SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–100457; File No. SR–NYSEAMER–2024–42]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change To Make Certain Conforming Clarifying Changes to Rule 601 To Harmonize With NYSE Arca Rule 10.16

July 2, 2024.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (''Act''),[2] and Rule 19b–4 thereunder,[3] notice is hereby given that on June 18, 2024, NYSE American LLC (''NYSE American'' 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 certain conforming clarifying changes to Rule 601 (Sanctions Guidelines) to harmonize with Rule 10.16 (Sanctioning Guidelines—Options) of its affiliate NYSE Arca, Inc. The proposed rule change is available on the Exchange's website at *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.

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 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 certain conforming clarifying changes to Rule 601 (Sanctions Guidelines) to harmonize with Rule 10.16 (Sanctioning Guidelines—Options) of its affiliate NYSE Arca, Inc. (''NYSE Arca'').

In 2023, the Exchange adopted a new Rule 601 incorporating sanctions guidelines similar to Cboe Exchange, Inc. Rule 13.11, Supplementary Material .01, in place of the original sanction guidelines adopted pursuant to Section IV.B.i of the Commission's September 11, 2000 Order Instituting Administrative Proceedings Pursuant to Section 19(h)(1) of the Act (the ''2000 Order'').[4] Recently, NYSE Arca adopted Rule 601 nearly verbatim as new NYSE Arca Rule 10.16, with three minor differences in the first two full paragraphs of the rule which further clarified the covered entities, provided examples of how disciplinary matters can be resolved, and clarified that the CRO's delegees would be individuals with responsibility for the adjudication of disciplinary actions and thus included in the rule's definition of ''Adjudicatory Bodies.'' [5] In addition, NYSE Arca referenced summary sanctions in options-related matters governed by Rule 10.13 and appeals of Floor citations and summary sanctions governed by Rule 10.11 as examples of how disciplinary matters can be resolved, both of which are inapplicable to the Exchange.

In order to harmonize with NYSE Arca Rule 10.16 and add clarity and consistency to Rule 601, the Exchange proposes to incorporate the three changes from the NYSE Arca rule, as follows.

First, the Exchange would add ''against ATP Holders, ATP Firms and covered persons as defined in Rule 9120(g)'' following ''To promote consistency and uniformity in the imposition of penalties'' in the first sentence. Second, in the same sentence, the Exchange would add '', including letters of acceptance, waiver and consent,'' following ''appropriate remedial sanctions through the resolution of disciplinary matters.'' The Exchange does not propose to adopt the NYSE Arca-specific references to summary sanctions in options-related matters governed by Rule 10.13 and appeals of Floor citations and summary sanctions governed by Rule 10.11. Third, the Exchange would add ''and his or her delegees'' following CRO in the second paragraph, thus bringing the CRO's delegees within the definition of ''Adjudicatory Bodies'' therein.[6]

As proposed, Rule 601 would be amended as follows (deletions (bracketed) and additions (italicized)):

To promote consistency and uniformity in the imposition of penalties *against ATP Holders, ATP Firms and covered persons as defined in Rule 9120(g),* the following Principal Considerations in Determining Sanctions should be considered in connection with the imposition of sanctions in all cases in determining appropriate remedial sanctions through the resolution of disciplinary matters*, including letters of acceptance, waiver and consent,* [through]offers of settlement, *and* [or after]formal disciplinary hearings.

These Principal Considerations are not intended to be absolute. Based on the facts and circumstances presented in each case, the various individuals with responsibility for the adjudication of disciplinary actions, including the CRO *and his or her delegees,* Hearing Panels, Extended Hearing Panels, Hearing Officers, the Committee for Review, and the Board of Directors (collectively, ''Adjudicatory Bodies''), may consider aggravating and mitigating factors in addition to those listed below.

No other changes are proposed to Rule 601.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,[7] in general, and furthers the objectives of

[4] *See* Securities Exchange Act Release No. 98798 (October 25, 2023), 88 FR 74544 (October 31, 2023) (SR–NYSEAMER–2023–49) (Notice of Filing and Immediate Effectiveness of Proposed Change To Delete Legacy Disciplinary Rules 475, 476, 476A, and 477 and Make Conforming Changes to Rule 41, Rules 8001, 8130(d), 8320(d), 9001, 9216(b)(1), 9810(a), and 781 of the Office Rules, Rules 2A, 12E, 3170(a)(3), 902NY and Adopt a New Rule 600 and Make Conforming Changes to Rules 3170(C)(3), and Adopt a New Rule 601). *See generally* Securities Exchange Act Release No. 43268 (September 11, 2000), Administrative Proceeding File No. 3–10282.

[5] *See* Securities Exchange Act Release No. 100047 (May 2, 2024), 89 FR 38939 (May 8, 2024) (SR–NYSEArca–2024–34). NYSE Arca adopted the original version of Rule 10.16 pursuant to the 2000 Order. *See* Securities Exchange Act Release Nos. 45416 (February 7, 2002), 67 FR 6777 (February 13, 2002) (SR–PCX–2001–23) (Notice); 45567 (March 15, 2002), 67 FR 13392 (March 22, 2002) (SR–PCX–2001–23) (Order).

[6] For the further avoidance of doubt, neither the proposed list of ways that a disciplinary matter can be resolved nor the persons and entities comprising the definition of Adjudicatory Bodies as amended by this filing in Rule 601 are intended to be exhaustive.

[7] 15 U.S.C. 78f(b).

Section 6(b)(5),[8] in particular, because 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.

The Exchange believes that harmonizing its sanction guidelines to incorporate certain clarifying conforming changes based on its affiliate's version of the rule 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 the proposed changes would add clarity and consistency to the Exchange's rules. The Exchange believes that market participants would benefit from the increased clarity, thereby reducing potential confusion and ensuring that persons subject to the Exchange's jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange's rules. Finally, the Exchange believes that the proposed changes would promote fairness and consistency in the marketplace by eliminating differences and harmonizing language related to sanction guidelines for options market participants across affiliates.

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 change is not designed to address any competitive issue but is rather concerned with making conforming clarifying changes to the Exchange rules. Since the proposal does not substantively modify system functionality or processes on the Exchange, the proposed changes will not impose any burden on competition.

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.

[8] 15 U.S.C. 78f(b)(5).

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act[9] and Rule 19b–4(f)(6)[10] thereunder. Because the foregoing 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[11] and Rule 19b–4(f)(6) thereunder.[12]

A proposed rule change filed under Rule 19b–4(f)(6)[13] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),[14] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that it may become operative immediately upon filing to allow the Exchange to make conforming, clarifying changes that harmonize its sanction guidelines with the version adopted by its affiliate. The Commission believes that, as described above, the Exchange's proposal does not raise any new or novel issues. Therefore, the Commission believes that waving the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission designates the proposed rule change to be operative upon filing.[15]

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.

[9] 15 U.S.C. 78s(b)(3)(A).

[10] 17 CFR 240.19b–4(f)(6).

[11] 15 U.S.C. 78s(b)(3)(A).

[12] 17 CFR 240.19b–4(f)(6). 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.

[13] 17 CFR 240.19b–4(f)(6).

[14] 17 CFR 240.19b–4(f)(6)(iii).

[15] For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

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.* Please include file number SR–NYSEAMER–2024–42 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–NYSEAMER–2024–42. 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–NYSEAMER–2024–42 and should be submitted on or before July 30, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[16]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2024–14973 Filed 7–8–24; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–373, OMB Control No. 3235–0422]

Proposed Collection; Comment Request; Extension: Rule 23c–3 and Form N–23c–3

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

Rule 23c–3 (17 CFR 270.23c–3) under the Investment Company Act of 1940 (15 U.S.C. 80a–1 *et seq.*) permits a registered closed-end investment company (''closed-end fund'' or ''fund'') that meets certain requirements to repurchase common stock of which it is the issuer from shareholders at periodic intervals, pursuant to repurchase offers made to all holders of the stock. The rule enables these funds to offer their shareholders a limited ability to resell their shares in a manner that previously was available only to open-end investment company shareholders.

A closed-end fund that relies on rule 23c–3 must send shareholders a notification that contains specified information each time the fund makes a repurchase offer (on a quarterly, semi-annual, or annual basis, or, for certain funds, on a discretionary basis not more often than every two years). The fund also must file copies of the shareholder notification with the Commission (electronically through the Commission's Electronic Data Gathering, Analysis, and Retrieval System (''EDGAR'')) on Form N–23c–3, a filing that provides certain information about the fund and the type of offer the fund is making.[1] The fund must describe in its annual report to shareholders the fund's policy concerning repurchase offers and the results of any repurchase offers made during the reporting period. The fund's board of directors must adopt written procedures designed to ensure that the fund's investment portfolio is sufficiently liquid to meet its repurchase obligations and other obligations under the rule. The board periodically must review the composition of the fund's portfolio and change the liquidity procedures as necessary. The fund also must file copies of advertisements and other sales literature with the Commission as if it were an open-end investment company subject to Section 24 of the Investment Company Act (15 U.S.C. 80a–24) and the rules that implement Section 24. Rule 24b–3 under the Investment Company Act (17 CFR 270.24b–3), however, exempts the fund from that requirement if the materials are filed instead with the Financial Industry Regulatory Authority (''FINRA'').

The requirement that the fund send a notification to shareholders of each offer is intended to ensure that a fund provides material information to shareholders about the terms of each offer. The requirement that copies be sent to the Commission is intended to enable the Commission to monitor the fund's compliance with the notification requirement. The requirement that the shareholder notification be attached to Form N–23c–3 is intended to ensure that the fund provides basic information necessary for the Commission to process the notification and to monitor the fund's use of repurchase offers. The requirement that the fund describe its current policy on repurchase offers and the results of recent offers in the annual shareholder report is intended to provide shareholders current information about the fund's repurchase policies and its recent experience. The requirement that the board approve and review written procedures designed to maintain portfolio liquidity is intended to ensure that the fund has enough cash or liquid securities to meet its repurchase obligations, and that written procedures are available for review by shareholders and examination by the Commission. The requirement that the fund file advertisements and sales literature as if it were an open-end fund is intended to facilitate the review of these materials by the Commission or FINRA to prevent incomplete, inaccurate, or misleading disclosure about the special characteristics of a closed-end fund that makes periodic repurchase offers.

The Commission staff estimates that 860 funds make use of rule 23c–3 annually, including 14 funds that are relying upon rule 23c–3 for the first time. The Commission staff estimates that on average a fund spends 89 hours annually in complying with the requirements of the Rule and Form N–23c–3, with funds relying upon rule 23c–3 for the first time incurring an additional one-time burden of 28 hours. The Commission therefore estimates the total annual hour burden of the rule's and form's paperwork requirements to be 7,512 hours. In addition to the burden hours, the Commission staff estimates that the average yearly cost to each fund that relies on rule 23c–3 to print and mail repurchase offers to shareholders is about $38,003.10. The Commission estimates total annual cost is therefore about $3,040,248.

Estimates of average burden hours and costs are made solely for purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even representative survey or study of the costs of Commission rules and forms. Compliance with the collection of information requirements of the rule and form is mandatory only for those funds that rely on the rule in order to repurchase shares of the fund. The information provided to the Commission on Form N–23c–3 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 to comments and suggestions submitted by September 9, 2024.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information

[16] 17 CFR 200.30–3(a)(12), (59).

[1] Form N–23c–3, entitled ''Notification of Repurchase Offer Pursuant to Rule 23c–3,'' requires the fund to state its registration number, its full name and address, the date of the accompanying shareholder notification, and the type of offer being made (periodic, discretionary, or both).