

interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports. Section 982 of the Dodd-Frank Wall Street Reform and Consumer Protection Act<sup>2</sup> amended the Sarbanes-Oxley Act to provide the PCAOB with explicit authority to oversee auditors of broker-dealers registered with the Securities and Exchange Commission (the “Commission”). The PCAOB accomplishes these investor protection and public interest goals through the registration of public accounting firms, standard setting, inspections, and investigation and disciplinary programs. The PCAOB is subject to the comprehensive oversight of the Commission.

Section 109 of the Sarbanes-Oxley Act provides that the PCAOB shall establish a reasonable annual accounting support fee, as may be necessary or appropriate to establish and maintain the PCAOB. Under Section 109(f) of the Sarbanes-Oxley Act, the aggregate annual accounting support fee shall not exceed the PCAOB’s aggregate “recoverable budget expenses,” which may include operating, capital, and accrued items. The PCAOB’s annual budget and accounting support fee are subject to approval by the Commission. In addition, the PCAOB must allocate the annual accounting support fee among issuers and registered brokers and dealers.

Section 109(b) of the Sarbanes-Oxley Act directs the PCAOB to establish a budget for each fiscal year in accordance with the PCAOB’s internal procedures, subject to approval by the Commission. Rule 190 of Regulation P (the “Budget Rule”) governs the Commission’s review and approval of PCAOB budgets and annual accounting support fees.<sup>3</sup> The Budget Rule provides, among other things, a timetable for the preparation and submission of the PCAOB budget and for Commission actions related to each budget, a description of the information that should be included in each budget submission, limits on the PCAOB’s ability to incur expenses and obligations except as provided in the approved budget, procedures relating to supplemental budget requests, requirements for the PCAOB to provide on a quarterly basis certain budget-related information, and a list of definitions that apply to the rule and to general discussions of PCAOB budget matters.

In accordance with the Budget Rule, in March 2023 the PCAOB provided the Commission with a narrative

description of its program issues and outlook for the 2024 budget year. In response, the Commission provided the PCAOB with general budgetary guidance for the 2024 budget year. The PCAOB subsequently delivered a preliminary budget and budget justification to the Commission. Staff from the Commission’s Office of the Chief Accountant and Office of Financial Management dedicated a substantial amount of time to the review and analysis of the PCAOB’s programs, projects, and budget estimates and participated in a number of meetings with staff of the PCAOB to further develop the understanding of the PCAOB’s budget and operations. During the course of this review, Commission staff relied upon representations and supporting documentation from the PCAOB. Based on this review, the Commission issued a “passback” letter to the PCAOB on October 30, 2023. On November 16, 2023, the PCAOB adopted its 2024 budget and accounting support fee during an open meeting, and subsequently submitted that budget to the Commission for approval.

After considering the above, the Commission did not identify any proposed disbursements in the 2024 budget adopted by the PCAOB that are not properly recoverable through the annual accounting support fee, and the Commission believes that the aggregate proposed 2024 annual accounting support fee does not exceed the PCAOB’s aggregate recoverable budget expenses for 2024.

The Commission continues to emphasize the importance of the PCAOB’s identification of efficiencies and process improvements. Accordingly, the Commission requests that the PCAOB continue to evaluate its operational efficiency, improvements, and budgetary needs and submit such assessments to the Commission in connection with the 2025 budget cycle.

Coordination between the SEC and PCAOB continues to be important. The Commission directs the PCAOB during 2024 to continue to hold monthly meetings, as necessary, with the Commission’s staff to discuss important policy initiatives, changes related to program areas, and significant impacts to the PCAOB’s 2024 budget, including significant differences between actual and budgeted amounts and anticipated cost-savings. Separately, the Commission directs the PCAOB to continue its written quarterly updates on recent activities, including strategic initiatives, for the PCAOB’s Office of Economic and Risk Analysis; Data, Security, and Technology group within the Office of the Chief Operating Officer;

and Division of Registration and Inspections. The Commission expects the PCAOB to make itself available to meet with individual Commissioners on these and other topics. Further, the Commission requests that the PCAOB submit its 2023 annual report to the Commission by March 29, 2024.

The Commission understands that the Office of Management and Budget (“OMB”) has determined that the 2024 budget of the PCAOB is subject to sequestration under the Budget Control Act of 2011.<sup>4</sup> For 2023, the PCAOB sequestered \$19.9 million. That amount will become available in 2024. For 2024, the sequestration amount will be 5.7% or \$21.9 million. Consequently, we expect the PCAOB will have approximately \$2.0 million less funds available from the 2023 sequestration for spending in 2024. Accordingly, the PCAOB should submit a revised spending plan for 2024 reflecting a \$2.0 million reduction to budgeted expenditures as a result of the increase in sequestration amount from 2023 to 2024. The Commission has determined that the PCAOB’s 2024 budget and annual accounting support fee are consistent with Section 109 of the Sarbanes-Oxley Act. Accordingly,

*It is ordered*, pursuant to Section 109 of the Sarbanes-Oxley Act, that the PCAOB budget and annual accounting support fee for calendar year 2024 are approved.

By the Commission.

**Vanessa A. Countryman,**  
*Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34–99162; File No. SR–CboeBZX–2023–105]**

### **Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend BZX Rule 14.11(e)(4)(C)(i) (Commodity-Based Trust Shares)**

December 13, 2023.

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> notice is hereby given that on December

<sup>4</sup> OMB Report to the Congress on the BBEDCA 251A Sequestration for Fiscal Year 2024 (Mar. 13, 2023), available at [https://www.whitehouse.gov/wp-content/uploads/2023/03/BBEDCA\\_Sequestration\\_Report\\_and\\_Letter\\_3-13-2024.pdf](https://www.whitehouse.gov/wp-content/uploads/2023/03/BBEDCA_Sequestration_Report_and_Letter_3-13-2024.pdf).

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>2</sup> Public Law 111–203, 124 Stat. 1376 (2010).

<sup>3</sup> 17 CFR 202.190.

12, 2023, Cboe BZX Exchange, Inc. (“Exchange” or “BZX”) 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 Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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

Cboe BZX Exchange, Inc. (“BZX” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission” or “SEC”) a proposed rule change to (1) amend Exchange Rule 14.11(e)(4)(C)(i) (“Commodity-Based Trust Shares”); and (2) amend 14.11(e)(4)(C)(ii) to state that the term “commodity” is defined in section 1a(9) of the Commodity Exchange Act.

The text of the proposed rule change is also available on the Exchange’s website ([http://markets.cboe.com/us/equities/regulation/rule\\_filings/bzx/](http://markets.cboe.com/us/equities/regulation/rule_filings/bzx/)), at the Exchange’s Office of the Secretary, 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 the Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange proposes (1) to amend Exchange Rule 14.11(e)(4)(C)(i) (“Commodity-Based Trust Shares”); and (2) to amend 14.11(e)(4)(C)(ii) to state that the term “commodity” is defined in section 1a(9) of the Commodity Exchange Act. The proposed rules are identical to NYSE Arca, Inc. (“Arca”)

Rules 8.201–E(c)(1) and (2), respectively.<sup>5</sup>

Under Exchange Rule 14.11(e)(4), the Exchange may propose to list and/or trade pursuant to UTP “Commodity-Based Trust Shares.”<sup>6</sup> Rule

14.11(e)(4)(C)(1) currently states that such securities are issued by a trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity, and that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such trust which will deliver to the redeeming holder the quantity of the underlying commodity.

The Exchange proposes to amend Rule 14.11(e)(4)(C)(1) to provide: the term “Commodity-Based Trust Shares” means a security (a) that is issued by a trust (“Trust”) that holds (1) a specified commodity deposited with the Trust, or (2) a specified commodity and, in addition to such specified commodity, cash; (b) that is issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such Trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash. Given the competitive marketplace for exchange listings, the Exchange is conforming its listing rules to that of another exchange.<sup>7</sup>

The Exchange further proposes to amend Rule 14.11(e)(4)(C)(ii) to state that the term “commodity” is defined in

section 1a(9) of the Commodity Exchange Act (rather than section 1(a)(4) as currently referenced in Rule 14.11(e)(4)(C)(ii)) to reflect an amendment to the Commodity Exchange Act included in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.<sup>8</sup>

Last, the Exchange proposes to correct ministerial errors in Rule 14.11(e)(4)(C)(ii) to remove several errant parentheses.

##### 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of section 6(b) of the Act.<sup>9</sup> Specifically, the Exchange believes the proposed rule change is consistent with the section 6(b)(5)<sup>10</sup> requirements that the rules of an 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. Additionally, the Exchange believes the proposed rule change is consistent with the section 6(b)(5)<sup>11</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

As noted above, the marketplace for exchange listings is highly competitive, and the Exchange’s proposal is merely conforming its listing rules to that of another exchange. The Exchange believes the proposed change will facilitate the listing and trading of additional types of exchange-traded derivative securities products that will enhance competition among market participants, to the benefit of investors and the marketplace.

The Exchange’s proposal to amend Rule 14.11(e)(4)(C)(ii) to state that the term “commodity” is defined in section 1a(9) of the Commodity Exchange Act (rather than section 1(a)(4) as currently referenced in 14.11(e)(4)(C)(ii)) reflects an amendment to the Commodity Exchange Act included in the Dodd-Frank Wall Street Reform and Consumer

<sup>5</sup> See Securities and Exchange Act Nos. 89310 (July 14, 2020) 85 FR 43932 (July 20, 2020) (SR–NYSEArca–2020–59) (Notice of Filing of Proposed Rule Change To Amend NYSE Arca Rule 8.201–E (Commodity-Based Trust Shares) and To Permit the Listing and Trading of Shares of the United States Gold and Treasury Investment Trust Under NYSE Arca Rule 8.201–E); 90216 (October 16, 2020) 85 FR 67401 (October 22, 2020) (Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 3, To Amend NYSE Arca Rule 8.201–E (Commodity-Based Trust Shares) and To Permit the Listing and Trading of Shares of the Wilshire [w]Shares Enhanced Gold Trust Under Amended NYSE Arca Rule 8.201–E).

<sup>6</sup> Commodity-Based Trust Shares are securities issued by a trust that represents investors’ discrete identifiable and undivided beneficial ownership interest in the commodities deposited into the Trust. Rule 14.11(e)(4)(C)(i) defines the term “Commodity-Based Trust Shares” as follows: the term “Commodity-Based Trust Shares” means a security (a) that is issued by a trust (“Trust”) that holds a specified commodity deposited with the Trust; (b) that is issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such Trust which will deliver to the redeeming holder the quantity of the underlying commodity.

<sup>7</sup> See Arca Rule 8.201–E(c)(1).

<sup>8</sup> Public Law 111–203, 124 Stat. 1900 (2010).

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

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>11</sup> *Id.*

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

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

Protection Act of 2010.<sup>12</sup> Furthermore, the proposed amendment is identical to Arca Rule 8.201–E(c)(2). The Exchange also believes its proposal to correct ministerial errors in Rule 14.11(e)(4)(C)(ii) will provide clarity in the Exchange’s rulebook to the benefit of all investors.

#### *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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change to Rule 14.11(e)(4)(C)(ii) does not address competitive issues, but rather, as discussed above, is merely intended to correct a reference to a modified Commodity Exchange Act rule. The Exchange believes the proposed rule change to Rule 14.11(e)(4)(C)(i) will enhance competition by accommodating Exchange trading of additional exchange-traded products.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

Pursuant to section 19(b)(3)(A) of the Act<sup>13</sup> and Rule 19b–4(f)(6)<sup>14</sup> thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.<sup>15</sup>

A proposed rule change filed pursuant to Rule 19b–4(f)(6) under the Act normally does not become operative for 30 days after the date of its filing. However, Rule 19b–4(f)(6)(iii)<sup>16</sup> permits the Commission to designate a shorter

time if such action is consistent with the protection of investors and the public interest. The Exchange requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The proposed rule change, which modifies the Exchange’s rules by conforming the definition of Commodity-Based Trust Shares with the same definition used by another national securities exchange<sup>17</sup> and corrects the citation for the term “commodity,” as defined in the Commodity Exchange Act, raises no unique or novel legal or regulatory issues and will lessen any potential confusion among market participants. Therefore, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change operative upon filing.<sup>18</sup>

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.

### **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–CboeBZX–2023–105 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–CboeBZX–2023–105. This file number should be included on the subject line if email is used. To help the Commission process and review your

<sup>17</sup> See *supra* note 7.

<sup>18</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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–CboeBZX–2023–105 and should be submitted on or before January 9, 2024.

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

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

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### **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34–99165; File No. SR–NYSE–2023–48]

#### **Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Connectivity Fee Schedule**

December 13, 2023.

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 December 11, 2023, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the

<sup>19</sup> 17 CFR 200.30–3(a)(12), (59).

<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.

<sup>12</sup> *Supra* note 6.

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b–4(f)(6).

<sup>15</sup> In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

<sup>16</sup> 17 CFR 240.19b–4(f)(6)(iii).