

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-101150; File No. SR-NYSE-2024-58)

September 24, 2024

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change to Amend NYSE Rule 7.13

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 September 12, 2024, New York Stock Exchange LLC (“NYSE” or the “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 NYSE Rule 7.13 to remove references to the Chair of the Board. 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 to amend NYSE Rule 7.13 (Trading Suspensions) to remove references to the Chair of the Board of Directors of the Exchange (“Board”).

Under current Rule 7.13,⁴ the Chair of the Board or the chief executive officer of the Exchange (the “CEO”), or the officer designee of the Chair or the CEO, has the power to suspend trading on any and all securities trading on the Exchange whenever in his or her opinion such suspension would be in the public interest. No such action shall continue longer than two days or as soon thereafter as a quorum of Directors can be assembled, unless the Board approves the continuation of such suspension.

The Exchange believes that it is advisable to remove the references to the Chair in Rule 7.13 because the Chair has not acted under Rule 7.13 since the rule was adopted and the Exchange does not anticipate that an independent or non-employee Chair will have sufficient involvement in the day-to-day operations of the Exchange to act under the Rule.

To effectuate the change, the Rule would be amended as follows (proposed deletions bracketed):

The [Chair of the Board or the] CEO, or the officer designee of [the Chair or] the CEO, shall have the power to suspend trading in any and all securities trading on

⁴ The current text of Rule 7.13 was adopted in 2021 to harmonize the Exchange’s rules with those of its affiliates NYSE American LLC, NYSE Arca, Inc., NYSE Chicago, Inc. and NYSE National, Inc. (together, the “Affiliate SROs”). See Securities and Exchange Act Release No. 93309 (October 13, 2021), 86 FR 57862 (October 19, 2021) (SR-NYSE-2021-60) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Its Rules To Add New Rule 7.13). The Affiliate SROs expect to make the change proposed here.

the Exchange whenever in his or her opinion such suspension would be in the public interest.

The requirement that no such action continue longer than two days or as soon thereafter as a quorum of Directors can be assembled, unless the Board approves the continuation of such suspension, would remain. No other changes to Rule 7.13 are proposed.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁵ in general, and furthers the objectives of Section 6(b)(1)⁶ in particular, in that it enables the Exchange to be so organized as to have the capacity to be able to carry out the purposes of the Act and to comply, and to enforce compliance by its exchange members and persons associated with its exchange members, with the provisions of the Act, the rules and regulations thereunder, and the rules of the Exchange. The Exchange also believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁷ in that 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. In addition, the Exchange believes that the proposed rule change is designed to provide fair procedures for the denial of membership to any person seeking Exchange membership, the barring of any person from becoming associated with a member, and the prohibition or limitation by the

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(1).

⁷ 15 U.S.C. 78f(b)(5).

Exchange of any person with respect to access to services offered by the Exchange or a member thereof, consistent with the objectives of Section 6(b)(7)⁸ and Section 6(d)(2)⁹ of the Act.

The proposed amendment would enable the Exchange to continue to be so organized as to have the capacity to carry out the purposes of the Act, thereby furthering the objectives of Section 6(b)(1)¹⁰ of the Act. Amending Rule 7.13 to remove the references to the Chair would contribute to the orderly operation of the Exchange, as it would make Rule 7.13 more accurately reflect current practice, as the Chair has not acted under Rule 7.13 since the rule was adopted. It would also reflect the fact that the Exchange does not anticipate that an independent or non-employee Chair will have sufficient involvement in the day-to-day operations of the Exchange to act under the Rule. At the same time, the Chair would continue to have an oversight role, since the requirement would remain that no suspension of trading continue longer than two days or as soon thereafter as a quorum of Directors can be assembled, unless the Board approves the continuation of such suspension. Given that, the Board—including the Chair—would continue to oversee the length of time any suspension of trading made under the Rule would be in effect.

Because amended Rule 7.13 would more accurately reflect current practice while still giving the Chair an oversight role, the Exchange believes that the proposed change would be beneficial to both investors and the public interest, thereby promoting the maintenance of a fair and orderly market and the protection of investors and the public interest consistent with Section 6(b)(5) of the Act.¹¹ For the same reasons, the Exchange believes that the proposed changes would continue to provide fair procedures for the prohibition or limitation by the Exchange of

⁸ 15 U.S.C. 78f(b)(7).

⁹ 15 U.S.C. 78f(d)(2).

¹⁰ 15 U.S.C. 78f(b)(1).

¹¹ 15 U.S.C. 78f(b)(5).

any person with respect to access to services offered by the Exchange consistent with the objectives of Section 6(b)(7)¹² and Section 6(d)(2)¹³ of the Act.

For these reasons, the Exchange believes that the proposal is consistent with the Act.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes that the proposal will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of Section 6(b)(8) of the Act.¹⁴ The proposed rule change is not intended to address competitive issues but rather is concerned solely with amending Rule 7.13 so that it more accurately reflects current practice.

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 within such longer period 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.

¹² 15 U.S.C. 78f(b)(7).

¹³ 15 U.S.C. 78f(d)(2).

¹⁴ 15 U.S.C. 78f(b)(8).

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-NYSE-2024-58 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-2024-58. 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-2024-58 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

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

Vanessa A. Countryman,

Secretary.

¹⁵ 17 CFR 200.30-3(a)(12).