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For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>58</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–99692; File No. SR–CboeBZX–2024–019]

### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Modify the Company Listing Fees as Provided Under Exchange Rule 14.13

March 7, 2024.

Pursuant to section 19(b)(1) <sup>1</sup> of the Securities Exchange Act of 1934 (“Act”) and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on February 22, 2024, Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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

Cboe BZX Exchange, Inc. (“BZX” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission” or “SEC”) a proposed rule change to modify the Company Listing Fees as provided under Exchange Rule 14.13. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website ([http://markets.cboe.com/us/equities/regulation/rule\\_filings/BZX/](http://markets.cboe.com/us/equities/regulation/rule_filings/BZX/)), at the Exchange’s Office of the Secretary, 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 Exchange 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 these 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 aspects of such statements.

##### A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange proposes to modify the Company Listing Fees under Rule 14.13 to provide for an application fee, entry fee, and annual fee specifically applicable to acquisition companies, as described in Rule 14.2(b) (an “Acquisition Company”). The Exchange also proposes to adopt new fees applicable to a Company that lists additional shares of an existing class of security already listed on the Exchange or an additional class of security, as further described below, (collectively referred to as “Additional Listings”).<sup>3</sup>

Acquisition Companies may be listed as Tier I or Tier II securities on the Exchange, provided that they meet the applicable listing requirements of the applicable tier and the additional requirements set forth in Rule 14.2(b). Currently, Acquisition Companies, among other issuers that are not otherwise identified in Rule 14.13,<sup>4</sup> are subject to the application fee, entry fee, and annual fee as provided under Rule 14.13(b)(1), (2), and (3), respectively, and are assessed the fee based on their listing as a Tier I or Tier II security.<sup>5</sup>

<sup>3</sup> The Exchange initially filed the proposed fee change on January 23, 2024 (SR–CboeBZX–2024–009). On February 5, 2024, the Exchange withdrew that filing and submitted another proposal (SR–CboeBZX–2024–014). On February 9, 2024, the Exchange withdrew SR–CboeBZX–2024–014 and submitted another proposal (SR–CboeBZX–2024–015). On February 22, 2024, the Exchange withdrew SR–CboeBZX–2024–015 and submitted this proposal (SR–CboeBZX–2024–019).

<sup>4</sup> For example, the entry fees and annual fees for ETPs are cited under Rule 14.13(b)(2)(E) and 14.3(b)(3)(D), respectively. There is no application fee for ETPs listed on the Exchange.

<sup>5</sup> For Tier I securities listed on the Exchange, the application fee is \$25,000, unless the Company is at any point during the Exchange’s review of the application simultaneously engaged in the application process to list on another national securities exchange, in which case the application fee will be \$50,000 (Rule 14.13(b)(1)); the entry fee

Now, the Exchange proposes to adopt new fees specifically applicable to Acquisition Companies listed as either Tier I or Tier II securities on the Exchange. Such fee would be the same regardless of whether the Acquisition Company is listed as a Tier I or Tier II security.

First, the Exchange proposes to modify the application fees. The Exchange first proposes to re-letter the existing application fee to Rule 14.13(b)(1)(A) with no substantive change, except as described below. Currently, Acquisition Companies are subject to the application fee of \$25,000 or \$50,000, as applicable for Tier I or Tier II securities, as provided in Rule 14.13(b)(1). The Exchange proposes to adopt Rule 14.13(b)(1)(B), which would provide that an Acquisition Company, under Rule 14.2(b), shall pay to the Exchange a modified application fee of \$5,000 regardless of the Tier under which the Acquisition Company lists on the Exchange. The application fee will be \$5,000, which must be submitted with the Company’s application. If the Company does not list within 12 months of submitting its application, it will be assessed an additional non-refundable \$5,000 application fee each 12 months thereafter to keep its application open.

When a Company that lists a substantial period of time after it first submitted its application, the Exchange must complete additional reviews of the application prior to the listing. These additional reviews are substantially equivalent to the review for a newly applying company and include, for example, additional reviews of individuals associated with the company, staff monitoring of disclosures and public filings by the applicant while its application is pending, and often extensive discussions with the applicant. To offset the costs associated with the ongoing monitoring and additional reviews for companies whose application remains open for an extended period, the Exchange proposes to require that an applicant that does not list within 12 months of submitting its application pay an additional \$5,000 application fee each subsequent 12-month period. The

is \$100,00 less the application fee (Rule 14.13(b)(2)(A)); and the annual fee is \$35,000 (Rule 14.13(b)(3)(A)). For a Tier II securities listed on the Exchange, the application fee is \$25,000, unless the Company is at any point during the Exchange’s review of the application simultaneously engaged in the application process to list on another national securities exchange, in which case the application fee will be \$50,000 (Rule 14.13(b)(1)); the entry fee is \$50,00 less the application fee (Rule 14.13(b)(2)(B)); and the annual fee is \$20,000 (Rule 14.13(b)(3)(B)).

<sup>58</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.

Exchange believes that the proposed additional application fee may result in companies closing unrealistic applications rather than maintaining such applications indefinitely.

Like the proposed application fee, the proposed additional application fee for applications open greater than 12 months would be credited towards the entry fee payable upon listing if the application remains open until such listing.<sup>6</sup> Thus, under the newly adopted fees for an Acquisition Company that ultimately lists on the Exchange, there would be no difference in the overall fee paid if the application was open greater than 12 months.<sup>7</sup> If a company does not timely pay the additional application fee, its application will be closed and it will be required to submit a new application, and pay a new application fee, if it subsequently reapplies.<sup>8</sup>

The Exchange proposes to adopt Rule 14.13(b)(1)(C), which would provide that the fees described in this Rule 14.13(b)(1)(A) and (B) shall not be applicable to Additional Listings, as described in proposed Rule 14.13(b)(2)(D) and further below. Thus, Additional Listings would not be assessed an application fee.

The Exchange also proposes to modify the entry fees. Currently, Acquisition Companies are subject to an entry fee of \$50,000 or \$100,000 (less the application fee), as applicable for Tier I or Tier II securities, as provided in Rules 14.13(b)(2)(A) and (B). Now, the Exchange proposes to adopt an entry fee specifically applicable to Acquisition Companies under proposed Rule 14.13(b)(2)(C). Proposed Rule 14.13(b)(2)(C) would state that a Company that receives conditional approval to list an Acquisition Company as a Tier I or Tier II security shall pay to the Exchange a fee of \$60,000 less the application fee, which covers both the primary equity securities and also warrants and rights, if any. This fee will be assessed on the date the Exchange provides conditional approval. The proposed fee would result in an increased fee of \$10,000 for Acquisition Companies that currently list as Tier II securities on the Exchange, and decrease by \$40,000 for Acquisition Companies that currently list as Tier I securities on the Exchange.

A Company listed as an Acquisition Company under Rule 14.2(b) (until the Company has satisfied the condition in

Rule 14.2(b)(2)<sup>9</sup> that lists an additional class of equity securities (not otherwise identified in this Rule 14.13)) is not subject to entry fees under this Rule, but is charged a non-refundable \$5,000 initial application fee as described in Rule 14.13(a)(1)(B). While the Exchange believes it is unlikely to occur, Acquisition Companies that choose to list additional shares of an existing class of security already listed on the Exchange would be subject to the Additional Listings fee of \$10,000 as provided in proposed Exchange Rule 14.13(2)(D). The proposed fee entry fee for Acquisition Companies under Rule 14.13(b)(2)(C) would be subject to the provisions of existing Rule 14.13(b)(2)(D),<sup>10</sup> (F),<sup>11</sup> and (G)<sup>12</sup> in the same manner as all Tier I and Tier II securities listed on the Exchange.

The Exchange also proposes to adopt an entry fee, applicable to all Tier I and Tier II securities listed on the Exchange not otherwise identified in Rule 14.13, for Additional Listings under proposed Rule 14.13(b)(2)(D).<sup>13</sup> Specifically, a Company that lists additional shares of an existing class of security already listed on the Exchange or an additional

<sup>9</sup> Rule 14.2(b)(2) states: Within 36 months of the effectiveness of its initial public offering registration statement, or such shorter period that the company specifies in its registration statement, the Company must complete one or more business combinations having an aggregate fair market value of at least 80% of the value of the deposit account (excluding any deferred underwriters fees and taxes payable on the income earned on the deposit account) at the time of the agreement to enter into the initial combination.

<sup>10</sup> Rule 14.13(b)(2)(D) provides that the Exchange Board of Directors or its designee may, in its discretion, defer or waive all or any part of the entry fee prescribed herein.

<sup>11</sup> Existing Rule 14.13(b)(2)(F) (and proposed Rule 14.13(b)(2)(H)) provides that the fees described in this Rule 14.13(b)(1) and (2) shall not be applicable with respect to any securities that (i) are listed on another national securities exchange but not listed on the Exchange, if the issuer of such securities transfers their listing exclusively to the Exchange; (ii) are listed on another national securities exchange and the Exchange, if the issuer of such securities ceases to maintain their listing on the other exchange and the securities instead are designated as national market system securities under Rule 14.3(d); or (iii) are listed on another national securities exchange but not listed on the Exchange, if the issuer of such securities is acquired by an unlisted company and, in connection with the acquisition, the unlisted company lists exclusively on the Exchange.

<sup>12</sup> Existing Rule 14.13(b)(2)(G) and proposed Rule 14.13(b)(2)(I) provides that the fees described in this Rule 14.13(b)(1) and (2) shall not be applicable to a Company: (i) whose securities are listed on another national securities exchange and designated as national market securities pursuant to the plan governing such securities at the time such securities are approved for listing on the Exchange; and (ii) that maintains such listing and designation after it lists such securities on the Exchange.

<sup>13</sup> As described above, an Acquisition Company that issues an additional class of equity security (not otherwise identified in this Rule 14.13)) will not be subject to proposed Rule 14.13(b)(2)(D),

class of primary equity securities, rights, warrants, convertible debt, preferred stock, or secondary classes of common stock, shall be required to pay to the Exchange a fee of \$10,000. This fee will be assessed on the date the Exchange provides conditional approval.

The Exchange proposes to re-letter existing Rules 14.13(b)(2)(C) through (G) to accommodate the addition of proposed Rules 14.13(b)(2)(C) and (D).

The Exchange also proposes to modify the annual fees. Currently, Acquisition Companies are subject to an annual fee of \$20,000 or \$35,000, as applicable for Tier I or Tier II securities, as provided in Rules 14.13(b)(3)(A) and (B). Now, the Exchange proposes to adopt an annual fee specifically applicable to Acquisition Companies listed as Tier I or Tier II securities on the Exchange under proposed Rule 14.13(b)(3)(C). Proposed Rule 14.13(b)(3)(C) would provide that the issuer of an Acquisition Company listed on the Exchange as a Tier I or Tier II security shall pay to the Exchange an annual fee of \$55,000. Therefore, the annual fee would increase by \$35,000 for Acquisition Companies currently listed as Tier II securities on the Exchange, and \$20,000 for Acquisition Companies currently listed as Tier I securities on the Exchange. The proposed fee would be subject to the provisions of Rule 14.13(b)(3)(D),<sup>14</sup> (E),<sup>15</sup> (F),<sup>16</sup> (G),<sup>17</sup> and

<sup>14</sup> Existing Rule 14.13(b)(3)(D) and proposed Rule 14.13(b)(3)(F) provides that the Exchange Board of Directors or its designee may, in its discretion, defer or waive all or any part of the annual fee prescribed herein.

<sup>15</sup> Existing Rule 14.13(b)(3)(E) and proposed Rule 14.13(b)(3)(G) provides that if a class of securities is removed from the Exchange that portion of the annual fees for such class of securities attributable to the months following the date of removal shall not be refunded except that ETPs that have liquidated and as a result are delisted from the Exchange will be prorated for the portion of the calendar year that such issue was listed on the Exchange, based on trading days listed that calendar year, and refunded.

<sup>16</sup> Existing Rule 14.13(b)(3)(F) and proposed Rule 14.13(b)(3)(H) provides that in lieu of the fees described in Rules 14.13(b)(3)(A) and (B), the annual fee shall be \$15,000 for each Company: (i) whose securities are listed on another national securities exchange and designated as national market system securities pursuant to the plan governing such securities at the time such securities are approved for listing on the Exchange; and (ii) that maintains such listing and designation after it lists such securities on the Exchange. Such annual fee shall be assessed on the first anniversary of the Company's listing on the Exchange.

<sup>17</sup> Existing Rule 14.13(b)(3)(G) and proposed Rule 14.13(b)(3)(I) provides that the fees described in this Rule 14.13(b)(3), except for pricing applicable to ETPs as set forth in sub-paragraph (C) above, shall not be applicable with respect to any securities that have had a consolidated average daily volume equal to or greater than 2 million shares per day for the immediately preceding two (2) calendar months

<sup>6</sup> See proposed Exchange Rule 14.13(b)(2)(C).

<sup>7</sup> Proposed Exchange Rule 14.13(b)(1)(B) provides that the application fee and any additional application fee is non-refundable.

<sup>8</sup> See proposed Exchange Rule 14.13(b)(1)(B).

(H)<sup>18</sup> in the same manner as all Tier I and Tier II securities listed on the Exchange.

Last, the Exchange proposed to adopt Rule 14.13(b)(3)(C), which would provide that the annual fees provided in existing Rules 14.13(b)(3)(A), (B), and (D) would not be applicable to Additional Listings, as described under Rule 14.13(b)(2)(D). Currently, Additional Listings would be subject to the full application and entry fee for Tier I and Tier II Securities, which total \$50,000 and \$100,000 respectively. Therefore, the proposed annual fee would decrease for all Tier I or Tier II securities that are Additional Listings. Additionally, the Exchange does not propose to charge any annual fee for Additional Listings by Acquisition Companies as the Exchange expects this is unlikely to occur.

The Exchange proposes to re-letter existing Rule 14.13(c)(3)(C) through (H) to accommodate the addition of proposed Rules 14.13(b)(3)(C) and (D). The Exchange also proposes to modify the text of existing Rule 14.13(b)(3)(G) to reference new Rule 14.13(b)(3)(E).

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of section 6(b) of the Act.<sup>19</sup> Specifically, the Exchange believes the proposed rule change is consistent with the section 6(b)(5)<sup>20</sup> requirements 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. Additionally, the Exchange believes the proposed rule change is consistent with the section 6(b)(5)<sup>21</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers as

well as section 6(b)(4)<sup>22</sup> as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities.

The Exchange first notes that its corporate listing business operates in a highly competitive market in which Companies can readily list on another national securities exchange if they deem fee levels or any other factor at a particular venue to be insufficient or excessive. The Exchange believes that Exchange Rule 14.13 reflects a competitive pricing structure designed to incentivize Companies to list new securities, which the Exchange believes will enhance competition both among Companies, issuers, and listing venues, to the benefit of investors.

The Exchange believes it is reasonable and not unfairly discriminatory to charge Acquisition Companies a lower application fee and lower fee for listing an additional class of security than other operating companies. The proposed application fee for Acquisition Companies is \$5,000, which is less than the existing application fee for Tier I and Tier II securities listed on the Exchange, which range from \$25,000 to \$50,000.<sup>23</sup> Further, the proposed fee for Companies that list an additional class of security on the Exchange is \$10,000, except for Acquisition Companies which are not subject to the Additional Listings fee but instead the \$5,000 application fee. The Exchange's initial review of an Acquisition Company is generally less costly than conducting an initial listing review of other types of companies for a number of reasons. Specifically, review of an Acquisition Company's IPO application is generally much simpler and quicker than an application of an operating company because an Acquisition Company has no underlying operating business. For the same reason, the Exchange believes an Acquisition Company's SEC filings and IPO documentation are much less detailed and its financial statements are relatively simple. Because an Acquisition Company must not have identified the target at the time of the IPO, the Acquisition Company's registration statement does not have an operating business to describe and has no risk factors related to an operating business. Further, Acquisition Companies generally qualify as Emerging Growth Companies under section 2(a)(19) of the Act, which results in scaled requirements for narrative disclosure and financial reporting.

The Exchange acknowledges that the annual fee for Acquisition Companies listed on other exchange listing venues is typically less than the annual fee for operating companies because Acquisition Companies generally require less exchange resources than operating companies. Nonetheless, the Exchange's current annual fee for Tier I and Tier II securities are considerably lower than other competitor listing markets because those fees have not increased since they were adopted in 2011,<sup>24</sup> and remain lower than competitors in order to incentivize operating companies to list on the Exchange. Additionally, an Acquisition Company will list on the Exchange for a maximum of three years, the Exchange can only reasonably expect to assess a maximum of three years of annual fees. In contrast, operating companies may list an indefinite number of years on the Exchange, resulting in a potentially indefinite number of annual fee assessments. Therefore, the Exchange does not believe it is discriminatory to charge Acquisition Companies a higher annual fee as their potential total costs for annual fees for the life of the listed product may be significantly less than that of an operating company.

The Exchange also believes that the proposal to assess an additional application fee to Acquisition Companies that do not list within 12 months of submitting its application is reasonable because it is designed to recoup a portion of the costs associated with the Exchange having to re-review the Acquisition Company. Further, as described above, all application fees would be credited to the entry fee; thus, for an Acquisition Company that ultimately lists on the Exchange, there would be no change in the collective application fee and entry fee regardless of whether the application was open for greater than 12 months. The Exchange notes that another exchange similarly provides that an additional application fee for Acquisition Companies that do not list within 12 months of submitting its application will be assessed an additional non-refundable application fee each 12 months to keep its application open.<sup>25</sup>

As proposed, the entry fee applicable to an Acquisition Company would decrease for Tier I securities and increase for Tier II securities listed on the Exchange. Specifically, the entry fee

<sup>18</sup> Existing Rule 14.13(b)(3)(H) and proposed Rule 14.13(b)(3)(K) provides that unless otherwise specified, the Exchange will assess all annual fees set forth in this Rule 14.13(b)(3) upon initial listing and on each anniversary of the security's listing on the Exchange.

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

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

<sup>21</sup> *Id.*

<sup>22</sup> 15 U.S.C. 78f(b)(4).

<sup>23</sup> See Exchange Rule 14.13(b)(1).

<sup>24</sup> See Securities Exchange Act No. 65225 (August 30, 2011) 76 FR 55148 (September 6, 2011) (SR-BATS-2011-018) (Order Approving Proposed Rule Change To Adopt Rules for the Qualification, Listing and Delisting of Companies on the Exchange).

<sup>25</sup> See Nasdaq Rule 5910(a)(11).

would decrease from \$100,000 to \$60,000 for Tier I securities and increase from \$50,000 to \$60,000 for Tier II securities. The Exchange believes it is reasonable to charge Acquisition Companies the same entry fee regardless of whether they are listed as a Tier I or Tier II security given that they are treated the same. For example, each receive identical services from the Exchange upon announcing a business combination. The Exchange believes the proposed entry fee strikes a balance between the existing entry fees applicable to Acquisition Companies and is representative of the Exchange's resources spent in listing such an Acquisition Company on the Exchange. Furthermore, the Exchange competes with other listing markets, which have adopted entry fees for Acquisition Companies that are higher than those proposed by the Exchange.<sup>26</sup>

The Exchange believes it is reasonable not unfairly discriminatory to adopt entry fees specifically applicable to Additional Listings for Companies already listed on the Exchange. Under the current fee structure, the listing of additional shares or an additional class of equity security are subject to the application fee and entry fee for a Tier I or Tier II security, as applicable. Now, the Exchange proposes to provide that no application fee will be applicable to Additional Listings, and that the entry fee will be reduced to \$10,000. The Exchange believes this proposed change better reflects the value of listing an additional class of security for already listed companies and to better align such value with the Exchange's regulatory resources expended in connection with such applications. In particular, the Exchange believes it is reasonable to charge only a non-refundable entry fee of \$10,000 because the company listing an additional class or additional shares of the same class of security on the Exchange is already subject to Exchange rules, including the applicable corporate governance requirements. Accordingly, the Exchange expects to expend less regulatory resources qualifying an additional class of equity security for listing. The Exchange also notes that other exchanges have similarly adopted separate fees applicable to an additional

class of equity security, which are higher than the Exchange's proposed fee.<sup>27</sup> The Exchange believes its proposal that Additional Listings be charged no application or annual fee is reasonable and equitable because it will result in lower costs to all companies seeking to list Additional Listings on the Exchange.<sup>28</sup>

The Exchange continues to believe that differentiating fees applicable to Acquisition Companies and operating companies from ETPs is reasonable because of the unique and different characteristics of listings ETPs. For example, certain types of ETPs by their nature require multiple listings. The existing fee structure for such listings is designed to encourage issuers of such products to list multiple ETPs on the Exchange at a reduced cost. As such, the Exchange believes it is reasonable and non-discriminatory to assess fees to ETPs in a different manner than Acquisition Companies and operating companies.

Finally, the Exchange believes that the proposed conforming changes to re-letter existing rules and update applicable rule references will maintain the clarity of the Exchange's rulebook, to the benefit of all investors.

Given the foregoing, the Exchange believes the proposed fee amendments are consistent with the Act.

#### *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 market for listing services is extremely competitive and listed companies may freely choose alternative venues based on the aggregate fees assessed, and the value provided by each listing.

The proposal changes the application fee, entry fee, and annual fee for Acquisition Companies listed on the Exchange and also changes the application and entry fee applicable to Additional Listings on the Exchange. The Exchange does not believe that these changes will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the proposal to assess application fees, entry fees, and annual fees specific to Acquisition Companies listed on the Exchange is reasonable because it provides a tailored fee structure to such

companies in a similar manner as other exchanges.

The Exchange believes it is reasonable to charge Acquisition Companies the same entry fee regardless of whether they are listed as a Tier I or Tier II security given that they are treated the same. For example, each receive identical services from the Exchange upon announcing a business combination. The Exchange believes the proposed entry fee strikes a balance between the existing entry fees applicable to Acquisition Companies, and is representative of the Exchange's resources spent in listing such an Acquisition Company on the Exchange.

The Exchange continues to believe that differentiating fees applicable to Acquisition Companies and operating companies from ETPs is reasonable because of the unique and different characteristics of listings ETPs. For example, certain types of ETPs by their nature require multiple listings. The existing fee structure for such listings is designed to encourage issuers of such products to list multiple ETPs on the Exchange at a reduced cost. As such, the Exchange believes it is reasonable and non-discriminatory to assess fees to ETPs in a different manner than Acquisition Companies and operating companies.

The Exchange does not believe that the proposal to adopt entry fees specifically applicable to Additional Listings for Companies already listed on the Exchange will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Under the current fee structure, the listing of additional shares or an additional class of equity security are subject to the application fee and entry fee for a Tier I or Tier II security, as applicable. Now, the Exchange proposes to provide that no application fee will be applicable to Additional Listings, and that the entry fee will be reduced to \$10,000. The Exchange believes this proposed change better reflects the value of listing an additional class of security for already listed companies and to better align such value with the Exchange's regulatory resources expended in connection with such applications. In particular, the Exchange believes it is reasonable to charge only a non-refundable entry fee of \$10,000 because the company listing an additional class or additional shares of the same class of security on the Exchange is already subject to Exchange rules, including the applicable corporate governance requirements. Accordingly, the Exchange expects to expend less regulatory resources qualifying an

<sup>26</sup> Nasdaq Rules 5910(a)(1)(B) and 5920(a)(1)(B) provide that the entry fee for Acquisition Companies for Nasdaq Global Market and Nasdaq Capital Market, respectively, is \$80,000, of which \$5,000 is a non-refundable initial application fee. Section 145a of the NYSE American LLC Company Guide provides that Acquisition Companies are subject to a flat listing fee of \$85,000 that will be applied at the time a company first lists as an Acquisition Company on NYSE American.

<sup>27</sup> See e.g., Nasdaq Global Market Rule 5910(a)(1)(A)(ii).

<sup>28</sup> The fees applicable to listings as set forth in Rule 14.13(b) are applicable based on security listed on the exchange rather than the Company itself.

additional class of equity security for listing. The Exchange also notes that other exchanges have similarly adopted separate fees applicable to an additional class of equity security, which are higher than the Exchange's proposed fee.<sup>29</sup> The Exchange believes its proposal that Additional Listings be charged no application or annual fee is reasonable and equitable because it will result in lower costs to all companies seeking to list Additional Listings on the Exchange.<sup>30</sup>

The Exchange believes that the proposed amendments do not encumber competition for listings with other listing venues, which are similarly free to set their fees. Rather, it reflects competition among listing venues and will further enhance competition.

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

The Exchange neither solicited nor received comments on the proposed rule change.

### **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) of the Act<sup>31</sup> and paragraph (f) of Rule 19b-4<sup>32</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 will institute proceedings 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 (<https://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-CboeBZX-2024-019 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-CboeBZX-2024-019. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeBZX-2024-019 and should be submitted on or before April 3, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>33</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-99687; File No. SR-PHLX-2023-40]

### **Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Withdrawal of a Proposed Rule Change, as Modified by Partial Amendment No. 1, To Amend Equity 4, Rules 3301A and 3301B To Establish New "Contra Midpoint Only" and "Contra Midpoint Only With Post-Only" Order Types and To Make Other Corresponding Changes to the Rulebook**

March 7, 2024.

On August 28, 2023, Nasdaq PHLX LLC ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend Equity 4, Rules 3301A and 3301B to establish new "Contra Midpoint Only" and "Contra Midpoint Only with Post-Only" order types and to make other corresponding changes to the rulebook. The proposed rule change was published for comment in the **Federal Register** on September 8, 2023.<sup>3</sup>

On September 26, 2023, pursuant to section 19(b)(2) of the Act,<sup>4</sup> 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 disapprove the proposed rule change.<sup>5</sup> On November 2, 2023, the Exchange filed Partial Amendment No. 1 to the proposed rule change.<sup>6</sup> On December 5, 2023, the Commission published Partial Amendment No. 1 for notice and comment and instituted proceedings under section 19(b)(2)(B) of the Act<sup>7</sup> to determine whether to approve or

<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. 98280 (Sept. 1, 2023), 88 FR 62129. Comments received by the Commission on the proposed rule change are available on the Commission's website at: <https://www.sec.gov/comments/sr-phlx-2023-40/srphlx202340.htm>.

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

<sup>5</sup> See Securities Exchange Act Release No. 98528, 88 FR 67846 (Oct. 2, 2023). The Commission designated December 7, 2023, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to approve or disapprove, the proposed rule change.

<sup>6</sup> Amendment No. 1 is available at <https://www.sec.gov/comments/sr-phlx-2023-40/srphlx202340-293100-713082.pdf>.

<sup>7</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>29</sup> See e.g., Nasdaq Global Market Rule 5910(a)(1)(A)(ii).

<sup>30</sup> The fees applicable to listings as set forth in Rule 14.13(b) are applicable based on security listed on the exchange rather than the Company itself.

<sup>31</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>32</sup> 17 CFR 240.19b-4(f).

<sup>33</sup> 17 CFR 200.30-3(a)(12).