

intervals and supersedes Supplementary Material .03(d) which permits additional series to be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the exercise price or prices of the series already opened.”<sup>18</sup> The Exchange states that Supplementary Material .07 is related to strike intervals, but does not supersede rules governing the addition of option series.<sup>19</sup> The Exchange further states that Supplementary Material .07 and Supplementary Material .03(d) do not conflict, and deleting the reference to Supplementary .03(d) will avoid confusion.<sup>20</sup>

Finally, the Exchange proposes to delete the sentence from Supplementary Material .03, which states, “Notwithstanding the limitations imposed by Supplementary Material .07, this proposal does not amend the range of strikes that may be listed pursuant to Supplementary Material .03, regarding the Short Term Option Series Program.”<sup>21</sup> The Exchange states that while the range limitations continue to be applicable to the table within Supplementary Material .07, the strike ranges do not conflict with strike intervals and therefore the sentence is not necessary.<sup>22</sup> The Exchange further states that Supplementary Material .03(f) otherwise indicates when Supplementary Material .07 would apply.<sup>23</sup>

The Exchange proposes to implement this rule change on August 1, 2022.<sup>24</sup> The Exchange represents that it will issue an Options Trader Alert to notify Members of the implementation date.<sup>25</sup>

### III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>26</sup> In particular, the Commission finds that the proposed rule change, as modified

by Amendment No. 1, is consistent with Section 6(b)(5) of the Act,<sup>27</sup> which requires, among other things, that the Exchange’s rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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.

The Exchange states that the Strike Interval Proposal was designed to reduce the density of strike intervals that have an expiration date more than twenty-one days from the listing date.<sup>28</sup> In support of the current proposal, the Exchange states it would result in a reduction of the number of strikes listed in a manner consistent with the intent of the Strike Interval Proposal, which was to reduce strikes which were further out in time and would harmonize strike intervals for the Short Term Option Series such that strike intervals would not widen as the expiration date approaches.<sup>29</sup> The Exchange further states that Strike Interval Proposal continues to reduce the number of strikes listed on ISE, allowing Lead Market Makers and Market Makers to expend their capital in the options market in a more efficient manner, thereby improving overall market quality on ISE.<sup>30</sup>

The Exchange’s proposal to apply the greater interval to Outer STOs in cases where Supplementary Material .03(e) and .07 conflict serves to increase, and thus limit, the intervals between strikes in those cases. The proposal seeks to continue to focus more granular strike increments on those series where they are more relevant, applicable, and likely more in demand from customers and eliminate certain clusters of relatively granular strikes in further out weekly series, consistent with the Strike Interval Proposal.<sup>31</sup> Further, the proposal would add additional clarity to the Exchange’s Short Term Option Series rules, which should provide greater certainty as to the permitted strike intervals and minimize confusion. The Commission believes that the proposal is reasonably designed to effectuate the Exchange’s goal of balancing a reduction in the number of strikes in the Short Term Option Series

Program with the needs of market participants. Accordingly, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act<sup>32</sup> and the rules and regulations thereunder applicable to a national securities exchange.

### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>33</sup> that the proposed rule change (SR-ISE-2022-10), as modified by Amendment No. 1, be and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>34</sup>

**J. Matthew DeLesDernier**,  
*Assistant Secretary*.

[FR Doc. 2022-12940 Filed 6-15-22; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-306, OMB Control No. 3235-0522]

### Proposed Collection; Comment Request: Extension; Rule 701

*Upon Written Request Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Rule 701(17 CFR 230.701) under the Securities Act of 1933 (“Securities Act”) (15 U.S.C. 77a *et seq.*) provides an exemption for certain issuers from the registration requirements of the Securities Act for limited offerings and sales of securities issued under compensatory benefit plans or contracts. The purpose of Rule 701 is to ensure that a basic level of information is available to employees and others when substantial amounts of securities are issued in compensatory arrangements. We estimate that approximately 800 companies annually rely on the Rule 701 exemption and that it takes 2 hours to prepare each response. We estimate

<sup>18</sup> See *id.* at 10.

<sup>19</sup> See *id.*

<sup>20</sup> See *id.*

<sup>21</sup> See *id.* at 10-11.

<sup>22</sup> See *id.* at 11.

<sup>23</sup> See *id.*

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

<sup>25</sup> See *id.*

<sup>26</sup> In approving this proposed rule change, as modified by Amendment No. 1, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>27</sup> 15 U.S.C. 78f(b)(5).

<sup>28</sup> See Amendment No. 1, *supra* note 4, at 13-14.

<sup>29</sup> See *id.* at 14.

<sup>30</sup> See *id.* at 14.

<sup>31</sup> See also Securities Exchange Act Release No. 91125 (Feb. 12, 2021), 86 FR 10375 (Feb. 19, 2021) (SR-BX-2020-032) (Order approving proposal by Nasdaq BX, Inc. to limit Short Term Options Series intervals).

<sup>32</sup> 15 U.S.C. 78f(b)(5).

<sup>33</sup> 15 U.S.C. 78f(b)(2).

<sup>34</sup> 17 CFR 200.30-3(a)(12).

that 25% of the 2 hours per response (0.5 hours) is prepared by the company for a total annual reporting burden of 400 hours (0.5 hours per response × 800 responses).

Written comments are invited on: (a) whether this proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication by August 15, 2022.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Please direct your written comment to David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street NE, Washington, DC 20549 or send an email to: [PRAMailbox@sec.gov](mailto:PRAMailbox@sec.gov).

Dated: June 10, 2022.

**J. Matthew DeLesDernier,**  
Assistant Secretary.

[FR Doc. 2022-12947 Filed 6-15-22; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 95086; File No. SR-NYSE-2021-74]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Order Granting Approval of a Proposed Rule Change To Amend the Provisions of NYSE Rule 7.35B

June 10, 2022.

#### I. Introduction

On December 14, 2021, 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 (“Act”) <sup>1</sup> and Rule 19b-4 thereunder, <sup>2</sup> a proposed rule change to amend NYSE Rule 7.35B relating to the

cancellation of MOC, LOC, and Closing IO Orders before the Closing Auction. The proposed rule change was published for comment in the **Federal Register** on December 29, 2021.<sup>3</sup> On February 8, 2022, pursuant to Section 19(b)(2) of the Act,<sup>4</sup> the Commission extended the time 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 change.<sup>5</sup>

On March 22, 2022, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act to determine whether to approve or disapprove the proposed rule change.<sup>6</sup> The Commission has received one comment on the proposed rule change.<sup>7</sup> This Order approves the proposal.

#### II. Description of the Proposal

The Exchange proposes to modify NYSE Rule 7.35B(f)(2), which sets forth rules pertaining to the cancellation of MOC, LOC, and Closing IO Orders before the Closing Auction Imbalance Freeze,<sup>8</sup> and to make conforming changes to NYSE Rule 7.35B(j)(2)(B).

NYSE Rule 7.35B(f)(2)(A) currently provides that, between the Closing Auction Imbalance Freeze Time, which is 10 minutes before the scheduled end of Core Trading Hours,<sup>9</sup> and two minutes before the scheduled end of the Core Trading Hours, MOC, LOC, and Closing IO Orders may be canceled or reduced in size only to correct a Legitimate Error.<sup>10</sup> NYSE Rule 7.35B(f)(2)(B) currently specifies that, except as provided for in NYSE Rule 7.35B(j)(2)(B),<sup>11</sup> a request to cancel,

cancel and replace, or reduce in size a MOC, LOC, or Closing IO Order entered two minutes or less before the scheduled end of the Core Trading Hours will be rejected.

The Exchange proposes to modify NYSE Rule 7.35B(f)(2) to provide that any requests to cancel, cancel and replace, or reduce in size a MOC, LOC, or Closing IO Order that is entered between the beginning of the Auction Imbalance Freeze and the scheduled end of Core Trading Hours would be rejected. Thus, as proposed, requests to cancel, replace, or reduce in size a MOC, LOC, or Closing IO Order would have to be received before the beginning of the Auction Imbalance Freeze (*i.e.*, 10 minutes prior to the scheduled end of Core Trading Hours), even in the case of a Legitimate Error. The Exchange represents that, since August 2021, the Exchange has not received any requests to cancel, cancel and replace, or reduce in size a MOC, LOC, or Closing IO Order between the beginning of the Auction Imbalance Freeze and two minutes before the scheduled end of Core Trading Hours.<sup>12</sup>

Additionally, NYSE proposes to make the following conforming changes to make NYSE Rule 7.35B(j)(2)(B) consistent with the proposed changes described above: (1) replace the reference to “two minutes before the scheduled end of Core Trading Hours” with “the beginning of the Auction Imbalance Freeze,” and (2) replace the reference to “paragraph (f)(2)(B)” with “paragraph (f)(2).” Thus, NYSE Rule 7.35B(j)(2)(B), as amended, would provide that the Exchange may temporarily suspend the prohibition on cancelling an MOC or LOC Order after the beginning of the Auction Imbalance Freeze (as such prohibition would be set forth in NYSE Rule 7.35B(f)(2), as amended).

#### III. Discussion and Commission Findings

After careful review of the proposal and the comment letter, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>13</sup> In particular, the Commission finds that the proposed rule change is consistent with Section

temporarily suspend the prohibition on canceling an MOC or LOC Order in connection with the Closing Auction.

<sup>12</sup> See Notice, *supra* note 3, 86 FR at 74205.

<sup>13</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>3</sup> See Securities Exchange Act Release No. 93849 (Dec. 22, 2021), 86 FR 74204 (Dec. 29, 2021) (“Notice”).

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

<sup>5</sup> See Securities Exchange Act Release No. 94181 (Feb. 8, 2022), 87 FR 8305 (Feb. 14, 2022).

<sup>6</sup> See Securities Exchange Act Release No. 94483 (Mar. 22, 2022), 87 FR 17346 (Mar. 28, 2022) (“OIP”).

<sup>7</sup> See letter to Vanessa Countryman, Secretary, Commission, from Hope M. Jarkowski, General Counsel, New York Stock Exchange LLC (May 24, 2022) (“NYSE Letter”).

<sup>8</sup> A “MOC Order” or “Market-on-Close Order” is a Market Order that is to be traded only during a closing auction. See NYSE Rule 7.31(c)(2)(B). A “LOC Order” or “Limit-on-Close Order” is a Limit Order that is to be traded only during a closing auction. See NYSE Rule 7.31(c)(2)(A). A “Closing IO Order” or “Closing Imbalance Offset Order” is a Limit Order to buy (sell) an in an Auction-Eligible Security that it to be traded only in a Closing Auction. See NYSE Rule 7.31(c)(2)(D).

<sup>9</sup> See NYSE Rule 7.35(a)(8).

<sup>10</sup> “Legitimate Error” means an error in any term of an order, such as price, number of shares, side of the transaction (buy or sell), or identification of the security. See NYSE Rule 7.35(a)(13).

<sup>11</sup> NYSE Rule 7.35B(j)(2)(B) currently specifies the circumstances under which the Exchange may

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

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