

*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-MEMX-2024-43. 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-MEMX-2024-43 and should be submitted on or before December 12, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>31</sup>

**Stephanie J. Fouse,**  
*Assistant Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-101635; File No. SR-NYSE-NAT-2024-31]

**Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend NYSE National Rule 7.13 To Remove References to the Chair of the Board and a Cross-Reference to NYSE National Rule 5.5**

November 15, 2024.

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 November 8, 2024, NYSE National, Inc. ("NYSE National" or the "Exchange") filed with the Securities and Exchange Commission ("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 NYSE National Rule 7.13 to remove references to the Chair of the Board and a cross reference. 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.

<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.

*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 NYSE National Rule 7.13 (Trading Suspensions) to remove references to the Chair of the Board of Directors of the Exchange ("Board") and a cross reference.

Under current Rule 7.13,<sup>4</sup> except as otherwise stated in Rule 5.5, the Chair of the Board or the President of the Exchange, or the officer designee of the Chair or the President, has the power to suspend trading on any and all securities traded on the Exchange whenever in his or her opinion such suspension would be in the public interest. No such action shall 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.

The Exchange believes that it is advisable to remove the cross-reference to Rule 5.5 in the current rule, as there is no Exchange Rule 5.5. Although a Rule 5.5 was proposed at the same time as the current Rule 7.13, Rule 5.5 was removed from the relevant filing in an amendment.<sup>5</sup> The cross-reference is therefore meaningless.

The Exchange believes that it is advisable to remove the references to the Chair in Rule 7.13 because the Chair has not acted under Rule 7.13 since the rule was adopted and the Exchange does not anticipate that an independent or non-employee Chair will have sufficient involvement in the day-to-day

<sup>4</sup> The current text of Rule 7.13 was adopted in 2018. See Securities Exchange Act Release No. 83289 (May 17, 2018), 83 FR 23968 (May 23, 2018) (SR-NYSE-NAT-2018-02) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Amended by Amendment No. 1, To Support the Re-Launch of NYSE National, Inc. on the Pillar Trading Platform).

<sup>5</sup> Proposed Rule 5.5 contained rules for the delisting of investment company units (an exchange traded product) and listed the rules pursuant to which the Exchange may have determined that it was appropriate to either suspend dealings in and/or remove securities from listing. Proposed Rule 5.5 was removed in an amendment of the relevant filing. See Exhibit 1 to SR-NYSE-NAT-2018-02 (February 21, 2018) (available at <https://www.nyse.com/publicdocs/nyse/markets/nyse-national/rule-filings/filings/2018/NYSE-NAT-2018-02,%20Re-file.pdf>), and Amendment No. 1 to SR-NYSE-NAT-2018-02 (May 16, 2018), at 10 (stating that "in this Amendment No. 1, the Exchange will not be proposing rules relating to the listing of Exchange Traded Products in Rule[ ] 5") (available at <https://www.nyse.com/publicdocs/nyse/markets/nyse-national/rule-filings/filings/2018/NYSE-NAT-2018-02,%20Am.1.pdf>). See also 83 FR 23968, *supra* note 4.

<sup>31</sup> 17 CFR 200.30-3(a)(12).

operations of the Exchange to act under the Rule.

Moreover, the proposed changes to Rule 7.13 would make it substantially similar to the rule text governing Trading Suspensions currently in place on the Exchange's affiliate the New York Stock Exchange LLC ("NYSE") in its Rule 7.13.<sup>6</sup> The proposed changes to Rule 7.13 therefore would harmonize the Exchange's rules with those of its affiliate NYSE and provide for consistent authority to suspend trading across the Exchange and the NYSE.

To effectuate the change, the first sentence of Rule 7.13 would be amended as follows (proposed deletions bracketed, proposed additions italicized):

[Except as otherwise stated in Rule 5.5, the Chair of the Board or t]The President, or the officer designee of [the Chair or] the President, shall have the power to suspend trading in any and all securities traded on the Exchange whenever in his or her opinion such suspension would be in the public interest.

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. No other changes to Rule 7.13 are proposed.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>7</sup> in general, and furthers the objectives of Section 6(b)(1)<sup>8</sup> in particular, in that it enables the Exchange to be so organized as to have the capacity to be able to carry out the purposes of the Act and to comply, and to enforce compliance by its exchange members and persons associated with its exchange members, with the provisions of the Act, the rules and regulations thereunder, and the rules of the Exchange. The Exchange also believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>9</sup> in that 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 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. In addition, the Exchange believes that the proposed rule change is designed to provide fair procedures for the denial of membership to any person seeking Exchange membership, the barring of any person from becoming associated with a member, and the prohibition or limitation by the Exchange of any person with respect to access to services offered by the Exchange or a member thereof, consistent with the objectives of Section 6(b)(7)<sup>10</sup> and Section 6(d)(2)<sup>11</sup> of the Act.

The proposed amendment would enable the Exchange to continue to be so organized as to have the capacity to carry out the purposes of the Act, thereby furthering the objectives of Section 6(b)(1)<sup>12</sup> of the Act. Amending Rule 7.13 to remove the references to the Chair would contribute to the orderly operation of the Exchange, as it would make Rule 7.13 more accurately reflect current practice, as the Chair has not acted under Rule 7.13 since the rule was adopted. It would also reflect the fact that the Exchange does not anticipate that an independent or non-employee Chair will have sufficient involvement in the day-to-day operations of the Exchange to act under the Rule. At the same time, the Chair 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. Given that, the Board—including the Chair—would continue to oversee the length of time any suspension of trading made under the Rule would be in effect.

Because amended Rule 7.13 would more accurately reflect current practice while still giving the Chair an oversight role, the Exchange believes that the proposed change would be beneficial to both investors and the public interest, thereby promoting the maintenance of a fair and orderly market and the protection of investors and the public interest consistent with Section 6(b)(5) of the Act.<sup>13</sup> Moreover, the Exchange believes that the proposed change would 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 because substantially similar authority to suspend trading already exists on the Exchange's affiliate NYSE, and therefore is not novel. At the same time, amending Rule 7.13 to remove a meaningless cross reference would make it more clear, promoting clarity and transparency and protecting investors and the public interest.

For the same reasons, the Exchange believes that the proposed changes would continue to provide fair procedures for the prohibition or limitation by the Exchange of any person with respect to access to services offered by the Exchange consistent with the objectives of Section 6(b)(7)<sup>14</sup> and Section 6(d)(2)<sup>15</sup> of the Act.

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.<sup>16</sup> The proposed rule change is not intended to address competitive issues but rather is concerned solely with amending Rule 7.13 so that it removes a meaningless cross reference, more accurately reflects current practice and is substantially similar to NYSE Rule 7.13.

### 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

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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>17</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>18</sup>

<sup>6</sup> The differences are that the NYSE rule uses "CEO" instead of "President" and "trading on the Exchange" instead of "traded on the Exchange." See Securities and Exchange Act Release No. 101477 (October 30, 2024), 89 FR 87917 (November 5, 2024) (SR-NYSE-2024-58) (Order Approving a Proposed Rule Change to Amend NYSE Rule 7.13).

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

<sup>8</sup> 15 U.S.C. 78f(b)(1).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> 15 U.S.C. 78f(b)(7).

<sup>11</sup> 15 U.S.C. 78f(d)(2).

<sup>12</sup> 15 U.S.C. 78f(b)(1).

<sup>13</sup> 15 U.S.C. 78f(b)(5).

<sup>14</sup> 15 U.S.C. 78f(b)(7).

<sup>15</sup> 15 U.S.C. 78f(d)(2).

<sup>16</sup> 15 U.S.C. 78f(b)(8).

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>18</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to

At any time within 60 days of the filing of the 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 will institute proceedings 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-NYSE-2024-31 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-NYSE-2024-31. 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

give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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.

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-NYSE-2024-31 and should be submitted on or before December 12, 2024.

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

**Stephanie J. Fouse,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34-101644; File No. PCAOB-2024-05]**

### Public Company Accounting Oversight Board; Notice of Filing of Proposed Rules on Constructive Requests To Withdraw From Registration

November 15, 2024.

Pursuant to Section 107(b) of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley," or the "Act"), notice is hereby given that on Thursday, November 14, 2024, the Public Company Accounting Oversight Board (the "Board" or the "PCAOB") filed with the Securities and Exchange Commission (the "Commission" or the "SEC") the proposed rules described in Items I and II below, which items have been prepared by the Board. The Commission is publishing this notice to solicit comments on the proposed rules from interested persons.

#### I. Board's Statement of the Terms of Substance of the Proposed Rules

On November 14, 2024, the Board adopted *Constructive Requests To Withdraw from Registration* ("proposed rules"). The text of the proposed rules appears in Exhibit A to the SEC Filing Form 19b-4 and is available on the Board's website at <https://pcaobus.org/about/rules-rulemaking/rulemaking-dockets/docket-054> and at the Commission's Public Reference Room.

<sup>19</sup> 17 CFR 200.30-3(a)(12).

#### II. Board's Statement of the Purpose of, and Statutory Basis for, the Proposed Rules

In its filing with the Commission, the Board included statements concerning the purpose of, and basis for, the proposed rules and discussed any comments it received on the proposed rules. The text of these statements may be examined at the places specified in Item IV below. The Board prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements. In addition, to the extent that Section 103(a)(3)(C) of the Act applies to the proposed rules, the Board is requesting that the Commission approve the proposed rules, pursuant to that provision, for application to audits of emerging growth companies ("EGCs"), as that term is defined in Section 3(a)(80) of the Securities Exchange Act of 1934 ("Exchange Act"). The Board's request is set forth in section D.

##### A. Board's Statement of the Purpose of, and Statutory Basis for, the Proposed Rules

###### (a) Purpose

To further enhance the PCAOB's registration program, the Board adopted an amendment to its rule regarding withdrawals from registration. The amendment establishes a new procedural mechanism that will enable the Board to address situations in which a registered firm has ceased to exist, is nonoperational, or no longer wishes to remain registered, as demonstrated by its failures to file annual reports (PCAOB Form 2, *Annual Report*) and pay annual fees for at least two consecutive reporting years. Until now, a firm could be removed from PCAOB registration only if the Board either (1) authorized a withdrawal from registration based on firm-initiated withdrawal request or (2) imposed a disciplinary sanction revoking the firm's registration. The amendment the Board adopted introduces a third procedural mechanism for removing a firm from PCAOB registration. It builds on the existing framework of firm-initiated withdrawal requests under PCAOB Rule 2107, *Withdrawal from Registration*, by creating a process that treats consecutive delinquencies as a constructive request from a firm for leave to withdraw from registration. New paragraph (h) ("*Constructive Withdrawal Requests*") of Rule 2107 will allow the Board, under certain conditions, to update its registration records by (1) treating a firm's failure both to file annual reports and to pay annual fees for at least two consecutive