

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-80677; File No. SR-NYSE-2017-20)

May 15, 2017

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change Amending its Listing Standard for Special Purpose Acquisition Companies to Change Shareholder Vote Requirement for the Approval of a Business Combination

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 May 1, 2017, New York Stock Exchange LLC (“NYSE” or “Exchange”) filed with the Securities and Exchange Commission (“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 its listing standard for Acquisition Companies (“ACs”) to change its shareholder vote requirement for the approval of a Business Combination. 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

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 its listing standard for Acquisition Companies (or "ACs") as set forth in Section 102.06 of the NYSE Listed Company Manual (the "Manual") to change its shareholder vote requirement for the approval of a Business Combination.

An AC (typically known in the marketplace as a special purpose acquisition company or "SPAC") is a special purpose company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more operating businesses or assets with a fair market value equal to at least 80% of the net assets of the AC held in trust (net of amounts disbursed to management for working capital purposes and excluding the amount of any deferred underwriting discount held in trust) (a "Business Combination").

Section 102.06 subjects any AC listed on the NYSE to the following requirements (among others):

- if the AC holds a shareholder vote on a Business Combination, it must be approved by a majority of the votes cast by public shareholders⁴ at the shareholder meeting at which the Business Combination is being considered;

⁴ Shares held by directors, officers, or their immediate families and other concentrated holding of 10 percent or more are excluded in calculating the number of publicly-held shares.

- if a shareholder vote on a Business Combination is held, each public shareholder voting against the Business Combination will have the right to convert its shares of common stock into a pro rata share of the aggregate amount then on deposit in the trust account (net of taxes payable, and amounts disbursed to management for working capital purposes), provided that the Business Combination is approved and consummated;⁵
- if a shareholder vote is not held on a Business Combination for which the company must file and furnish a proxy or information statement subject to Regulation 14A or 14C under the Exchange Act, the company must provide all shareholders with the opportunity to redeem all their shares for cash equal to their pro rata share of the aggregate amount then in the deposit account (net of taxes payable, and amounts disbursed to management for working capital purposes), pursuant to Rule 13e-4 and Regulation 14E under the Exchange Act, which regulates issuer tender offers; and
- the AC will be liquidated if no Business Combination has been consummated within a specified time period not to exceed three years.

The Exchange proposes to amend Section 102.06 by modifying its requirement that a shareholder vote approving a Business Combination be approved by a majority of the votes cast by public shareholders. The proposed amended rule would require approval by a majority of all

⁵ An AC can establish a limit (set no lower than 10% of the shares sold in the AC's IPO) as to the maximum number of shares with respect to which any public shareholder, together with any affiliate of such shareholder or any person with whom such shareholder is acting as a "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) may exercise conversion rights;

votes cast on the proposal, rather than just votes cast by public shareholders. The Exchange notes that the proposed revision to the voting requirements would conform the NYSE's rule to the comparable requirements under the SPAC listing standards of the NASDAQ Stock Market and NYSE MKT.⁶ Harmonizing the Exchange's requirements with those of the other listing markets will enable it to compete more effectively for the listing of ACs. The Exchange believes that the proposed amended rule would be consistent with the protection of investors, as any investor who voted against a proposed Business Combination would continue to have the right to require the company to redeem such investor's shares for cash if the Business Combination was consummated.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Section 6(b)(5)⁸ of the Act, in particular in that it is designed 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 and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed amended rule is consistent with the protection of investors because as any investor [sic] who voted against a proposed Business Combination would continue to have the right to require the company to redeem such investor's shares for

⁶ See NASDAQ IM 5101-2 and Section 119 of the MKT Company Guide.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

cash if the Business Combination was consummated. In addition, the Exchange notes that the proposed revision to the voting requirements would conform the NYSE's rules to the comparable requirements under the SPAC listing standards of the NASDAQ Stock Market and NYSE MKT. Harmonizing the Exchange's requirements with those of the other listing markets will enable it to compete more effectively for the listing of ACs.

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 is designed to harmonize the Exchange's requirements with respect to the listing of ACs with those of the other listing exchanges and will therefore increase competition for the listing of ACs by making the Exchange a more attractive listing venue.

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.

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

Within 45 days of the date of publication of this notice in the Federal Register or up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2017-20 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-2017-20. This file number should be included on the subject line if e-mail 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 (<http://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 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the

Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2017-20 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

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Assistant Secretary

⁹ 17 CFR 200.30-3(a)(12).