

proposal is appropriate in light of the need to protect investors and the public interest and the Exchange's process for review of a delisting determination will continue to provide a fair procedure for the review of delisting determinations in accordance with Section 6(b)(7) of the Act.

Finally, the comment letters received on the proposal were generally supportive.<sup>31</sup>

In sum, the Exchange's proposal appropriately identifies securities listed on its market that are more likely to have serious recurrent issues in regaining and maintaining compliance with the Exchange's continued listing standards, including the Price Criteria, and proposes reasonable changes to shorten the time that such non-compliant securities can remain trading on the Exchange, thereby protecting investors and the public interest in accordance with Section 6(b)(5) of the Act,<sup>32</sup> while at the same time maintaining a fair procedure for affected listed companies to seek review of a delisting determination from the Committee for Review of the Board of Directors of the Exchange in accordance with Section 6(b)(7) of the Act.<sup>33</sup> For these reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 2, is consistent with the requirements of the Act.

<sup>31</sup> See Letters from Barbara Rairden, dated Oct. 15, 2024, and Anonymous, dated Oct. 15, 2024. See also Letter from the American Consumer and Investor Institute, dated Nov. 4, 2024 ("ACII Letter"), at 2 (stating that recent Exchange proposals, including SR-NYSE-2024-48, to amend listing rules to address concerns regarding "exchange-listed penny stocks and reverse stock splits" are "another incremental step towards protecting retail investors from the risks associated with such penny stocks and reverse splits"). This commenter also expresses support for additional proposals to enhance exchange listing standards to further address investor protection concerns, particularly those involving Nasdaq and NYSE listed companies with low-priced securities. In particular, this commenter recommends that the Commission engage with the industry, including a review of suggestions that have already been made, and update the penny stock rules and exchange listing standards. See ACII Letter at 4 (citing to Petition for Rulemaking on Exchange Listings of Penny Stocks filed with the Commission by Virtu Financial, Inc., dated July 15, 2024; and Letter from Ellen Greene, Managing Director and Joseph Corcoran, Managing Director, Securities Industry and Financial Markets Association, dated Oct. 8, 2024 (available at <https://www.sec.gov/comments/sr-nasdaq-2024-045/srnasdaq2024045-527615-1515662.pdf>)). These additional recommendations are not before the Commission in the NYSE proposal being considered herein. In approving this proposal, the Commission is finding the proposal before us is consistent with the Act.

<sup>32</sup> 15 U.S.C. 78f(b)(5).

<sup>33</sup> 15 U.S.C. 78f(b)(7).

#### IV. Solicitation of Comments on Amendment No. 2 to the Proposed Rule Change

Interested persons are invited to submit written data, views, and arguments concerning whether the proposed rule change, as modified by Amendment No. 2, 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-2024-48 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-2024-48. 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-NYSE-2024-48, and should be submitted on or before February 12, 2025.

#### V. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 2

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 2, prior to the thirtieth day after the date of publication of notice of the filing of Amendment No. 2 in the **Federal Register**. The changes in Amendment No. 2 provide greater clarity to the proposal. The proposed additional rule text in Amendment No. 2 clarifies the delisting process applicable to a company that effectuates a reverse stock split where the effectuation of such reverse stock split results in the company's security falling below the Distribution Criteria and is consistent with the Exchange's statements in the Notice.<sup>34</sup> Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>35</sup> to approve the proposed rule change, as modified by Amendment No. 2, on an accelerated basis.

#### VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,<sup>36</sup> that the proposed rule change (SR-NYSE-2024-48), as modified by Amendment No. 2, be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>37</sup>

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

[FR Doc. 2025-01415 Filed 1-21-25; 8:45 am]

**BILLING CODE 8011-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-508, OMB Control No. 3235-0565]

#### Proposed Collection; Comment Request; Revision: Rule 482

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services,

<sup>34</sup> See Notice, *supra* note 3, at 83739 ("Furthermore, the Exchange proposes that a listed company would not be allowed to effectuate a reverse stock split, for purposes of regaining compliance with the Price Criteria or otherwise, if the effectuation of such reverse stock split results in the company's security falling below the continued listing requirements of Section 802.01A. If a listed company effectuated a reverse stock split notwithstanding this proposed limitation, the Exchange would promptly commence suspension and delisting procedures with respect to such company in accordance with Section 804.00.'").

<sup>35</sup> 15 U.S.C. 78s(b)(2).

<sup>36</sup> 15 U.S.C. 78s(b)(2).

<sup>37</sup> 17 CFR 200.30-3(a)(12).

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”) is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for revision and approval.

Like most issuers of securities, when an investment company (“fund”) <sup>1</sup> offers its shares to the public, its promotional efforts become subject to the advertising restrictions of the Securities Act of 1933 (15 U.S.C. 77) (the “Securities Act”). In recognition of the particular problems faced by funds that continually offer securities and wish to advertise their securities, the Commission has adopted advertising safe harbor rules. The most important of these is rule 482 (17 CFR 230.482) under the Securities Act, which, under certain circumstances, permits funds to advertise investment performance data, as well as other information. Rule 482 advertisements are deemed to be “prospectuses” under Section 10(b) of the Securities Act (15 U.S.C. 77j(b)).

Rule 482 contains certain requirements regarding the disclosure that funds are required to provide in qualifying advertisements. These requirements are intended to encourage the provision to investors of information that is balanced and informative, particularly in the area of investment performance. For example, a fund is required to include disclosure advising investors to consider the fund’s investment objectives, risks, charges and expenses, and other information described in the fund’s prospectus, and highlighting the availability of the fund’s prospectus and, if applicable, its summary prospectus. In addition, rule 482 advertisements that include performance data of open-end funds or insurance company separate accounts offering variable annuity contracts are required to include certain standardized performance information, information about any sales loads or other nonrecurring fees, and a legend warning that past performance does not guarantee future results. Such funds including performance information in rule 482 advertisements are also required to make available to investors

<sup>1</sup> “Investment company” refers to both investment companies registered under the Investment Company Act of 1940 (“Investment Company Act”) (15 U.S.C. 80a-1 *et seq.*) and business development companies.

month-end performance figures via website disclosure or by a toll-free telephone number, and to disclose the availability of the month-end performance data in the advertisement. The rule also sets forth requirements regarding the prominence of certain disclosures, requirements regarding advertisements that make tax representations, requirements regarding advertisements used prior to the effectiveness of the fund’s registration statement, requirements regarding the timeliness of performance data, and certain required disclosures by money market funds.

Rule 482 advertisements must be filed with the Commission or, in the alternative, with the Financial Industry Regulatory Authority (“FINRA”).<sup>2</sup> This information collection differs from many other federal information collections that are primarily for the use and benefit of the collecting agency.

Rule 482 contains requirements that are intended to encourage the provision to investors of information that is balanced and informative, particularly in the area of investment performance. The Commission is concerned that in the absence of such provisions fund investors may be misled by deceptive rule 482 advertisements and may rely on less-than-adequate information when determining in which funds they should invest money. As a result, the Commission believes it is beneficial for funds to provide investors with balanced information in fund advertisements in order to allow investors to make better-informed decisions.

On November 7, 2024, the Commission adopted amendments to rule 482 to correct outdated cross-references and conform the risk statements that money market funds must include in their advertisements and sales literature to the risk statements that money market funds must include in their prospectuses.<sup>3</sup> The 2023 money market fund reform adopting release amended the risk statements that money market funds must include in their prospectuses to align with the changes to money market fund regulations adopted in that

<sup>2</sup> See note to rule 482(h) under the Securities Act, which states that “these advertisements, unless filed with [FINRA], are required to be filed in accordance with the requirements of § 230.497.” See also rule 24b-3 under the Investment Company Act (17 CFR 270.24b-3), which provides that any sales material, including rule 482 advertisements, shall be deemed filed with the Commission for purposes of Section 24(b) of the Investment Company Act upon filing with FINRA.

<sup>3</sup> Conforming Amendments to Commission Rules and Forms, Investment Company Act Release No. 35377 (Nov. 7, 2024) (the “Adopting Release”).

release.<sup>4</sup> However, rule 482 was not included in the amendments and the statements that rule 482 required were inconsistent with the recently amended regulatory framework for money market funds. Further, the risk statements that money market funds were required to include in prospectuses and advertisements have otherwise always been identical and the risk statements should not differ based on whether an investor is reviewing a prospectus or an advertisement. As a result, rule 482 included outdated references to concepts that have been removed or significantly modified in underlying money market fund regulations (*e.g.*, allowing temporary suspensions of redemptions). The amendments to rule 482 correct this error, make certain other conforming edits to further align the language of the risk statements with the risk statements that money market funds must include in their prospectuses, and correct inaccurate cross references to money market fund rules.

We estimate the total annual burden to comply with amended rule 482 to be 577,896 hours, at an average time cost of \$213,154,498. The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act and is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms. The provision of information under rule 482 is necessary to obtain the benefits of the safe harbor offered by the rule. The information provided under rule 482 will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission’s estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given

<sup>4</sup> See Money Market Fund Reforms; Form PF Reporting Requirements for Large Liquidity Fund Advisers; Technical Amendments to Form N-CSR and Form N-1A, Investment Company Act Release No. 34959 (July 12, 2023) [88 FR 51404 (Aug. 3, 2023)].

to comments and suggestions submitted by March 24, 2025.

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.

Please direct your written comments to: Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Tanya Ruttenberg, 100 F Street NE Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: January 15, 2025.

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2025-01417 Filed 1-21-25; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

**FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT:** Publishing in the *Federal Register* of January 21, 2025.

**PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING:** Thursday, January 23, 2025, at 2 p.m.

**CHANGES IN THE MEETING:** The Closed Meeting scheduled for Thursday, January 23, 2025, at 2 p.m., has been changed to Thursday, January 23, 2025, at 1 p.m.

**CONTACT PERSON FOR MORE INFORMATION:** For further information; please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

*Authority:* 5 U.S.C. 552b.

Dated: January 17, 2025.

**Stephanie J. Fouse,**

*Assistant Secretary.*

[FR Doc. 2025-01596 Filed 1-17-25; 4:15 pm]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102203; File Nos. SR-OCC-2024-016]

### Self-Regulatory Organizations; The Options Clearing Corporation; Order Granting Approval of Proposed Rule Change by The Options Clearing Corporation Concerning Enhancements to the System for Theoretical Analysis and Numerical Simulations (“STANS”) and OCC’s Comprehensive Stress Testing (“CST”) Methodology, To Better Capture the Risks Associated With Short-Dated Options

January 15, 2025.

#### I. Introduction

On November 22, 2024, the Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR-OCC-2024-016, pursuant to Section 19(b) of the Securities Exchange Act of 1934 (“Exchange Act”) <sup>1</sup> and Rule 19b-4 <sup>2</sup> thereunder, to (i) align assumptions across models and (ii) generate implied volatility shocks for options with a tenor of less than one month that are consistent with observed market dynamics.<sup>3</sup> The proposed rule change was published for public comment in the *Federal Register* on December 6, 2024.<sup>4</sup> The Commission has received no comments regarding the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change (hereinafter defined as “Proposed Rule Change”).

#### II. Background

OCC is a central counterparty (“CCP”), which means that as part of its function as a clearing agency, it interposes itself as the buyer to every seller and the seller to every buyer for financial transactions. As the CCP for the listed options markets and for certain futures in the United States, OCC is exposed to the risk that one or more of its Clearing Members may fail to make a payment or to deliver securities. OCC addresses such risk exposure, in part, by requiring its members to provide collateral, including both margin collateral and Clearing Fund collateral. Margin is the collateral that CCPs collect to cover potential changes in a member’s

positions over a set period of time during normal market conditions. OCC’s Clearing Fund is a mutualized pool of financial resources to which each Clearing Member is required to contribute to ensure that OCC maintains sufficient qualifying liquid resources to manage its liquidity risk, and to address the tail risk that the margin collateral OCC collects from each Clearing Member might be insufficient to cover OCC’s credit exposure to a defaulting member in extreme but plausible market conditions.

OCC’s methodology for calculating margin collateral requirements is called the System for Theoretical Analysis and Numerical Simulations (“STANS”).<sup>5</sup> OCC’s methodology for sizing and monitoring its Clearing Fund is called the Comprehensive Stress Testing (“CST”) methodology. OCC relies on STANS and the CST methodology to set collateral requirements to cover the financial risk posed by the positions OCC clears for its members. OCC states that the proportion of such positions that comprise short-dated options (“SDOs”) <sup>6</sup> has increased over the past several years.<sup>7</sup> In response to this observation, OCC examined the risks posed by the increase in SDO trading and identified opportunities to improve the performance of the models comprising STANS and the CST methodology in covering the financial risk posed by the increase in SDO trading observed by OCC.<sup>8</sup> As described below, OCC proposes two changes to the models comprising STANS and the CST methodology: one set of changes related to the day count conventions <sup>9</sup> and one set of changes related to the application of volatility shocks to theoretical option prices.<sup>10</sup>

<sup>5</sup> Capitalized terms used but not defined herein have the meanings specified in OCC’s Rules and By-Laws, available at <https://www.theocc.com/about/publications/bylaws.jsp>.

<sup>6</sup> SDOs are option contracts with a maturity of less than or equal to one month to expiration. See Notice of Filing, 89 FR at 97132.

<sup>7</sup> See Notice of Filing, 89 FR 97132 (citing Cboe, *The Rise of SPX & ODTE Options* (July 27, 2023), available at <https://go.cboe.com/1/77532/2023-07-27/jfc83k>).

<sup>8</sup> See Notice of Filing, 89 FR 97132 (stating that “opportunities exist to improve model performance for Clearing Member portfolios dominated by SDOs”).

<sup>9</sup> OCC uses the term “day count convention” to refer to a standardized methodology for calculating the number of days between two dates. See Notice of Filing, 89 FR 97132, note 13. Both calendar and business day conventions are used by OCC in STANS and CST calculations. *Id.*

<sup>10</sup> The implied volatility of an option is a measure of the expected future volatility of the option’s underlying security at expiration, which is reflected in the current option premium in the market. See Notice of Filing, 89 FR 97132, note 12.

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Notice of Filing *infra* note 4, at 89 FR 97131.

<sup>4</sup> See Securities Exchange Act Release No. 101780 (Dec. 2, 2024), 89 FR 97131 (Dec. 6, 2024) (File No. SR-OCC-2024-016) (“Notice of Filing”).