

clarity and remove superfluous provisions. Accordingly, the Exchange does not believe that these changes will have any impact on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

Written comments were neither solicited nor received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) <sup>27</sup> of the Act.

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 shall institute proceedings under Section 19(b)(2)(B) <sup>28</sup> of the Act to determine whether the proposed rule change should be approved or 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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-IEX-2021-05 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 No. SR-IEX-2021-05. 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 (<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 the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-IEX-2021-05, and should be submitted on or before April 26, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority. <sup>29</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2021-06886 Filed 4-2-21; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-91442; File No. SR-NYSE-2020-105]**

**Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Amendment No. 1 and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To Revise Rules 46 and 46A and Other Related Rules To Permit the Appointment of Trading Officials**

March 30, 2021.

**I. Introduction**

On December 15, 2020, New York Stock Exchange LLC ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act

of 1934 ("Exchange Act") <sup>1</sup> and Rule 19b-4 thereunder, <sup>2</sup> a proposed rule change to amend NYSE Rules 46 and 46A, and other related rules, to permit the appointment of Trading Officials.

The proposed rule change was published for comment in the **Federal Register** on December 30, 2020. <sup>3</sup> On February 9, 2021, the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change until March 30, 2021. <sup>4</sup> On March 25, 2021, the Exchange submitted Amendment No. 1 to the proposed rule change. <sup>5</sup> The Commission has received no comments on the proposed rule change.

The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons and is instituting proceedings under Section 19(b)(2)(B) of the Exchange Act <sup>6</sup> to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.

**II. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange proposes revisions to Rules 46 and 46A to permit the appointment of Trading Officials and to make conforming changes to certain Exchange rules related to Floor Official duties and responsibilities. This Amendment No. 1 to SR-NYSE-2020-105 replaces and supersedes the original filing in its entirety. 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.

**III. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange proposes revisions to Rules 46 and 46A to permit the appointment of Trading Officials and to make conforming changes to certain Exchange rules related to Floor Official duties and responsibilities. This Amendment No. 1 to SR-NYSE-2020-

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

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

<sup>3</sup> See Securities Exchange Act Release No. 90776 (Dec. 22, 2020), 85 FR 86625 (Dec. 30, 2020) ("Notice").

<sup>4</sup> See Securities Exchange Act Release No. 91084 (Feb. 9, 2021), 86 FR 9545 (Feb. 16, 2021).

<sup>5</sup> See <https://www.sec.gov/comments/sr-nyse-2020-105/srnyse2020105-8545367-230641.pdf>.

<sup>6</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>27</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>28</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>29</sup> 17 CFR 200.30-3(a)(12).

105 replaces and supersedes the original filing in its entirety. 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.

#### IV. 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 revisions to Rules 46 and 46A to permit the appointment of Trading Officials and to make conforming changes to certain Exchange rules related to Floor Official duties and responsibilities.

###### Background

Rule 46 (Floor Officials—Appointment) and Rule 46A (Executive Floor Governors) currently set forth the process for the Exchange to appoint active NYSE members<sup>7</sup> as Floor Officials. In addition, Rule 46 permits the Exchange to appoint qualified ICE employees to act as Floor Governors, a more senior type of Floor Official.<sup>8</sup>

The role of the Floor Official evolved out of the self-regulatory scheme of the Securities Exchange Act of 1934, as amended (the "Act").<sup>9</sup> Floor Officials are delegated authority from the Exchange's Board of Directors (the "Board") to supervise and regulate

active openings and unusual situations that arise in connection with the making of bids, offers or transactions on the Trading Floor,<sup>10</sup> and to review and approve certain trading actions. A number of Exchange Rules specify involvement in the marketplace by Floor Officials, senior-level Floor Officials (*i.e.*, Floor Governors, Executive Floor Officials, Senior Floor Officials and Executive Floor Governors), or both.

Exchange members appointed as Floor Officials serve in a volunteer capacity in addition to their regular obligations as either brokers or Designated Market Makers ("DMM"). In 2008, the Exchange amended Rule 46 to permit qualified ICE employees to be appointed as Floor Governors ("Staff Governors").<sup>11</sup> Staff Governors are not regulatory employees and do not report to the Chief Regulatory Officer ("CRO"). In fact, under Rule 46.10, regulatory employees are ineligible to be appointed as Staff Governors.<sup>12</sup> In light of this, and the Staff Governors' role in supervising trading operations of the Exchange, Staff Governors appointed by the Board pursuant to Rule 46 report to the Head of Equities or that person's designee.

At the same time, as a result of the evolution of the equities markets away from manual executions and manual enforcement of rules toward an electronic market that automates executions and in many cases hard codes the rule requirements into the execution logic, many of the trading procedures and situations originally requiring Floor Official involvement have been automated; in other cases, Floor Official approval has become *pro forma* rather than substantive.<sup>13</sup> More recently, the Exchange introduced Regulatory Trading Officials ("RTOs") to perform the functions performed by Floor Officials regarding whether a bid or offer is eligible for inclusion in the

Closing Auction by the DMM.<sup>14</sup> As described below, the Exchange has now determined to delegate the remaining duties and responsibilities of Floor Officials to the proposed Trading Officials.

###### Proposed Rule Change

The Exchange proposes to eliminate member and non-member employee Floor Officials and transition the duties and responsibilities of Floor Officials to newly created Trading Officials, who would be Exchange employees appointed by the NYSE CEO or his or her designee. The Exchange anticipates that the current Staff Governors, who are not regulatory employees and report to the Head of Equities, would be appointed as Trading Officials and would retain the same reporting structure. The Exchange believes that retaining the Staff Governors' current reporting structure when they are appointed Trading Officials is appropriate given that Trading Officials will continue to have the same role in supervising trading on the Exchange and that, as proposed, Trading Officials will not have any regulatory role or responsibility. As discussed below, Trading Officials will not be involved in determinations to reallocate securities under Rules 103.10 and 103B(G).

As proposed, Trading Officials would be the only persons authorized to perform the delegated functions under the Exchange rules on the Floor that member Floor Officials and Staff Governors currently perform. The various seniority-based gradations of Floor Official (Floor Officials, Senior Floor Officials, Executive Floor Officials, Floor Governors and Executive Floor Governors) also would be eliminated. As a practical matter, the current Staff Governors would become the new Trading Officials. Active Exchange members would not be eligible for appointment as Trading Officials.

Under current Rules 46 and 46A, Floor Officials are appointed by the Board and re-appointed annually. Floor Officials must also complete a mandatory education program and pass a qualifications exam. These requirements were developed for

<sup>10</sup> The term "Trading Floor" is defined in Rule 6A to mean the restricted-access physical areas designated by the Exchange for the trading of securities, commonly known as the "Main Room" and the "Buttonwood Room."

<sup>11</sup> See Securities Exchange Act Release No. 57627 (April 4, 2008), 73 FR 19919 (April 11, 2008) (SR-NYSE-2008-19) ("Release No. 57627").

<sup>12</sup> The prohibition was designed to avoid potential conflicts of interest insofar as the process for qualifying Floor Officials, including Floor Governors, was performed by regulatory employees. See Securities Exchange Act Release No. 34-57627 (April 4, 2008), 73 FR 19919 (April 11, 2008) (SR-NYSE-2007-2).

<sup>13</sup> See, e.g., Securities Exchange Act Release No. 75695 (August 13, 2015), 80 FR 50365 (August 19, 2015) (SR-NYSE-2015-33) (deletion of Rule 79A.20 requiring prior Floor Official approval for certain DMM dealer trades more than one or two dollars away from the last sale as moot).

<sup>14</sup> See Securities Exchange Act Release No. 88765 (April 29, 2020), 85 FR 26771 (May 5, 2020) (SR-NYSE-2020-03). The Exchange has filed a separate proposed rule change to make permanent that Floor Broker Interest would not be eligible to participate in the Closing Auction and in that filing, has also proposed to delete Rule 46B because RTOs would no longer have a role under Exchange rules. See Securities Exchange Act Release No. 90495 (November 24, 2020), 85 FR 77304 (December 1, 2020) (SR-NYSE-2020-95) (Notice) ("NYSE Close Proposal").

<sup>7</sup> Rule 2(a) states that the term "member," when referring to a natural person, means a natural person associated with a member organization who has been approved by the Exchange and designated by such member organization to effect transactions on the Exchange Trading Floor or any facility thereof. See also note 7, *infra*.

<sup>8</sup> The title "Floor Official" includes a broad category of titles that include, in order of increasing seniority, Floor Officials, Senior Floor Officials, Executive Floor Officials, Floor Governors and Executive Floor Governors. See Rules 46 and 46A (defining Floor Official, Floor Governor, Executive Floor Official, Senior Floor Official and Executive Floor Governors).

<sup>9</sup> See 15 U.S.C. 78f.

member Floor Officials, and the Exchange does not propose to retain them for Trading Officials. Like the current Staff Governors, Exchange staff would be appointed as Trading Officials based on experience and necessary business and rule knowledge that would enable them to participate in and supervise various trading situations on the Floor. Once appointed, Trading Officials would be trained and supervised by the Exchange in the same manner as the current Staff Governors.

In order to effectuate the proposed changes, the Exchange proposes to delete current Rules 46 and 46A in their entirety and define a Trading Official in new Rule 46 as an Exchange staff person designated by the CEO of the Exchange or his or her designee to perform those functions specified in Exchange rules.

In addition, the Exchange proposes certain technical and conforming changes to replace references to Floor Officials, Senior Floor Officials, Executive Floor Officials, Floor Governors and/or Executive Floor Governors with Trading Official in the following rules:

- Rule 7.35A (DMM-Facilitated Core Open and Trading Halt Auctions) sets forth the responsibility of DMMs to ensure that registered securities open as close to the beginning of Core Trading Hours as possible or reopen at the end of the halt or pause.

- Subsection (a)(4) provides for Floor Official participation in the opening and reopening process to provide an impartial professional assessment of unusual situations, as well as to provide guidance with respect to pricing when a significant disparity in supply and demand exists. The rule also contemplates DMMs consultations with Floor Officials under certain specific circumstances. References to Floor Official in Rule 7.35A(a)(4) and (a)(5) would be replaced with Trading Official.

- Rule 7.35A(d) governs pre-opening indications. Subsection (d)(4) describes the procedures for publishing pre-opening indications and specifies when publication of a pre-opening indication requires supervision and approval of a Floor Governor. References to Floor Governor in Rule 7.35A(d)(4)(A) and (F)(i) would be replaced with Trading Official.

- Rule 7.35B (DMM-Facilitated Closing Auctions) describes the responsibility of each DMM to ensure that registered securities close as soon after the end of Core Trading Hours as possible.

- Rule 7.35B(a)(1)(C) provides that electronically-entered Floor Broker Interest cannot be reduced in size or

replaced except that DMMs can accept a full cancellation of electronically-entered Floor Broker Interest to correct a Legitimate Error subject to Floor Official approval. Floor Official would be replaced with Trading Official in Rule 7.35B(a)(1).<sup>15</sup>

- Rule 7.35B(d) governs closing imbalances. Subsection (d)(1)(A) describes the circumstances when a DMM may disseminate a Regulatory Closing Imbalance with prior Floor Official approval. Subsection (d)(2) provides that DMMs may disseminate a Manual Closing Imbalance only with prior Floor Official approval beginning one hour before the scheduled end of Core Trading Hours up to the Closing Auction Imbalance Freeze Time. In both subsections, references to Floor Official would be replaced with Trading Official.

- Rule 7.35B(j) governs temporary rule suspensions. Subsection (j)(3) provides that a determination to declare a temporary suspension as well as any entry or cancellation of orders or closing of a security under subsection (j)(2) must be supervised and approved by an Executive Floor Governor and supervised by an Exchange Officer. The Exchange proposes that supervision and approval of these determinations must be supervised and approved by a Trading Official.

- Rule 18(d) (Compensation in Relation to Exchange System Failure) sets forth the process for member organizations to seek reimbursement for losses resulting from system failures. Subsection (d) establishes a Compensation Review Panel consisting of three Floor Governors and three Exchange employees to determine the eligibility of a claim for payment. Since the proposed elimination of Floor Governors would leave Exchange employees as the sole members of the Compensation Review Panel, the Exchange proposes to eliminate the Compensation Review Panel. The proposed rule would accordingly provide that the Exchange will perform will review claims submitted pursuant to the rule and determine eligibility of a claim for payment.

- Rule 37 (Visitors) provides that visitors shall not be admitted to the Floor except by permission of Exchange officer, a Senior Floor Official, Executive Floor Official, a Floor Governor, or an Executive Floor Governor. The Exchange proposes that admission of visitors to the Floor be by permission of the Exchange.

- As noted, the text of Rules 46 and 46A would be deleted. The heading of Rule 46 would be changed to “Trading Officials.”

- Under current Rule 47 (Floor Officials—Unusual Situations), Floor Officials have the power to supervise and regulate active openings and unusual situations that may arise in connection with the making of bids, offers or transactions on the Floor. References to Floor Official would be changed to Trading Officials and the heading would be changed to “Unusual Situations on the Floor.” Current Rule 49 would become new Rule 48.

- Rule 75 (Disputes as to Bids and Offers) mandates that disputes arising on bids or offers that are not settled by agreement between the interested members shall be settled by a Floor Official. The Exchange proposes that disputes arising on bids or offers be settled by a Trading Official and would amend the rule text and Supplementary Material .10 accordingly. The rule currently provides that, if both parties to a dispute involving either a monetary difference of \$10,000 or more or a questioned trade, the matter may be referred for resolution to a panel of three Floor Governors, Senior Floor Officials, or Executive Floor Officials, or any combination thereof (“3 Floor Official Panel”), whose decision shall be binding on the parties. As an alternative to the 3 Floor Official Panel, members may proceed to resolve a dispute through long-standing arbitration procedures established under the Exchange’s rules. The Exchange proposes to eliminate the 3 Floor Official Panel. Disputes involving either a monetary difference of \$10,000 or more or a questioned trade would thus be resolved exclusively through arbitration.

Rule 75 codifies a form of expedited arbitration to timely resolve disputes between Floor-based members regarding verbal bids and offers. The Exchange believes that having a Trading Official initially resolve certain types of minor Floor disputes would continue to efficiently resolve those disputes. However, the Exchange does not believe that a panel of Exchange employees should be providing binding decisions in significant disputes between members (i.e., where the dispute involves a monetary difference of \$10,000 or more or a questioned trade), which would put the Exchange in the position of adjudicating significant competing claims among members. Rule 75 contemplates a process for members to resolve disputes, and especially significant disputes, amongst themselves, not for Exchange employees

<sup>15</sup> The Exchange has separately proposed to delete Rule 7.35B(a)(1)(C). *See id.*

to arbitrate those disputes on the Trading Floor. For these reasons, the Exchange proposes that matters involving a dispute involving either a monetary difference of \$10,000 or more or a questioned trade proceed to arbitration.

- Rule 91.50 (Taking or Supplying Securities Named in Order) provides that if there is a continued pattern of rejection of a DMM's principal transactions, a Floor Official may be called upon and require the broker to review his actions. Floor Official would be changed to Trading Official in Rule 91.50.

- Rule 93(b) (Trading for Joint Account) provides that no member while on the Floor shall initiate the purchase or sale on the Exchange of a stock for any account in which the member, the member's member organization or any other member or allied member therein is directly or indirectly interested with any person other than such member organization or any other member or allied member therein, without the prior approval of a Floor Official. The reference to Floor Official would be changed to Trading Official.

- Rule 103.10 (Registration and Capital Requirements of DMMs and DMM Units) governs the temporary reallocation of securities and provides that the CRO or his or her designee and two non-DMM Executive Floor Governors or, if only one or no non-DMM Executive Floor Governors is present on the Floor, the most senior non-DMM Floor Governor or Governors based on length of consecutive service as a Floor Governor at the time of any action covered by this rule, acting by a majority, shall have the power to reallocate temporarily any security on an emergency basis whenever such reallocation would be in the public interest. The Exchange proposes that only the CRO or his or her designee would have the power to reallocate temporarily any security on an emergency basis. The rule reflects the current process whereby determinations to temporarily reallocate securities in the public interest are determined by the CRO and the most senior and experienced members of the Floor community. In the absence of such senior Floor member representatives, the Exchange believes that determinations involving the public interest should be made exclusively by the CRO. Given that reallocating securities in the public interest largely raise regulatory concerns, the Exchange believes that such determinations are best left to regulatory staff without the involvement of Trading Officials.

- Rule 103A (Member Education) provides for the Exchange to develop procedures and standards for qualification and performance of members active on the Floor of the Exchange. The rule currently exempts Executive Floor Governors from the requirement to complete educational modules, which the Exchange proposes to eliminate. The Exchange also proposes the non-substantive change of deleting the superfluous "(I)" at the beginning of the rule.

- Rule 103B(G) (Security Allocation and Reallocation) describes the allocation freeze policy and provides that, following allocation probation, a second six month period will begin during which a DMM unit may apply for new listings, provided that the unit demonstrates relevant efforts taken to resolve the circumstances that triggered the allocation prohibition. Currently, the determination as to whether a unit may apply for new listings is made by Exchange regulatory staff in consultation with the Executive Floor Governors, the most senior and experienced Floor Officials. The Exchange proposes that regulatory staff continue to make these determinations under the rule in the absence of Executive Floor Governors. The Exchange is not proposing that Regulatory staff consult with Trading Officials because Regulatory staff do not need the input or involvement of business side staff to make these determinations.

- Rule 104 (Dealings and Responsibilities of DMMs) governs dealings and responsibilities of DMMs. Subsection (i) provides for temporary DMMs and permits a Floor Governor to authorize a member of the Exchange who is not registered as a DMM in such stock or stocks, to act as a temporary DMM under specific circumstances. The Exchange proposes that Trading Officials would perform this function under the amended rule.

- Rule 112(a)(i) (Orders initiated "Off the Floor") provides that all orders in stocks for the account of a member organization or any member, principal executive, approved person, officer, or employee of such organization or a discretionary account serviced by the member or member organization must be sent to the Floor through a clearing firm's order room or other facilities regularly used for transmission of public customers' orders to the Floor, except for orders, among others, when a Floor Official expressly invites a member or members to participate in a difficult market situation. The Exchange would replace Trading Official for Floor Official in Rule 112(a)(i).

- Rule 124(e) (Midday Auction) provides that, when there is a significant imbalance in a Midday Auction Stock at the end of the Midday Auction Pause, the Midday Auction Pause may be converted to an order imbalance halt with the approval of a Floor Governor or two Floor Officials. The Exchange proposes that the approval would be given by a Trading Official.

- Rule 128B (Publication of Changes, Corrections, Cancellations or Omissions and Verification of Transactions) governs changes and corrections to the Consolidated Tape.

- Rule 128B.10 (Publication on the tape or in the "sales sheet") provides that publication of a change or a correction in a transaction which previously appeared on the tape may be made on the tape on the day of the transaction provided that both buying and selling members or member organizations agree to the change in the transaction(s) and receive approval from a Floor Governor, Executive Floor Official, Senior Floor Official or Executive Floor Governor. In the event such publication is not made on the tape on the day of the transaction, it may be published on the tape at least ten minutes prior to the opening of business on the following business day or in the sales sheet within three business days of the transaction with the approval of both the buying and selling members and a Floor Official, provided the price of the transaction does not affect the high, low, opening or closing price of the security on the day of the transaction. The Exchange proposes that Trading Officials provide the approvals required under Rule 128B.10.

- Rule 128B.13 (Other errors) provides that a correction in the amount of a transaction reported erroneously to the tape by a party to the transaction, may be published on the tape on the day of the transaction, on the tape at least ten minutes prior to the opening on the following business day, or on the "sales sheet" within three business days of the transaction with the approval of a Floor Governor, Executive Floor Official, Senior Floor Official or Executive Floor Governor. The Exchange proposes that Trading Officials provide the approvals required under Rule 128B.13.

- Rule 308(g) (Acceptability Proceedings) provides that any person whose application has been disapproved by an Acceptability Committee, or any member of the Board, any member of the Committee for Review ("CFR"), any Executive Floor Governor, and the Division of the Exchange initiating the proceedings may

require a review by the Board of any determination of an Acceptability Committee. The Exchange proposes to delete Executive Floor Governors from the rule. The Exchange believes that the proposed change would not affect the procedural safeguards of the call for review process since there would still be interested parties that could call a matter for Board review. Specifically, directors and members of the CFR, including the person whose application was disapproved, would continue to be able to call disapproved membership applications for review, thereby ensuring the independence, integrity and fairness of the membership process. The Exchange does not believe that Trading Officials, who are not members and have no role in the member application process, should not have the ability to call matters involving membership applications for review.

- Rule 903(d)(ii) (Off-Hours Transactions) provides that a closing price order to buy (sell) a security for the account of the DMM registered in such security and approved by a Floor Official, coupled with a closing price order to sell (buy) to offset all or part of a market-on-close imbalance in the stock prior to the close, shall be executed upon entry. The Exchange proposes that a Trading Official would provide the required approval under the rule.

- Rule 906 (Impact of Trading Halts on Off-Hours Trading) provides that a closing price order to buy (sell) a security for the account of the DMM registered in such security and approved by a Floor Official coupled with a closing price order to sell (buy) to offset all or part of any market-on-close imbalance in the stock prior to the close, shall not be so canceled or precluded from entry as result of corporate developments during the Off-Hours Trading Session. The Exchange proposes that a Trading Official would provide the required approval under the rule.

- Finally, NYSE Listed Company Manual Section 202.04 (Exchange Market Surveillance) provides that a listed issue may be placed under special initial margin and capital requirements, which indicates a determination by the Exchange's Floor Officials that the market in the issue has assumed a speculative tenor and has become volatile due to the influence of credit, which, if ignored, may lead to unfair and disorderly trading. The reference to Floor Officials would be updated to Trading Officials.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,<sup>16</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>17</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.

In particular, the Exchange believes that creating a new category of Trading Official to replace member Floor Officials would promote just and equitable principles of trade and remove impediments to a free and open market by streamlining and modernizing the role of a Trading Official on the Floor. The volunteer member Floor Official is a self-regulatory vestige developed for manual trading. As noted, the Exchange introduced Staff Governors several years ago to address the shortfall in experienced members following the consolidation of trading space on the Exchange.<sup>18</sup> More recently, RTOs were introduced to perform certain functions performed by Floor Officials in connection with the Closing Auction.<sup>19</sup> The proposed rule change would complete the evolution of member Floor Officials to Trading Officials that are Exchange-trained and supervised staff, which is similar to how trading officials function on the options markets run by the Exchange's affiliates.<sup>20</sup> By replacing the variety and hierarchy of Floor Officials based on seniority with a single Trading Official appointed by the NYSE CEO, the Exchange would significantly simplify the appointment and retention of individuals with responsibility under the Exchange's rules to supervise and review trading on the Floor. Further, the proposal would contribute to the protection of investors and the public interest by ensuring that qualified Exchange staff continue to perform the formal roles prescribed by Exchange rules and provide a level of oversight to the marketplace on a day-to-day basis, thereby contributing to the

maintenance of a fair and orderly marketplace on the Exchange. The Exchange believes that the substantive operation of those rules where the current Floor Official role would not be assumed by a Trading Official would remain unaffected, thereby contributing to the protection of investors and the public interest. As described above, claims under Rule 18(d) would continue to be validated and reviewed by Exchange employees; retention of the current Compensation Review Panel is unnecessary given that elimination of Floor Officials, which would leave the panels composed solely of Exchange employees. Similarly, disputes between members under Rule 75 involving a monetary difference of \$10,000 or more or a questioned trade would continue to be afforded an expedited resolution; as noted, the Exchange believes that potentially significant disputes are more appropriate for resolution by traditional arbitration rather than an expedited process involving a panel of Exchange employees. Further, the primarily regulatory determinations under Rules 103.10 and 103B(G) would continue to be made by regulatory staff; the Exchange does not believe that consultation with a Trading Official is either necessary or appropriate in situations involving temporarily reallocation of securities. Similarly, the procedural safeguards of the call for review process in Rule 308(g) would not be affected by elimination of Executive Floor Governors because directors and members of the CFR, including persons whose application are disapproved, would continue to be able to call disapproved membership applications for Board review under the rule, thereby preserving the safeguard of Board review of disputed disapprovals.

Finally, the Exchange believes that the conforming and technical changes 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 non-substantive changes would add clarity, transparency 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.

<sup>16</sup> 15 U.S.C. 78f(b).

<sup>17</sup> 15 U.S.C. 78f(b)(5).

<sup>18</sup> See Release No. 57627, 73 FR at 19920.

<sup>19</sup> As noted above, the Exchange has separately proposed to delete Rule 46B because RTOs would no longer have a role under Exchange rules. See NYSE Close Proposal, *supra* note 10.

<sup>20</sup> See NYSE American LLC ("NYSE American") Rule 900.2NY(82) and NYSE Arca, Inc. ("NYSE Arca") Rule 6.1–O(b)(34).

### *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 not intended to address competitive issues but is rather concerned with transferring Floor Official duties and responsibilities under Exchange rules to staff Trading Officials. The Exchange believes the proposed rule changes would streamline and modernize the role of the trading official on the Floor, thereby contributing to the maintenance of a fair and orderly marketplace on the Exchange to the benefit of all members and member organizations and the investing public. Moreover, since the proposal does not substantively modify system functionality or processes on the Exchange, the proposed changes will not impose any burden on competition.

### **III. Proceedings To Determine Whether To Approve or Disapprove SR-NYSE-2020-105 and Grounds for Disapproval Under Consideration**

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act<sup>21</sup> to determine whether the proposed rule change should be approved or disapproved. Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as stated below, the Commission seeks and encourages interested persons to provide comments on the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Exchange Act,<sup>22</sup> the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of the proposed rule change's consistency with Sections 6(b)(3) and 6(b)(5) of the Exchange Act.<sup>23</sup> Section 6(b)(3) of the Exchange Act requires, among other things, that the rules of an exchange assure a fair representation of its members in the administration of its affairs.<sup>24</sup> Section 6(b)(5) of the Exchange Act requires that the rules of an exchange be 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 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.<sup>25</sup> Section 6(b)(5) of the Exchange Act also requires that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.<sup>26</sup>

### **V. Procedure: Request for Written Comments**

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposal is consistent with Sections 6(b)(5) of the Exchange Act, any other provision of the Exchange Act, or any other rule or regulation under the Exchange Act. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any request for an opportunity to make an oral presentation.<sup>27</sup>

Interested persons are invited to submit written data, views, and arguments regarding whether the proposal should be approved or disapproved by April 26, 2021. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by May 10, 2021. The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, in addition to any other comments they may wish to submit about the proposed rule change. The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, in addition to any other comments they may wish to submit about the proposed rule change. In

particular, the Commission seeks comment on the following:

1. Under this proposed rule change, Floor Officials would be eliminated and their duties would be assumed by Trading Officials. Further, while current Floor Officials may be employees of member firms or of the Exchange, all Trading Officials would be Exchange employees. Do commenters have any concerns regarding the inability of employees of member firms to serve as Trading Officials? What are commenters' views on whether the proposed rule change raises issues related to fair representation of member firms in the administration of the Exchange's affairs? What are commenters' views on whether permitting only Exchange employees to be Trading Officials would create or alter conflicts of interest, if any, faced by Trading Officials in performing their duties?

2. Currently, Floor Officials who are member employees must complete educational programs prescribed by the Exchange, including mandatory continuing education programs. Do commenters believe that specified mandatory training should be required of Trading Officials under the proposal? Do commenters believe that employees of member firms may have relevant experience or knowledge that is important for performing the duties of a Trading Official?

3. Do commenters have any views on any other aspect of the Exchange's proposal?

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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2020-105 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-2020-105. 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule

<sup>21</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>22</sup> *Id.*

<sup>23</sup> 15 U.S.C. 78f(b)(3) and (b)(5).

<sup>24</sup> 15 U.S.C. 78f(b)(3).

<sup>25</sup> 15 U.S.C. 78f(b)(5).

<sup>26</sup> *Id.*

<sup>27</sup> Rule 700(c)(2) of the Commission's Rules of Practice provides that "[t]he Commission, in its sole discretion, may determine whether any issues relevant to approval or disapproval would be facilitated by the opportunity for an oral presentation of views." 17 CFR 201.700(c)(2).

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 these filings also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2020-105 and should be submitted on or before April 26, 2021. Rebuttal comments should be submitted by May 10, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>28</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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**BILLING CODE 8011-01-P**

## SMALL BUSINESS ADMINISTRATION

### Reporting and Recordkeeping Requirements Under OMB Review

**AGENCY:** Small Business Administration.

**ACTION:** 30-Day notice.

**SUMMARY:** The Small Business Administration (SBA) is seeking approval from the Office of Management and Budget (OMB) for the information collection described below. In accordance with the Paperwork Reduction Act and OMB procedures, SBA is publishing this notice to allow all interested member of the public an additional 30 days to provide comments on the proposed collection of information.

**DATES:** Submit comments on or before May 5, 2021.

**ADDRESSES:** Written comments and recommendations for this information collection request should be sent within 30 days of publication of this notice to [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain). Find this particular information

collection request by selecting "Small Business Administration"; "Currently Under Review," then select the "Only Show ICR for Public Comment" checkbox. This information collection can be identified by title and/or OMB Control Number.

**FOR FURTHER INFORMATION CONTACT:** You may obtain a copy of the information collection and supporting documents from the Agency Clearance Office at [Curtis.Rich@sba.gov](mailto:Curtis.Rich@sba.gov); (202) 205-7030, or from [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain).

**SUPPLEMENTARY INFORMATION:** For SBA financial assistance programs, SBA Form 413 Personal Financial Statement (PFS) collects information regarding the assets and liabilities of certain owners, officers and guarantors of the small business applicant benefiting from such assistance and is used when analyzing the applicant's repayment abilities or creditworthiness. SBA's Surety Bond Guaranty Program uses the Form 413 PFS information during the claim recovery process. The information is also collected from applicants and participants in SBA's 8(a)/BD and Women-Owned Small Business (WOSB) Program certification process to determine whether they meet the economic disadvantage requirements of the program.

SBA currently has four versions of the Form 413 PFS. The Agency plans to consolidate and streamline these into one Form 413 which will be used across the various program offices. SBA plans to expand and clarify the instructions for the Form 413 to ensure the public will be aware of the specific submission process for each program office. Lastly, the Form 413 may undergo significant formatting changes to make it easier to address mandatory Federal government 508 accessibility compliance.

### Solicitation of Public Comments

Comments may be submitted on (a) whether the collection of information is necessary for the agency to properly perform its functions; (b) whether the burden estimates are accurate; (c) whether there are ways to minimize the burden, including through the use of automated techniques or other forms of information technology; and (d) whether there are ways to enhance the quality, utility, and clarity of the information.

**OMB Control Number:** 3245-0188.

**Title:** Personal Financial Statement.

**SBA Form Number:** SBA Forms 413 7(a)/504/SBG, 413 Disaster, 413 8(a) and 413 WOSB.

**Description of Respondents:** 7(a) and 504 loan Program applicants, Surety Bond Program recovery claimants,

Disaster Loan Program applicants excluding sole proprietors and individuals, 8(a)/BD and WOSB Program applicants.

**Estimated Annual Responses:** 371,108.

**Estimated Annual Hour Burden:** 391,812.

**Curtis Rich,**

*Management Analyst.*

[FR Doc. 2021-06895 Filed 4-2-21; 8:45 am]

**BILLING CODE 8026-03-P**

## SOCIAL SECURITY ADMINISTRATION

[Docket No: SSA-2020-0012]

### Agency Information Collection Activities: Comment Request

The Social Security Administration (SSA) publishes a list of information collection packages requiring clearance by the Office of Management and Budget (OMB) in compliance with Public Law 104-13, the Paperwork Reduction Act of 1995, effective October 1, 1995. This notice includes a revision of an OMB-approved information collection.

SSA is soliciting comments on the accuracy of the agency's burden estimate; the need for the information; its practical utility; ways to enhance its quality, utility, and clarity; and ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology. Mail, email, or fax your comments and recommendations on the information collection(s) to the OMB Desk Officer and SSA Reports Clearance Officer at the following addresses or fax numbers. (OMB) Office of Management and Budget, Attn: Desk Officer for SSA,

Fax: 202-395-6974, Email address: [OIRA\\_Submission@omb.eop.gov](mailto:OIRA_Submission@omb.eop.gov) (SSA) Social Security Administration, OLCA, Attn: Reports Clearance Director, 3100 West High Rise, 6401 Security Blvd., Baltimore, MD 21235, Fax: 410-966-2830, Email address: [OR.Reports.Clearance@ssa.gov](mailto:OR.Reports.Clearance@ssa.gov)

Or you may submit your comments online through [www.regulations.gov](http://www.regulations.gov), referencing Docket ID Number [SSA-2020-0012].

SSA submitted the information collection below to OMB for clearance. Your comments regarding this information collection would be most useful if OMB and SSA receive them 30 days from the date of this publication. To be sure we consider your comments, we must receive them no later than May 5, 2021.

<sup>28</sup> 17 CFR 200.30-3(a)(57).