

general, to protect investors and the public interest.

The proposal to update Exchange Rule 2613(a) to reflect that the Exchange will utilize MEMX's direct feeds in place of market data from the CQS/UQDF on MIAAX Pearl Equities will continue to provide market participants with insight and transparency into which data feeds the Exchange utilizes when performing order handling, order execution, routing, and related compliance processes for equity securities. The Exchange's proposal to utilize MEMX's direct feeds promotes just and equitable principles of trade because it will allow the Exchange to receive market data directly from MEMX, thereby potentially enhancing the performance of its order handling, order execution, routing, and related compliance processes for equity securities. The proposed rule changes also remove impediments to and perfects the mechanism of a free and open market and protects investors and the public interest because it will continue to ensure that Exchange Rule 2613(a) accurately reflects the Exchange's sources of market data it utilizes for each other equities exchange and the Financial Industry Regulatory Authority, Inc.'s Alternative Display Facility.

#### *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. To the contrary, the Exchange believes the proposal would enhance competition by enhancing transparency and enabling market participants to better assess the quality of MIAAX Pearl Equities' execution and routing services by continuing to provide market participants with insight and transparency into which data feeds the Exchange utilizes when performing order handling, order execution, routing, and related compliance processes for equity securities. The Exchange also believes the proposal would enhance competition because it will potentially enhance the performance of its order handling and execution of orders in equity securities by receiving market data directly from MEMX. Lastly, the proposed rule change will not impact competition between market participants because it will affect all market participants equally.

#### *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**

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act<sup>5</sup> and Rule 19b-4(f)(6)<sup>6</sup> thereunder.

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 to determine whether the proposed rule 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 Number SR-PEARL-2022-27 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-PEARL-2022-27. This file

<sup>5</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>6</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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 Number SR-PEARL-2022-27 and should be submitted on or before August 12, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

[FR Doc. 2022-15662 Filed 7-21-22; 8:45 am]

BILLING CODE 8011-01-P

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-95303; File No. SR-NYSEArca-2022-42]

### **Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend the Current Pilot Program Related to Rule 7.10-E (Clearly Erroneous Executions)**

July 18, 2022.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934

<sup>7</sup> 17 CFR 200.30-3(a)(12).

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

(“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on July 13, 2022, NYSE Arca, Inc. (“NYSE Arca” 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 extend the current pilot program related to Rule 7.10-E (Clearly Erroneous Executions) to the close of business on October 20, 2022. 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 Statutory Basis for, the Proposed Rule Change**

##### **1. Purpose**

The purpose of the proposed rule change is to extend the current pilot program related to Rule 7.10-E (Clearly Erroneous Executions) to the close of business on October 20, 2022. The pilot program is currently due to expire on July 20, 2022.

On September 10, 2010, the Commission approved, on a pilot basis, changes to Rule 7.10-E that, among other things: (i) provided for uniform treatment of clearly erroneous execution reviews in multi-stock events involving twenty or more securities; and (ii) reduced the ability of the Exchange to deviate from the objective standards set

forth in the rule.<sup>4</sup> In 2013, the Exchange adopted a provision designed to address the operation of the Plan.<sup>5</sup> Finally, in 2014, the Exchange adopted two additional provisions providing that: (i) a series of transactions in a particular security on one or more trading days may be viewed as one event if all such transactions were effected based on the same fundamentally incorrect or grossly misinterpreted issuance information resulting in a severe valuation error for all such transactions; and (ii) in the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of an Exchange, another SRO, or responsible single plan processor in connection with the transmittal or receipt of a trading halt, an Officer, acting on his or her own motion, shall nullify any transaction that occurs after a trading halt has been declared by the primary listing market for a security and before such trading halt has officially ended according to the primary listing market.<sup>6</sup>

These changes were originally scheduled to operate for a pilot period to coincide with the pilot period for the Plan to Address Extraordinary Market Volatility (the “Limit Up-Limit Down Plan” or “LULD Plan”),<sup>7</sup> including any extensions to the pilot period for the LULD Plan.<sup>8</sup> In April 2019, the Commission approved an amendment to the LULD Plan for it to operate on a permanent, rather than pilot, basis.<sup>9</sup> In light of that change, the Exchange amended Rule 7.10-E to untie the pilot program’s effectiveness from that of the LULD Plan and to extend the pilot’s effectiveness to the close of business on October 18, 2019.<sup>10</sup> The Exchange later amended Rule 7.10-E to extend the pilot’s effectiveness to the close of business on April 20, 2020,<sup>11</sup> October

20, 2020,<sup>12</sup> April 20, 2021,<sup>13</sup> October 20, 2021,<sup>14</sup> April 20, 2022,<sup>15</sup> and July 20, 2022.<sup>16</sup>

The Exchange now proposes to amend Rule 7.10-E to extend the pilot’s effectiveness for a further three months until the close of business on October 20, 2022 while the Commission considers a proposal to make the pilot program permanent that has been filed by Cboe BZX.<sup>17</sup> If the pilot period is not either extended, replaced or approved as permanent, the prior versions of paragraphs (c), (e)(2), (f), and (g) shall be in effect, and the provisions of paragraphs (i) through (k) shall be null and void.<sup>18</sup> In such an event, the remaining sections of Rule 7.10-E would continue to apply to all transactions executed on the Exchange. The Exchange understands that the other national securities exchanges and Financial Industry Regulatory Authority (“FINRA”) will also file similar proposals to extend their respective clearly erroneous execution pilot programs, the substance of which are identical to Rule 7.10-E.

The Exchange does not propose any additional changes to Rule 7.10-E. Extending the effectiveness of Rule 7.10-E for an additional three months will provide the Exchange and other self-regulatory organizations additional time to consider whether further amendments to the clearly erroneous execution rules are appropriate.

##### **2. Statutory Basis**

The Exchange believes the proposed rule change is consistent with the requirements of Section 6(b) of the Act,<sup>19</sup> in general, and Section 6(b)(5) of the Act,<sup>20</sup> in particular, in that it is designed to remove impediments to and perfect the mechanism of a free and open market and a national market system, to promote just and equitable principles of trade, and, in general, to

<sup>4</sup> See Securities Exchange Act Release No. 62886 (Sept. 10, 2010), 75 FR 56613 (Sept. 16, 2010) (SR-NYSEArca-2010-58).

<sup>5</sup> See Securities Exchange Act Release No. 68809 (Feb. 1, 2013), 78 FR 9081 (Feb. 7, 2013) (SR-NYSEArca-2013-12).

<sup>6</sup> See Securities Exchange Act Release No. 72434 (June 19, 2014), 79 FR 36110 (June 25, 2014) (SR-NYSEArca-2014-48).

<sup>7</sup> See Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012) (the “Limit Up-Limit Down Release”).

<sup>8</sup> See Securities Exchange Act Release No. 71807 (March 26, 2014), 79 FR 18087 (March 31, 2014) (SR-NYSEArca-2014-32).

<sup>9</sup> See Securities Exchange Act Release No. 85623 (April 11, 2019), 84 FR 16086 (April 17, 2019) (approving Eighteenth Amendment to LULD Plan).

<sup>10</sup> See Securities Exchange Act Release No. 85532 (April 5, 2019), 84 FR 14708 (April 11, 2019) (SR-NYSEArca-2019-21).

<sup>11</sup> See Securities Exchange Act Release No. 87355 (October 18, 2019), 84 FR 57094 (October 24, 2019) (SR-NYSEArca-2019-75).

<sup>12</sup> See Securities Exchange Act Release No. 88590 (April 8, 2020), 85 FR 20791 (April 14, 2020) (SR-NYSEArca-2020-25).

<sup>13</sup> See Securities Exchange Act Release No. 90155 (October 13, 2020), 85 FR 66386 (October 19, 2020) (SR-NYSEArca-2020-88).

<sup>14</sup> See Securities Exchange Act Release No. 91551 (April 14, 2021), 86 FR 20562 (April 20, 2021) (SR-NYSEArca-2021-22).

<sup>15</sup> See Securities Exchange Act Release No. 93357 (October 15, 2021), 86 FR 58326 (October 21, 2021) (SR-NYSEArca-2021-87).

<sup>16</sup> See Securities Exchange Act Release No. 94640 (April 7, 2022), 87 FR 22002 (April 13, 2022) (SR-NYSEArca-2022-21).

<sup>17</sup> See SR-CboeBZX-2022-37 (July 8, 2022).

<sup>18</sup> See *supra* notes 4–6. The prior versions of paragraphs (c), (e)(2), (f), and (g) generally provided greater discretion to the Exchange with respect to breaking erroneous trades.

<sup>19</sup> 15 U.S.C. 78f(b).

<sup>20</sup> 15 U.S.C. 78f(b)(5).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

protect investors and the public interest and not to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes that the proposed rule change promotes just and equitable principles of trade in that it promotes transparency and uniformity across markets concerning review of transactions as clearly erroneous. The Exchange believes that extending the clearly erroneous execution pilot under Rule 7.10–E for an additional three months would help assure that the determination of whether a clearly erroneous trade has occurred will be based on clear and objective criteria, and that the resolution of the incident will occur promptly through a transparent process. The proposed rule change would also help assure consistent results in handling erroneous trades across the U.S. equities markets, thus furthering fair and orderly markets, the protection of investors and the public interest. Based on the foregoing, the Exchange believes the amended clearly erroneous executions rule should continue to be in effect on a pilot basis while the Exchange and other self-regulatory organizations consider whether further amendments to these rules are appropriate.

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

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposal would ensure the continued, uninterrupted operation of harmonized clearly erroneous execution rules across the U.S. equities markets while the Exchange and other self-regulatory organizations consider whether further amendments to these rules are appropriate. The Exchange understands that the other national securities exchanges and FINRA will also file similar proposals to extend their respective clearly erroneous execution pilot programs. Thus, the proposed rule change will help to ensure consistency across market centers without implicating any competitive issues.

#### *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**

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>21</sup> and Rule 19b–4(f)(6) thereunder.<sup>22</sup> Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>23</sup> and subparagraph (f)(6) of Rule 19b–4 thereunder.<sup>24</sup>

A proposed rule change filed under Rule 19b–4(f)(6)<sup>25</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),<sup>26</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange asked that the Commission waive the 30 day operative delay so that the proposal may become operative immediately upon filing. Waiver of the 30-day operative delay would extend the protections provided by the current pilot program, without any changes, while a permanent proposal for clearly erroneous execution reviews is being considered.<sup>27</sup> For this reason, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.<sup>28</sup>

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

<sup>21</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>22</sup> 17 CFR 240.19b–4(f)(6).

<sup>23</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>24</sup> 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

<sup>25</sup> 17 CFR 240.19b–4(f)(6).

<sup>26</sup> 17 CFR 240.19b–4(f)(6)(iii).

<sup>27</sup> See SR–CboeBZX–2022–37 (July 8, 2022).

<sup>28</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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 Number SR–NYSEArca–2022–42 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–NYSEArca–2022–42. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. 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–NYSEArca–2022–42 and should be submitted on or before August 12, 2022.

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

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

[FR Doc. 2022–15660 Filed 7–21–22; 8:45 am]

BILLING CODE 8011–01–P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–95312; File No. SR–NYSE–2022–14]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To Modify Certain Pricing Limitations for Securities Listed on the Exchange Pursuant to a Primary Direct Floor Listing

July 18, 2022.

#### I. Introduction

On April 7, 2022, New York Stock Exchange LLC (“NYSE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “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 modify certain pricing limitations for securities listed on the Exchange pursuant to a direct listing with a primary offering in which the company will sell shares itself in the opening auction on the first day of trading on the Exchange. The proposed rule change was published for comment in the **Federal Register** on April 19, 2022.<sup>3</sup> On May 26, 2022, pursuant to Section 19(b)(2) of the Exchange Act,<sup>4</sup> the Commission designated a longer period within which to either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>5</sup> The Commission has received one comment on the proposal.<sup>6</sup> This order

institutes proceedings under Section 19(b)(2)(B) of the Exchange Act <sup>7</sup> to determine whether to approve or disapprove the proposed rule change.

#### II. Description of the Proposal

Section 102.01B, Footnote (E) of the of the Listed Company Manual (the “Manual”) provides that, in certain cases, a company that has not previously had its common equity securities registered under the Exchange Act may wish to list its common equity securities on the Exchange at the time of effectiveness of a registration statement <sup>8</sup> pursuant to which the company will sell shares itself on the first day of trading on the Exchange in addition to, or instead of, facilitating sales by selling shareholders (any such listing in which either (i) only the company itself is selling shares in the opening auction on the first day of trading or (ii) the company is selling shares and selling shareholders may also sell shares in such opening auction, is referred to as a “Primary Direct Floor Listing”).<sup>9</sup> In the Exchange’s prior approved proposal to initially allow for a Primary Direct Floor Listing, the Exchange also adopted Rule 7.31(c)(1)(D) defining an Issuer Direct Offering Order (“IDO Order”) <sup>10</sup> for use by a company that wishes to sell its shares through a Primary Direct Floor Listing. In addition, the Exchange modified Rule 7.35A to describe how the IDO Order would participate in a Direct Listing Auction, establish additional requirements for a

20125830-286149.htm. The comments expressed by the commenter are not relevant to the proposed rule change.

<sup>1</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>2</sup> The reference to a registration statement refers to a registration statement effective under the Securities Act of 1933 (“Securities Act”).

<sup>3</sup> See Section 102.01B, Footnote (E) of the Manual. See also Securities Exchange Act Release No. 90768 (December 22, 2020), 85 FR 85807 (December 29, 2020) (SR–NYSE–2019–67) (Order Setting Aside Action by Delegated Authority and Approving a Proposed Rule Change, as Modified by Amendment No. 2, to Amend Chapter One of the Listed Company Manual to Modify the Provisions Relating to Direct Listings) (“Approval Order”).

<sup>4</sup> An IDO Order is a Limit Order to sell that is to be traded only in a Direct Listing Auction. See Rule 7.31(c)(1)(D). See also Rule 7.31(a)(2) for the definition of “Limit Order,” Rule 7.35(a)(1) for the definition of “Auction,” and Rule 7.35(a)(1)(E) for the definition of “Direct Listing Auction.” The IDO Order has the following requirements: (i) only one IDO Order may be entered on behalf of the issuer and only by one member organization; (ii) the limit price of the IDO Order must be equal to the lowest price of the price range established by the issuer in its effective registration statement; (iii) the IDO Order must be for the quantity of shares offered by the issuer, as disclosed in the prospectus in the effective registration statement; (iv) an IDO Order may not be cancelled or modified; and (v) an IDO Order must be executed in full in the Direct Listing Auction. See Rule 7.31(c)(1)(D)(i)–(v).

Designated Market Maker (“DMM”) when conducting a Direct Listing Auction for a Primary Direct Floor Listing, and specify how the Indication Reference Price would be determined for a security to be opened in a Direct Listing.<sup>11</sup> The Exchange states that currently, under Rule 7.35A(g)(2), the DMM will not conduct a Direct Listing Auction for a Primary Direct Floor Listing if (i) the Auction Price <sup>12</sup> would be outside of the price range specified by the company in its effective registration statement (the “Price Range Limitation”) <sup>13</sup> and (ii) there is insufficient interest to satisfy both the IDO Order and all better-priced sell orders in full.<sup>14</sup>

The Exchange has proposed to modify the Price Range Limitation to provide that a Direct Listing Auction for a Primary Direct Floor Listing may be conducted if the Auction Price is outside of the price range established by the company in its effective registration statement (the Issuer Price Range) but is either (i) at or above the price that is 20% below the lowest price or at or below the price that is 20% above the highest price of the Issuer Price Range <sup>15</sup> or (ii) above the price that is 20% above the highest price of the Issuer Price Range.<sup>16</sup> The Exchange states that, under its proposal, a Direct Listing Auction for a Primary Direct Floor Listing could proceed in these circumstances provided that the issuer has certified to the Exchange and publicly disclosed that: (i) it does not expect that the Auction Price would materially change the issuer’s previous disclosure in its effective registration

<sup>11</sup> See Notice, *supra* note 3, 87 FR at 23300. See Rule 7.35A(d)(2)(A)(v) for a description about how the “Indication Reference Price” is determined for a security that is a Primary Direct Floor Listing.

<sup>12</sup> “Auction Price” means the price at which an Auction is conducted. See Rule 7.35(a)(6).

<sup>13</sup> The Exchange states that references in this rule filing to the price range established by the issuer in its effective registration statement are to the price range disclosed in the prospectus in such registration statement. See Notice, *supra* note 3, 87 FR at 23300 n.6. Currently, the Exchange defines the price range established by the issuer in its effective registration statement as the “Primary Direct Floor Listing Auction Price Range.” See Rule 7.31(c)(1)(D)(ii). As discussed further below, the Exchange proposes to redefine the price range established by the issuer in its effective registration statement as the “Issuer Price Range.” See proposed Rule 7.31(c)(1)(D)(ii). Throughout this order, we also refer to this “Issuer Price Range” as the “disclosed price range.”

<sup>14</sup> See Notice, *supra* note 3, 87 FR at 23300.

<sup>15</sup> As discussed further below, the Exchange proposes to redefine the “Primary Direct Floor Listing Auction Price Range” as the price range that includes 20% below the lowest price and 20% above the highest price of the Issuer Price Range. See proposed Rule 7.31(c)(1)(D)(ii).

<sup>16</sup> See Notice, *supra* note 3, 87 FR at 23300. See also proposed Rule 7.35A(g)(2)(B).

<sup>29</sup> 17 CFR 200.30–3(a)(12).

<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. 94708 (April 13, 2022), 87 FR 23300 (April 19, 2022) (“Notice”).

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> See Securities Exchange Act Release No. 94991 (May 26, 2022), 87 FR 33518 (June 2, 2022). The Commission designated July 18, 2022, as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

<sup>6</sup> See Letter from Andrew Robison, dated April 22, 2022, available at <https://www.sec.gov/comments/sr-nyse-2022-14/srnyse202214->