

The meeting will begin on both days at 12:00 p.m. Eastern Daylight Time (EDT) and is scheduled to adjourn at 5:00 p.m. EDT. Speakers from the DOE Office of Nuclear Energy, and the national laboratories conducting the work for DOE, will present work on a range of studies, including modeling the long-term integrity of the host rock, design of the engineered barrier system (EBS), high-temperature experiments involving the EBS, coupled processes in the EBS, and integration of computer models of the EBS and host rock into the Geologic Disposal Safety Assessment Framework. Speakers from Spain and Switzerland will present information on efforts to understand coupled processes in clay-based barriers and clay-bearing host rocks and efforts to develop a safety case for disposal in a clay-bearing host rock. A detailed meeting agenda will be available on the Board's website at [www.nwtrb.gov](http://www.nwtrb.gov) approximately one week before the meeting.

The meeting will be open to the public and there will be an opportunity for public comment at the end of each day. Those attending the meeting in person and wanting to provide oral comments are encouraged to sign the Public Comment Register at the check-in table near the entrance to the meeting room. Oral commenters will be taken in the order in which they signed in. Public comments can also be submitted during the meeting via the online meeting viewing platform, using the "Comment for the Record" form. Comments submitted online during each day of the meeting will be read into the record by Board staff during the public comment period just prior to adjournment. Depending on the number of speakers and online comments, a time limit on individual remarks may be set. However, written comments of any length may be submitted to the Board staff by mail or electronic mail. All comments received in writing will be included in the meeting record, which will be posted on the Board's website after the meeting. An archived recording of the meeting will be available on the Board's website following the meeting, and a transcript of the meeting will be available on the website by November 14, 2022.

The in-person public meeting will follow the COVID-19 precautions mandated by Arlington County, Virginia. Meeting attendees should observe community guidelines in place at the time of the meeting. The Board will post an update on its website if the meeting changes to a virtual-only meeting. Attendees also are encouraged to pre-register to reduce their time

signing in. If the meeting changes to a virtual-only format, those who pre-registered will be notified of the change.

The Board was established in the Nuclear Waste Policy Amendments Act of 1987 as an independent federal agency in the Executive Branch to evaluate the technical and scientific validity of DOE activities related to the management and disposal of SNF and HLW, and to provide objective expert advice to Congress and the Secretary of Energy on these issues. Board members are experts in their fields and are appointed to the Board by the President from a list of candidates submitted by the National Academy of Sciences. The Board reports its findings, conclusions, and recommendations to Congress and the Secretary of Energy. All Board reports, correspondence, congressional testimony, and meeting transcripts and related materials are posted on the Board's website.

For information on the meeting agenda, contact Bret Leslie at [leslie@nwtrb.gov](mailto:leslie@nwtrb.gov) or Chandrika Manepally at [manepally@nwtrb.gov](mailto:manepally@nwtrb.gov). For information on logistics, to pre-register for the in-person meeting, or to request copies of the meeting agenda or transcript, contact Davonya Barnes at [barnes@nwtrb.gov](mailto:barnes@nwtrb.gov). All three may be reached by mail at 2300 Clarendon Boulevard, Suite 1300, Arlington, VA 22201-3367; by telephone at 703-235-4473; or by fax at 703-235-4495.

Dated: August 15, 2022.

**Daniel G. Ogg,**

*Acting Executive Director, U.S. Nuclear Waste Technical Review Board.*

[FR Doc. 2022-17772 Filed 8-17-22; 8:45 am]

**BILLING CODE 6820-AM-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-95488; File No. PCAOB-2022-001]

### Public Company Accounting Oversight Board; Order Granting Approval of Amendments to Auditing Standards Governing the Planning and Supervision of Audits Involving Other Auditors and Dividing Responsibility for the Audit With Another Accounting Firm

August 12, 2022.

#### I. Introduction

On June 24, 2022, the Public Company Accounting Oversight Board (the "Board" or the "PCAOB") filed with the Securities and Exchange Commission (the "Commission"),

pursuant to Section 107(b)<sup>1</sup> of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and Section 19(b)<sup>2</sup> of the Securities Exchange Act of 1934 (the "Exchange Act"), a proposal to adopt Auditing Standard ("AS") 1206, *Dividing Responsibility for the Audit with Another Accounting Firm* (AS 1206); rescind AS 1205, *Part of the Audit Performed by Other Independent Auditors* (AS 1205), and AI 10, *Part of the Audit Performed by Other Independent Auditors: Auditing Interpretations of AS 1205* (AI 10); and amend several other existing auditing standards, interpretations, rules, and forms (collectively, the "Amendments"). The Amendments were published for comment in the **Federal Register** on July 1, 2022.<sup>3</sup> We received three comment letters in response to the notice.<sup>4</sup> This order approves the Amendments, which we find to be consistent with the requirements of the Sarbanes-Oxley Act and the securities laws and necessary or appropriate in the public interest or for the protection of investors.

#### II. Description of the Amendments

On June 21, 2022, the Board adopted the Amendments.<sup>5</sup> The Amendments would (i) strengthen requirements for audits involving accounting firms and individual accountants other than the accounting firm that issues the auditor's report ("other auditors" and the "lead auditor," respectively), and (ii) update requirements to address relatively uncommon situations in which the lead auditor divides responsibility for the audit with another accounting firm (the "referred-to auditor"). The Amendments are intended to increase and improve the lead auditor's involvement in,

<sup>1</sup> 15 U.S.C. 7217(b).

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

<sup>3</sup> See *Public Company Accounting Oversight Board; Notice of Filing of Proposed Rules on Planning and Supervision of Audits Involving Other Auditors and Dividing Responsibility for the Audit with Another Accounting Firm*, Release No. 34-95159 (June 24, 2022) [87 FR 39680 (July 1, 2022)] (the "Notice of Filing of Proposed Rules"), available at <https://www.sec.gov/rules/pcaob/2022/34-95159.pdf>.

<sup>4</sup> We received comment letters from Deloitte & Touche LLP (July 21, 2022); PricewaterhouseCoopers LLP (July 22, 2022); and KPMG LLP (July 22, 2022). Copies of the comment letters received on the Commission order noticing the Proposed Rules are available on the Commission's website at <https://www.sec.gov/comments/pcaob-2022-01/pcaob202201.htm>.

<sup>5</sup> See *Planning and Supervision of Audits Involving Other Auditors and Dividing Responsibility for the Audit with Another Accounting Firm*, PCAOB Release No. 2022-002 (June 21, 2022) ("PCAOB Adopting Release"), available at [https://pcaob-assets.azureedge.net/pcaob-dev/docs/default-source/rulemaking/docket042/pcaob-other-auditors-adopting-release-6-21-2022.pdf?sfvrsn=c3712668\\_4](https://pcaob-assets.azureedge.net/pcaob-dev/docs/default-source/rulemaking/docket042/pcaob-other-auditors-adopting-release-6-21-2022.pdf?sfvrsn=c3712668_4).

supervision of, and evaluation of the other auditors' work, which will improve communication among auditors and the lead auditor's ability to prevent or detect deficiencies in that work. This should promote investor protection by enhancing the quality of audits involving other auditors. The requirements contained within the Amendments are discussed further below.

#### A. Changes to PCAOB Standards

The Amendments are intended to improve the PCAOB's standards principally by (i) applying a risk-based supervisory approach to the lead auditor's oversight of other auditors whose work the lead auditor assumes responsibility for, and (ii) requiring that the lead auditor perform certain procedures when planning and supervising an audit that involves other auditors. The Amendments take into account recent professional practice developments in the lead auditor's oversight of other auditors' work, including the greater use of communication technology. The Amendments build on existing communication requirements and increase those communication requirements between the lead auditor and other auditor. Whether or not the lead auditor is leveraging technology for those communications, audit documentation supporting the lead auditor's conclusions will need to contain a record that the lead auditor fulfilled its responsibilities under PCAOB standards, including regarding matters such as determinations related to other auditors' work<sup>6</sup> and audit documentation.<sup>7</sup>

In summary, the Amendments:

- Require that the engagement partner<sup>8</sup> determine whether their firm's participation in the audit is sufficient for the firm to carry out the responsibilities of a lead auditor and report as such.<sup>9</sup> The Amendments include considerations for the engagement partner to use in making this determination<sup>10</sup> and require that

the audit's engagement quality reviewer review the determination.<sup>11</sup>

- Require that the lead auditor, when determining the engagement's compliance with independence and ethics requirements, understand the other auditor's knowledge of those requirements and experience in applying them.<sup>12</sup> The lead auditor is required to obtain and review written affirmations regarding the other auditor's policies and procedures related to those requirements and regarding its compliance with the requirements, and a description of certain auditor-client relationships related to independence.<sup>13</sup> In addition, the Amendments require the sharing of information about changes in circumstances and the updating of affirmations and descriptions in light of those changes.<sup>14</sup>

- Require that the lead auditor understand the knowledge, skill, and ability of other auditors' engagement team members who assist the lead auditor with planning and supervision,<sup>15</sup> and obtain a written affirmation from the other auditor that its engagement team members possess the knowledge, skill, and ability to perform assigned tasks.<sup>16</sup>

- Require that the lead auditor supervise other auditors under the Board's standard on audit supervision and inform other auditors about the scope of their work, identified risks of material misstatement, and certain other key matters.<sup>17</sup> The Amendments also require that the lead auditor and other auditors communicate about the audit procedures to be performed, and any changes needed to the procedures.<sup>18</sup> In addition, the lead auditor is required to obtain and review a written affirmation from the other auditor about its performance of work in accordance with the lead auditor's instructions, and to direct other auditors to provide certain documentation about their work.<sup>19</sup>

- Provide that, in multi-tiered audits, a first other auditor may assist the lead auditor in performing certain required procedures with respect to second other auditors.<sup>20</sup>

In addition, this rulemaking rescinds AS 1205 and AI 10 but carries forward

and strengthens certain existing requirements in new AS 1206 that apply to infrequent situations where the lead auditor divides responsibility for a portion of the audit with the referred-to auditor and therefore does not supervise the work performed by that firm. In those situations, the lead auditor refers to the work of that auditor in the audit report.<sup>21</sup>

AS 1206 requires that in these situations the lead auditor determine that audit procedures were performed regarding the consolidation or combination of financial statements of the business units audited by the referred-to auditor into the company's financial statements. The standard also requires that the lead auditor obtain the referred-to auditor's written representation that it is independent and duly licensed to practice, and that the lead auditor disclose in the audit report the magnitude of the portion of the financial statements, and, if applicable, of internal controls audited by the referred-to auditor.

#### B. Applicability and Effective Date

The Amendments would be effective for audits of financial statements for fiscal years ending on or after December 15, 2024. The PCAOB has proposed application of the Amendments to include audits of emerging growth companies ("EGCs"),<sup>22</sup> as discussed in Section IV below, and audits of brokers and dealers under Exchange Act Rule 17a-5.

### III. Comment Letters

The comment period on the Amendments ended on July 22, 2022. We received three comment letters from accounting firms.<sup>23</sup> The commenters generally supported the Amendments and encouraged us to support the PCAOB's plans to monitor implementation, conduct post-implementation review, and monitor advancements in technology that may affect application of the Amendments.<sup>24</sup>

<sup>21</sup> Rule 2-05 of Regulation S-X, 17 CFR 210.2-05, requires that the auditor's report of the referred-to auditor be filed with the SEC. See also AS 1206.08.

<sup>22</sup> The term "emerging growth company" is defined in Section 3(a)(80) of the Exchange Act (15 U.S.C. 78c(a)(80)). See also *Inflation Adjustments and Other Technical Amendments Under Titles I and III of the JOBS Act*, Release No. 33-10332 (Mar. 31, 2017) [82 FR 17545 (Apr. 12, 2017)], available at <https://www.sec.gov/rules/final/2017/33-10332.pdf>.

<sup>23</sup> We received comment letters from Deloitte & Touche LLP (July 21, 2022); PricewaterhouseCoopers LLP (July 22, 2022) ("PWC Letter"); and KPMG LLP (July 22, 2022). Copies of the comment letters are available on the Commission's website at <https://www.sec.gov/comments/pcaob-2022-01/pcaob202201.htm>.

<sup>24</sup> See *id.*

<sup>6</sup> See, e.g., AS 1201, *Supervision of the Audit Engagement*, paragraph .13 (requiring the lead auditor to make certain determinations based on a review of the documentation provided by the other auditor, discussions with the other auditor, and other information obtained by the lead auditor).

<sup>7</sup> See, e.g., AS 1215, *Audit Documentation*, paragraphs .06 and .18, as amended.

<sup>8</sup> The term "engagement partner" means the member of the engagement team with primary responsibility for the audit. See AS 1201, Appendix A, as amended.

<sup>9</sup> See AS 2101, *Audit Planning*, paragraph .06A, as amended.

<sup>10</sup> See *id.*

<sup>11</sup> See AS 1220, *Engagement Quality Review*, paragraph .10a, as amended.

<sup>12</sup> See AS 2101.06Da, as amended.

<sup>13</sup> See AS 2101.06Db, as amended.

<sup>14</sup> See AS 2101.06Dc(1) and .06Dc(2), as amended.

<sup>15</sup> See AS 2101.06Ha, as amended.

<sup>16</sup> See AS 2101.06Hb, as amended.

<sup>17</sup> See AS 1201.08, as amended.

<sup>18</sup> See AS 1201.09 and .10, as amended.

<sup>19</sup> See AS 1201.11 and .12, as amended.

<sup>20</sup> See AS 1201.14, and AS 2101.06E and .06I, as amended.

Additionally, one commenter encouraged the PCAOB to consider the intersection of a firm's system of quality control with the requirements in the PCAOB standards and that questions may arise about compliance with the principles-based requirements, to actively engage with stakeholders to promote an understanding of the Amendments, and to be available for consultation.<sup>25</sup> We agree with the Board that the Amendments are sufficiently principles-based to accommodate a variety of scenarios in practice and to allow the lead auditor to adjust its procedures according to the circumstances of the audit.<sup>26</sup> We acknowledge the importance of monitoring the implementation of the Amendments and the Commission staff works closely with the PCAOB as part of our general oversight mandate.<sup>27</sup> As part of that oversight, Commission staff will keep itself apprised of the PCAOB's activities for monitoring the implementation of the Amendments and update the Commission, as necessary.

The Sarbanes-Oxley Act requires us to determine whether the Amendments are consistent with the requirements of the Sarbanes-Oxley Act and the securities laws or are necessary or appropriate in the public interest or for the protection of investors.<sup>28</sup> In making this determination, we have considered the comments we received, as well as the feedback received and modifications made by the PCAOB throughout its rulemaking process.

#### IV. Effect on Emerging Growth Companies

In the notice of filing of the Amendments, the Board recommended that the Commission determine that the Amendments apply to audits of EGCs.<sup>29</sup> Section 103(a)(3)(C) of the Sarbanes-Oxley Act, as amended by Section 104

of the Jumpstart Our Business Startups Act of 2012, requires that any rules of the Board requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer (auditor discussion and analysis) shall not apply to an audit of an EGC. The provisions of the Amendments do not fall into these categories.<sup>30</sup>

Section 103(a)(3)(C) further provides that "[a]ny additional rules" adopted by the PCAOB after April 5, 2012 do not apply to audits of EGCs "unless the Commission determines that the application of such additional requirements is necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation." The Amendments fall within this category. Having considered those statutory factors, we find that applying the Amendments to the audits of EGCs is necessary or appropriate in the public interest.

With respect to the Commission's determination of whether the Amendments will apply to audits of EGCs, the PCAOB provided data and analysis of EGCs identified by the Board's staff from public sources that sets forth its views as to why the Amendments should apply to audits of EGCs. Analysis of Form AP filings in 2021 suggests that, when compared to issuer audits overall, audits of EGCs are less likely to involve the use of other firms and, even when they do, they typically involve fewer other firms and those other firms account for a smaller share of total audit hours.<sup>31</sup> Thus, because the use of other firms is less prevalent in audits of EGCs than in audits of non-EGCs, audits of EGCs generally are less likely than those of non-EGCs to be affected by the

amendments.<sup>32</sup> EGCs are also likely to be newer companies, which may increase the importance to investors of the external audit to enhance the credibility of management disclosures.<sup>33</sup> Investors in newer companies may require a larger risk premium that increases the cost of capital for those companies. Therefore, the improved audit quality resulting from applying the Amendments to EGC audits could reduce the cost of capital to those EGCs.<sup>34</sup> When considering these and other factors addressed in the PCAOB's analysis, the benefits of the higher audit quality resulting from the amendment may be greater for EGCs than for non-EGCs.

In addition, the Board sought public input on the application of the Amendments to the audits of EGCs. Commenters on the Board's proposal generally supported applying the Amendments to audits of EGCs, citing benefits to the users of EGC financial statements and the importance of consistent audit requirements for all audits. In the Board's filing of the Amendments, the Board expressed the view that the benefits of the higher audit quality resulting from the amendments may be larger for EGCs than for non-EGCs and that, overall, the Amendments are expected to enhance audit quality and contribute to an increase in the credibility of financial reporting by EGCs.

We agree with the Board's analysis and note that the potential increase in audit quality from the Amendments would strengthen investor protection and increase informational efficiency of the capital markets, thus enhancing capital formation. Additionally, improvements in the quality of the audit may also increase price efficiency by providing investors with more accurate information. Price efficiency helps investors make more informed investment decisions facilitative issuers', including EGCs', access to capital thus enhancing capital formation. With respect to competition, we note that due to the additional supervisory requirements, smaller firms may be less able to compete with larger firms in the audit market for audit involving other auditors. However, Form AP data shows that smaller firms perform relatively fewer audits that involve other accounting firms, and, as noted above, that audits of EGCs are less likely to involve the use of other firms. Therefore, any impact on competition in

<sup>25</sup> See PWC Letter available at <https://www.sec.gov/comments/pcaob-2022-01/pcaob202201-20134692-305861.pdf>.

<sup>26</sup> See, e.g., PCAOB Adopting Release, at A4–22, A4–28.

<sup>27</sup> See Section 107 of the Sarbanes-Oxley Act.

<sup>28</sup> See Section 107(b)(3) of the Sarbanes-Oxley Act. The Sarbanes-Oxley Act also specifies that the provisions of Section 19(b) of the Exchange Act shall govern the proposed rules of the Board. See Section 107(b)(4) of the Sarbanes-Oxley Act. Section 19 of the Exchange Act covers the registration, responsibilities, and oversight of self-regulatory organizations. Under the procedures prescribed by the Sarbanes-Oxley Act and Section 19(b)(2) of the Exchange Act, the Commission must either approve or disapprove, or institute proceedings to determine whether the proposed rules of the Board should be disapproved; and these procedures do not expressly permit the Commission to amend or supplement the proposed rules of the Board.

<sup>29</sup> See the Notice of Filing of Proposed Rules, *supra* note 3, at 191.

<sup>30</sup> While the precise scope of this category of rules under Section 103(a)(3)(C) is not entirely clear, we do not interpret this statutory language as precluding the application of Board rules requiring inclusion of additional factual information about referred-to auditors and the scope of their work in connection with the audits of EGCs. In our view, this approach reflects an appropriate interpretation of the statutory language and is consistent with our understanding of the Congressional purpose underlying this provision.

<sup>31</sup> For example, only 14 percent of audits of EGCs involved other firms compared to 27 percent of issuer audit overall; in audits involving other firms, EGC audits involve two or more other firms in about 35 percent of audits compared to about 61 percent in audits of issuers overall; and other accounting firms perform 10 percent or more of the audit hours in about 40 percent of audits of EGCs compared to about 52 percent of audits of issues overall. See PCAOB Adopting Release, at 54, Figure 6.

<sup>32</sup> See PCAOB Adopting Release, at 54.

<sup>33</sup> See PCAOB Adopting Release, at 55, footnote 115.

<sup>34</sup> See PCAOB Adopting Release, at 55.

the overall audit market and for audits of EGCs is likely to be relatively small. As such, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation, we believe there is a sufficient basis to determine that applying the Amendments to the audits of EGCs is necessary or appropriate in the public interest.

## V. Conclusion

The Commission has carefully reviewed and considered the Amendments, the information submitted therewith by the PCAOB, and the comment letters received. In connection with the PCAOB's filing and the Commission's review,

A. The Commission finds that the Amendments are consistent with the requirements of the Sarbanes-Oxley Act and the securities laws and are necessary or appropriate in the public interest or for the protection of investors; and

B. Separately, the Commission finds that the application of the Amendments to the audits of EGCs is necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation.

*It is therefore ordered*, pursuant to Section 107 of the Sarbanes-Oxley Act and Section 19(b)(2) of the Exchange Act, that the Amendments (File No. PCAOB-2022-002) be and hereby are approved.

By the Commission.

**J. Matthew DeLesDernier,**  
Deputy Secretary.

[FR Doc. 2022-17723 Filed 8-17-22; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-95499; File No. SR-NYSEAMER-2022-35]

### Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Delete Current Rule 7.39E

August 12, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 5, 2022, 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 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 delete current Rule 7.39E governing Off-Hours Trading. 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 delete current Rule 7.39E governing Off-Hours Trading.

In 2017, in connection with the transition to the Pillar trading platform, the Exchange adopted Rule 7.39E in order to maintain certain functionality in its Off-Hours Trading Facility.<sup>3</sup>

<sup>3</sup> See Securities Exchange Act Release No. 80590 (May 4, 2017), 82 FR 21843, 21847 (May 10, 2017) (SR-NYSEMKT-2017-01) (Order Granting Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1, To Adopt New Equity Trading Rules To Transition Trading on the Exchange From a Floor-Based Market With a Parity Allocation Model to a Fully Automated Market With a Price-Time Priority Model on the Exchange's New Trading Technology Platform, Pillar). Prior to that time, Rules 900—Equities through 907—Equities governed off-hours trading activity on the Exchange. Rules 900—Equities through 907—Equities were designated as inapplicable to trading on the Pillar trading platform and later deleted. See Securities Exchange Act Release No. 82212 (December 4, 2017), 82 FR 58036 (December 8, 2017) (SR-NYSEAMER-2017-34) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Exchange Rules To Delete

Currently, the Exchange offers an Off-Hours Trading Facility pursuant to Rule 7.39E that only accepts aggregate-price coupled orders.

NYSE American recently determined to cease offering an after-hours crossing session and decommission the Off-Hours Trading Facility. In connection with the decommissioning of the Off-Hours Trading Facility, the Exchange proposes to delete Rule 7.39E in its entirety. The Exchange notes that its affiliate New York Stock Exchange LLC ("NYSE") has filed to adopt a new Rule 7.39 governing its off-hours trading facility based on Rule 7.39E that would permit NYSE member organizations to enter aggregate-price coupled orders for securities, including UTP securities, listed and traded on NYSE.<sup>4</sup>

The Exchange will announce the implementation date by Trader Update. The Exchange anticipates that the proposed change will be implemented on September 1, 2022.

###### 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,<sup>5</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>6</sup> 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.

Specifically, the Exchange believes that deleting Rule 7.39E concomitantly with the decommissioning of the Off-Hours Trading Facility would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system by deleting obsolete rules, thereby adding clarity, transparency and consistency to the Exchange's rulebook. By making the proposed change, the Exchange would ensure that its rules are consistent with

Obsolete Cash Equities Rules That Are Not Applicable to Trading on the Pillar Trading Platform and To Delete Other Obsolete Rules).

<sup>4</sup> See SR-NYSE-2022-37. The NYSE's proposed rule filing would permit NYSE member organizations to enter aggregate-price coupled orders, defined as orders to buy or sell a group of securities that have a total market value of \$1 million or more and that are comprised of 15 or more securities listed or traded on the NYSE, which would include UTP securities.

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

<sup>6</sup> 15 U.S.C. 78f(b)(5).

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

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