

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–102196; File Nos. SR–CboeBZX–2024–124; SR–CboeEDGX–2024–082; SR–CBOE–2024–056; SR–C2–2024–022]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Cboe EDGX Exchange, Inc.; Cboe Exchange, Inc.; Cboe C2 Exchange, Inc.; Notice of Withdrawal of Proposed Rule Change To Adopt Cboe Timestamping Service

January 15, 2025.

On December 13, 2024, Cboe BZX Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe Exchange, Inc., and Cboe C2 Exchange, Inc. (“Exchanges”) 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 proposed rule changes to adopt the Cboe Timestamping Service, which is a market data service comprised of two distinct market data reports. The proposed rule changes were immediately effective upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act.³ On January 10, 2025, the Exchanges withdrew the proposed rule changes (SR–CboeBZX–2024–124; SR–CboeEDGX–2024–082; SR–CBOE–2024–056; SR–C2–2024–022).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–102201; File No. SR–NYSE–2024–48]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Amendment No. 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 2, To Amend Section 802.01C of the NYSE Listed Company Manual (Price Criteria for Capital or Common Stock) To Restrict the Use of Reverse Stock Splits in Certain Circumstances

January 15, 2025.

I. Introduction

On September 30, 2024, New York Stock Exchange LLC (“NYSE” 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 amend Section 802.01C (Price Criteria for Capital or Common Stock) of the NYSE Listed Company Manual (“Manual”) to provide that (i) a listed company that falls below the price criteria set forth therein and effects a reverse stock split to regain compliance will not be eligible for a compliance period in certain circumstances, and (ii) a listed company may not effectuate a reverse stock split if it would result in the company falling below continued listing requirements. The proposed rule change was published for comment in the *Federal Register* on October 17, 2024.³

On November 25, 2024, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ On December 20, 2024, the Exchange filed partial Amendment No. 1 to the proposed rule change, and on January 2, 2025, the Exchange withdrew partial Amendment No. 1 and filed partial Amendment No.

2 to the proposed rule change (“Amendment No. 2”).⁶ The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 2, from interested persons and is approving the proposed rule change, as modified by Amendment No. 2, on an accelerated basis.

II. Description of the Proposed Rule Change, as Modified by Amendment No. 2

The Exchange is proposing to amend Section 802.01C of the Manual to provide that (i) a listed company that falls below the price criteria set forth therein and effects a reverse stock split to regain compliance will not be eligible for a compliance period in certain circumstances, and (ii) a listed company may not effectuate a reverse stock split if it would result in the company falling below continued listing requirements.

Section 802.01C of the Manual (“Section 802.01C”) provides that a listed company will be considered to be below compliance standards if the average closing price of a security as reported on the consolidated tape is less than \$1.00 over a consecutive 30 trading-day period (“Price Criteria”).⁷ Under Section 802.01C, once the company is notified that it has fallen below the Price Criteria, the company must bring its share price and average share price back above \$1.00 by six months following receipt of the notification. A listed company is not eligible to follow the procedures outlined in Sections 802.02 and 802.03 of the Manual with respect to this criteria.⁸ The company must, however,

⁶ Amendment No. 2 is available on the Commission’s website at <https://www.sec.gov/comments/sr-nyse-2024-48/srnyse202448-554495-1588362.pdf>. As discussed below, the Exchange’s proposal would prohibit a listed company from effectuating a reverse stock split if the effectuation of such reverse stock split results in the company’s security falling below the continued listing requirements of Section 802.01A of the Manual. In Amendment No. 2, the Exchange proposes to adopt additional rule text to provide that if a company effectuates a reverse stock split in such circumstances, the company would not be eligible to follow the procedures outlined in Sections 802.02 and 802.03 of the Manual and the Exchange would immediately commence suspension and delisting procedures with respect to such security in accordance with Section 804.00 of the Manual.

⁷ While the term “Price Criteria” is used as a defined term in Section 802.01C, the current rule does not actually provide a definition for the term. The Exchange is now proposing to define the term in the rule. See Notice, *supra* note 3, at 83738.

⁸ Sections 802.02 and 802.03 of the Manual set forth specific procedures for listed domestic companies and listed non-U.S. companies that are identified as being below the Exchange’s continued listing criteria. In general, Sections 802.02 and 802.03 of the Manual provide that if the Exchange

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¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 15 U.S.C. 78s(b)(3)(A). A proposed rule change may take effect upon filing with the Commission if it is designated by the exchange as “establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization.” 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 101306 (Oct. 10, 2024), 89 FR 83738 (“Notice”). Comments on the Notice are available at: <https://www.sec.gov/comments/sr-nyse-2024-48/srnyse202448.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 101746, 89 FR 95301 (Dec. 2, 2024) (designating January 15, 2025, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change).