i) www.reginfo.gov/public/do/PRAMain or MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov, and (ii) Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Tanya Ruttenberg, 100 F Street NE, Washington, DC 20549, or by sending an email to: PRA_Mailbox@sec.gov.

Dated: October 31, 2024.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2024–25670 Filed 11–4–24; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–101482; File No. SR–Phlx–2024–56]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt New Rules at Options 6 and 6C

October 30, 2024.

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 October 18, 2024, Nasdaq PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) a 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 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 adopt a new rule titled “Letters of Guarantee” in Options 6, Options Trade

Administration, and a new rule entitled “Margin Required Is Minimum” in Options 6C, Margins.

The text of the proposed rule change is available on the Exchange’s website at <https://listingcenter.nasdaq.com/rulebook/phlx/rules>, 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 Exchange 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 Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to adopt a new rule titled “Letters of Guarantee” in Options 6, Options Trade Administration and a new rule entitled “Margin Required Is Minimum” in Options 6C, Margins. Each proposed change is described below.

Options 6

The Exchange proposes to adopt a new rule titled, “Letters of Guarantee,” at Options 6, Section 4, which is currently reserved. The adoption of Options 6, Section 4 is not intended to expand the current requirements imposed on members and member organizations, rather it is intended to make clear the current requirement to maintain a letter of guarantee. By way of background, the letter of guarantee provides that the Clearing Member³ accepts financial responsibility for all Exchange transactions made by the Phlx member organization on whose behalf the Clearing Member submits the letter of guarantee. Clearing Members guarantee all transactions on behalf of a member and member organizations, and therefore bear the risk associated with those transactions.

³ The term “Clearing Member” means a member organization which has been admitted to membership in The Options Clearing Corporation pursuant to the provisions of the rules of The Options Clearing Corporation. See Options 1, Section 1(b)(10).

Today, all Phlx members and member organizations are required to have a membership in, or access arrangement with a participant of a clearing agency registered with the Commission that maintains facilities through which compared trades may be settled.⁴ Further, today, Phlx Options 6D, Section 1 makes clear that each member organization referred to in paragraph (iii)⁵ shall at all times maintain positive net liquid assets and, in its clearing account(s), positive equity, provided that said organization has filed with the Exchange a letter of guarantee issued on its behalf by a clearing member organization of this Exchange which is also a clearing member of The Options Clearing Corporation.⁶ At this time, the Exchange proposes to adopt a “Letters of Guarantee” rule at Options 6, Section 4, which is substantively identical to Nasdaq ISE, LLC (“ISE”) Options 6, Section 4, to make clear that member organizations have an obligation to obtain a letter of guarantee.

Similar to ISE, the Exchange proposes to specifically note at Options 6, Section 4(a) that no Phlx Market Maker shall make any transactions on the Exchange unless a letter of guarantee has been issued for such member organization by a Clearing Member and filed with the Exchange, and unless such letter of guarantee has not been revoked pursuant to paragraph (c) of Options 6, Section 4. This language is consistent with Phlx General 3, Rule 1032 and Phlx Options 6D, Section 1(a)(iv), and the language is substantively identical to ISE Options 6, Section 4(a). Further, the Exchange proposes to state at Options 6, Section 4(b) that a letter of guarantee shall provide that the issuing Clearing Member accepts financial responsibilities for all Exchange transactions made by the guaranteed member organization. This language is consistent with Phlx Options 6D, Section 1(a)(iv), and the language is substantively identical to ISE Options 6,

⁴ See Nasdaq General 3, Rule 1032. Phlx General 3 Rules are incorporated by reference to Nasdaq General 3 Rules. See also Nasdaq’s membership form (<https://www.nasdaqtrader.com/content/marketregulation/membership/NASDAQSROMembershipApplicationFinal.pdf>) which states that all options participants must provide an executed clearing letter of guarantee.

⁵ See Phlx Options 6D, Section 1(a)(iii) provides that each member organization or foreign currency options participant organization exempt from SEC Rule 15c3–1 and whose principal business is as a registered options trader on the Exchange, shall, subject to subparagraph (iv) below, at all times maintain a minimum of \$25,000 in net liquid assets.

⁶ See Phlx Options 6D Section 1(a)(iv). This rule is intended to make clear that member organizations or other participants that are exempt from SEC Rule 15c3–1 must also have a letter of guarantee.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.