

disapprove the Proposed Rule Change.<sup>6</sup> On November 8, 2023, OCC filed a Partial Amendment No. 1 to the Proposed Rule Change.<sup>7</sup> On November 14, 2023, the Commission published notice of Partial Amendment No. 1 and instituted proceedings, pursuant to section 19(b)(2)(B) of the Exchange Act,<sup>8</sup> to determine whether to approve or disapprove the proposed rule change, as modified by the Partial Amendment No. 1.<sup>9</sup> On January 23, 2024, OCC filed Amendment No. 2 to the Proposed Rule Change, which was published in the **Federal Register** for public comment on January 30, 2024.<sup>10</sup> The Commission has received comments regarding the Proposed Rule Change.<sup>11</sup>

Section 19(b)(2) of the Exchange Act<sup>12</sup> provides that proceedings to determine whether to approve or disapprove a proposed rule change must be concluded within 180 days of the date of publication of notice of filing of the proposed rule change. The time for conclusion of the proceedings may be

<sup>6</sup> Securities Exchange Act Release No. 98508 (Sep. 25, 2023), 88 FR 67407 (Sep. 29, 2023) (File No. SR-OCC-2023-007).

<sup>7</sup> Partial Amendment No. 1 delays implementation of the proposed change; however, Partial Amendment No. 1 was amended and replaced by Amendment No. 2. See Notice of Amendment *infra* note 10, at 89 FR 5974.

<sup>8</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>9</sup> See Securities Exchange Act Release No. 98932 (Nov. 14, 2023), 88 FR 80781 (Nov. 20, 2023) (File No. SR-OCC-2023-007).

<sup>10</sup> See Securities Exchange Act Release No. 99426 (Jan. 24, 2024), 89 FR 5974 (Jan. 30, 2024) (File No. SR-OCC-2023-007) (“Notice of Amendment”). Amendment No. 2 adds a second phase of changes to the proposed rule change. The changes added in Phase 2 include improved information sharing between OCC and NSCC and are designed to facilitate the shortening of the standard settlement cycle for most broker-dealer transactions from T+2 to T+1. See Securities Exchange Act Release No. 96930 (Feb. 15, 2023), 88 FR 13872 (Mar. 6, 2023) (File No. S7-05-22).

<sup>11</sup> Comments on the Advance Notice are available at <https://www.sec.gov/comments/sr-occ-2023-801/srocc2023801.htm>. The Commission received one comment supporting the proposed changes. See comment from John P. Davidson, Principal, Pirnie Advisory (Oct. 4, 2023), available at <https://www.sec.gov/comments/sr-occ-2023-801/srocc2023801-268179-645042.htm>. Since the proposal contained in the Advance Notice was also filed as a proposed rule change, all public comments received on the proposal are considered regardless of whether the comments are submitted on the Proposed Rule Change or the Advance Notice. Comments on the Proposed Rule Change are available at <https://www.sec.gov/comments/sr-occ-2023-007/srocc2023007.htm>. The Commission received comments on the proposed rule change that express concerns unrelated to the substance of the filing. See, e.g., comment from Gregory Englebert (Feb. 2, 2024) (raising concerns about a conflict of interest in the role of Financial Risk Management Officers as well as margin calls) comment from Curtis H. (Feb. 3, 2024) (referencing short selling and margin), and comment from CK Kashyap (Feb. 5, 2024) (referring to broker risk management in response to margin).

<sup>12</sup> 15 U.S.C. 78s(b)(2).

extended for up to 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination.<sup>13</sup> The 180th day after publication of the Notice in the **Federal Register** is February 26, 2024.

The Commission is extending the period for Commission action on the Proposed Rule Change, as modified by Partial Amendment No. 1 and Amendment No. 2 (hereinafter, the “Proposed Rule Change”). The Commission finds that it is appropriate to designate a longer period within which to take action on the Proposed Rule Change so that the Commission has sufficient time to consider the issues raised by the Proposed Rule Change and to take action on the Proposed Rule Change. Accordingly, pursuant to section 19(b)(2)(B)(ii)(II) of the Exchange Act,<sup>14</sup> the Commission designates April 26, 2024, as the date by which the Commission should either approve or disapprove the Proposed Rule Change SR-OCC-2023-007.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-99567; File No. SR-NSCC-2023-007]

### Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Designation of Longer Period for Commission Action on Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Partial Amendment No. 1 and Amendment No. 2, To Modify the Amended and Restated Stock Options and Futures Settlement Agreement and Make Certain Revisions to the NSCC Rules

February 20, 2024.

On August 10, 2023, National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) proposed rule change SR-NSCC-2023-007 (“Proposed Rule Change”) 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 modify the Amended and Restated Stock Options and Futures Settlement Agreement dated August 5, 2017, between NSCC and the Options Clearing Corporation (“OCC”) and make certain revisions to NSCC’s related Rules & Procedures.<sup>3</sup> The Proposed Rule Change was published for public comment in the **Federal Register** on August 30, 2023.<sup>4</sup>

On September 25, 2023, pursuant to section 19(b)(2) of the Exchange Act,<sup>5</sup> the Commission designated a longer period within which to approve, disapprove, or institute proceedings to determine whether to approve or disapprove the Proposed Rule Change.<sup>6</sup> On November 8, 2023, NSCC filed a Partial Amendment No. 1 to the Proposed Rule Change.<sup>7</sup> On November 14, 2023, the Commission published notice of Partial Amendment No. 1 and instituted proceedings, pursuant to section 19(b)(2)(B) of the Exchange Act,<sup>8</sup> to determine whether to approve or disapprove the proposed rule change, as modified by the Partial Amendment No. 1.<sup>9</sup> On January 24, 2024, NSCC filed Amendment No. 2 to the Proposed Rule Change, which was published in the **Federal Register** for public comment on January 31, 2024.<sup>10</sup> The Commission has received no comments regarding the substance of the Proposed Rule Change.<sup>11</sup>

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

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

<sup>3</sup> Capitalized terms not defined herein are defined in the NSCC Rules. The NSCC Rules are available at [www.dtcc.com/-/media/Files/Downloads/legal/rules/nscc\\_rules.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/rules/nscc_rules.pdf).

<sup>4</sup> Securities Exchange Act Release No. 98213 (Aug. 24, 2023), 88 FR 59968 (Aug. 30, 2023) (File No. SR-NSCC-2023-007) (“Notice of Filing”).

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> Securities Exchange Act Release No. 98508 (Sep. 25, 2023), 88 FR 67407 (Sep. 29, 2023) (File No. SR-NSCC-2023-007).

<sup>7</sup> Partial Amendment No. 1 delays implementation of the proposed change; however, Partial Amendment No. 1 was amended and replaced by Amendment No. 2. See Notice of Amendment *infra* note 10, at 89 FR 6140.

<sup>8</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>9</sup> Securities Exchange Act Release No. 98930 (Nov. 14, 2023), 88 FR 80790 (Nov. 20, 2023) (File No. SR-NSCC-2023-007).

<sup>10</sup> Securities Exchange Act Release No. 99432 (Jan. 25, 2024), 89 FR 6140 (Jan. 31, 2024) (File No. SR-NSCC-2023-007) (“Notice of Amendment”). Amendment No. 2 adds a second phase of changes to the proposed rule change. The changes added in Phase 2 include improved information sharing between OCC and NSCC and are designed to facilitate the shortening of the standard settlement cycle for most broker-dealer transactions from T+2 to T+1. See Securities Exchange Act Release No. 96930 (Feb. 15, 2023), 88 FR 13872 (Mar. 6, 2023) (File No. S7-05-22).

<sup>11</sup> The Commission received comments expressing general concerns unrelated to the substance of the filing. See, e.g., comments from JT Clark (Oct. 10, 2024) (general concern about

<sup>13</sup> 15 U.S.C. 78s(b)(2)(B)(ii)(II).

<sup>14</sup> *Id.*

<sup>15</sup> 17 CFR 200.30-3(a)(57).

Section 19(b)(2) of the Exchange Act<sup>12</sup> provides that proceedings to determine whether to approve or disapprove a proposed rule change must be concluded within 180 days of the date of publication of notice of filing of the proposed rule change. The time for conclusion of the proceedings may be extended for up to 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination.<sup>13</sup> The 180th day after publication of the Notice in the **Federal Register** is February 26, 2024.

The Commission is extending the period for Commission action on the Proposed Rule Change, as modified by Partial Amendment No. 1 and Amendment No. 2 (hereinafter, the “Proposed Rule Change”). The Commission finds that it is appropriate to designate a longer period within which to take action on the Proposed Rule Change so that the Commission has sufficient time to consider the issues raised by the Proposed Rule Change and to take action on the Proposed Rule Change. Accordingly, pursuant to section 19(b)(2)(B)(ii)(II) of the Exchange Act,<sup>14</sup> the Commission designates April 26, 2024, as the date by which the Commission should either approve or disapprove the Proposed Rule Change SR–NSCC–2023–007.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–99566; File No. SR–NYSEAMER–2024–11]

### Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change Amending Rule 7.31E(a)(2)(B) Regarding Limit Order Price Protection

February 20, 2024.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934

corruption in the markets) and Anthony LaBree (Oct. 12, 2024) (concerns about OCC’s business practices). Comments are available at <https://www.sec.gov/comments/sr-nssc-2023-007/srnscc2023007.htm>.

<sup>12</sup> 15 U.S.C. 78s(b)(2).

<sup>13</sup> 15 U.S.C. 78s(b)(2)(B)(ii)(III).

<sup>14</sup> *Id.*

<sup>15</sup> 17 CFR 200.30–3(a)(57).

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

(“Act”)<sup>2</sup> and Rule 19b–4 thereunder,<sup>3</sup> notice is hereby given that, on February 9, 2024, NYSE American LLC (“NYSE American” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III 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 Rule 7.31E(a)(2)(B) regarding Limit Order Price Protection. 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.

##### 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 Rule 7.31E(a)(2)(B) (“Limit Order Price Protection”) to provide for the application of Limit Order Price Protection during the Core Trading Session even where a contra-side NBB (NBO) has not been established.

Currently, Rule 7.31E(a)(2)(B) provides that a Limit Order to buy (sell) will be rejected if it is priced at or above (below) the greater of \$0.15 or a specified percentage away from the National Best Offer (National Best Bid) (“NBO” and “NBB,” respectively),<sup>4</sup> and

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b–4.

<sup>4</sup> For securities with a reference price between \$0.00 and \$25.00, the specified percentage is 10%; for securities with a reference price between \$25.01 and \$50.00, the specified percentage is 5%; and for

that Limit Order Price Protection will not be applied to an incoming Limit Order to buy (sell) if there is no NBO (NBB).

The Exchange has recently received requests from market participants to modify this rule so that during the Core Trading Session, Limit Order Price Protection would apply even when no contra-side NBB or NBO has been established. In such cases, market participants have suggested that the Limit Order Price Protection calculation should use an alternate reference price, such as the last consolidated round-lot price of the trading day or the prior trading day’s official closing price. That way, even if no contra-side NBB or NBO has been established, the Exchange would still apply Limit Order Price Protection using the best-available alternate reference price, thereby offering market participants greater protections against the execution of Limit Orders with aberrant prices during the Core Trading Session. The Exchange is aware that the Limit Order Price Protection rule on the MIAX Pearl equities exchange (“MIAX Pearl”) currently features such a hierarchy of reference prices, so that Limit Order Price Protection is applied to all Limit Orders, even where no contra-side NBB or NBO has been established.<sup>5</sup>

In light of these requests from market participants, the Exchange now proposes to amend Rule 7.31E(a)(2)(B) to provide a hierarchy of reference prices against which Limit Order Price Protection would apply during the Core Trading Session. As in the current rule, during the Core Trading Session, a Limit Order to buy (sell) would be rejected if it is priced at or above (below) the greater of \$0.15 or a specified percentage (as set forth in the accompanying table) away from the NBO (NBB). But if such NBO (NBB) has not yet been established, the Exchange would use as the reference price the last consolidated round-lot price of that trading day, or, if none, the prior trading day’s Official Closing Price.<sup>6</sup>

securities with a reference price greater than \$50.00, the specified percentage is 3%.

<sup>5</sup> Under current MIAX Pearl rules, a Limit Order to buy (sell) will be rejected if it is priced at or above (below) the greater of a specified dollar and percentage away from (1) the PBO (PBB), or, if unavailable, (2) the consolidated last sale price disseminated during the Regular Trading Hours on trade date, or, if unavailable, (3) the prior day’s Official Closing Price. See MIAX Pearl Rule 2614(a)(1)(ix)(A).

<sup>6</sup> The Exchange’s proposed hierarchy of reference prices is substantially similar to the hierarchy in the MIAX Pearl rules. The only differences are that the Exchange’s proposal (a) would continue to reference the NBO (NBB) instead of the PBO (PBB), as the Exchange’s Limit Order Price Protection

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