SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–100437; File No. SR–NYSE–2024–23]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change To Amend Section 703.12(II) of the NYSE Listed Company Manual To Expand the Circumstances Under Which Rights May Be Listed on the NYSE

June 26, 2024.

On April 29, 2024, the 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'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend Section 703.12(II) of the NYSE Listed Company Manual to expand the circumstances under which rights may be listed on the NYSE by allowing issuers to (i) issue rights to more than existing shareholders for a class of securities that is listed or to be listed on the Exchange, and (ii) list and trade rights on the Exchange prior to listing the security into which such rights will be exercisable. The proposed rule change was published for comment in the **Federal Register** on May 15, 2024.[3] The Commission has received no comments on the proposal.

Section 19(b)(2) of the Act[4] provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is June 29, 2024. The Commission is extending this 45-day time period.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission, pursuant to section 19(b)(2) of the Act,[5] designates August 13, 2024, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR–NYSE–2024–23).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[6]

Sherry R. Haywood,

Assistant Secretary.

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 100102 (May 10, 2024), 89 FR 42543.

[4] 15 U.S.C. 78s(b)(2).

[5] 15 U.S.C. 78s(b)(2).

[6] 17 CFR 200.30–3(a)(31).

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–822, OMB Control No. 3235–0777]

Proposed Collection; Comment Request; Extension: Rules 15Fi–3 Through 15Fi–5

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 (''PRA'') (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''Commission'') is soliciting comments on the existing collection of information provided for in Rules 15Fi–3 through 15Fi–5 (17 CFR 240.15Fi–3 through 240.15Fi–5), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget (''OMB'') for extension and approval.

Rules 15Fi–3 through 15Fi–5 (17 CFR 240.15Fi–3 through 240.15Fi–5) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) require registered security-based swap dealers (''SBS dealer'') and registered major security-based swap participants (''major SBS participant'') (each SBS dealer and each major SBS participant hereafter referred to as an ''SBS Entity'') to apply specific risk mitigation techniques to portfolios of security-based swaps not submitted for clearing. Rules 15Fi–3 through 15Fi–5 impose a collection of information requirements on SBS Entities. Specifically, Rule 15Fi–3 requires SBS Entities to reconcile outstanding security-based swaps with applicable counterparties on a periodic basis. Rule 15Fi–4 requires SBS Entities to engage in certain forms of portfolio compression exercises with their counterparties, as appropriate. Rule 15Fi–5 requires SBS Entities to execute written security-based swap trading relationship documentation with each of its counterparties prior to, or contemporaneously with, executing a security-based swap transaction, and to periodically audit the policies and procedures governing such documentation.

Rules 15Fi–3 through 15Fi–5 have been promulgated pursuant to Section 15F(i)(2) of the Exchange Act, which requires that the Commission ''adopt rules governing documentation standards for security-based swap dealers and major security-based swap participants.'' Accordingly, the collections of information are at the heart of each of the underlying documentation requirements of the rules, such that not conducting them (or reducing the frequency of collection) would not be consistent with the statutory provisions. Moreover, the policies and procedures required to be established, maintained, and followed pursuant to Rules 15Fi–3 through 15Fi–5 are instrumental in focusing and assessing compliance with the underlying rules, consistent with how similar requirements are used in numerous other Commission rules. Thus, eliminating such collections (or reducing the frequency of collection) also would be inconsistent with the applicable statutory provisions and the intended effects of the rules.

The Commission estimated that approximately 53 entities may fit within the definition of SBS dealer, and up to five entities may fit within the definition of major SBS participant. Thus, the Commission estimated that approximately 58 entities would be required to register with the Commission as SBS Entities and would be subject to Rules 15Fi–3 through 15Fi–5. Of the 58 entities that would be required to register with the Commission as SBS Entities, the Commission estimated that approximately 20 would be dually-registered with the Commodity Futures Trading Commission (''CFTC'') as swap dealers or major swap participants. As the Rules 15Fi–3 through 15Fi–5 are largely similar to those adopted by the CFTC, dually-registered entities may have procedures and systems in place to collect the information, thereby minimizing compliance burdens. The Commission estimated that the total annual industry burden under 15Fi–3 through 15Fi–5 is approximately 464,836 hours per year.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed 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 by August 30, 2024.

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 OMB control number.

Please direct your written comments 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: *PRA_Mailbox@sec.gov.*

Dated: June 26, 2024.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2024–14482 Filed 7–1–24; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–100429; File No. PCAOB–2024–04]

Public Company Accounting Oversight Board; Notice of Filing of Proposed Rules on Amendment to PCAOB Rule 3502 Governing Contributory Liability

June 26, 2024.

Pursuant to Section 107(b) of the Sarbanes-Oxley Act of 2002 (''Sarbanes-Oxley'' or the ''Act''), notice is hereby given that on June 20, 2024, the Public Company Accounting Oversight Board (the ''Board'' or the ''PCAOB'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rules described in items I and II below, which items have been prepared by the Board. The Commission is publishing this notice to solicit comments on the proposed rules from interested persons.

I. Board's Statement of the Terms of Substance of the Proposed Rules

On June 12, 2024, the Board adopted an amendment to PCAOB Rule 3502, *Responsibility Not to Knowingly or Recklessly Contribute to Violations* (collectively, the ''proposed rules''). The text of the proposed rules appears in Exhibit A to the SEC Filing Form 19b–4 and is available on the Board's website at *https://pcaobus.org/about/rules-rulemaking/rulemaking-dockets/docket-053* and at the Commission's Public Reference Room.

II. Board's Statement of the Purpose of, and Statutory Basis for, the Proposed Rules

In its filing with the Commission, the Board included statements concerning the purpose of, and basis for, the proposed rules and discussed any comments it received on the proposed rules. The text of these statements may be examined at the places specified in Item IV below. The Board has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements. In addition, to the extent that Section 103(a)(3)(C) of the Act applies to the proposed rules, the Board is requesting that the Commission approve the proposed rules, pursuant to that provision, for application to audits of emerging growth companies (''EGCs''), as that term is defined in Section 3(a)(80) of the Securities Exchange Act of 1934 (''Exchange Act''). The Board's request is set forth in section D.

A. Board's Statement of the Purpose of, and Statutory Basis for, the Proposed Rules

(a) Purpose

Congress authorized the Board to promulgate rules and standards to govern auditor conduct.[1] To that end, in 2005, the Board codified auditors' longstanding ethical obligation not to contribute to firms' violations in PCAOB Rule 3502, *Responsibility Not to Knowingly or Recklessly Contribute to Violations*.[2] For well over a decade now, the Board has brought enforcement proceedings against associated persons pursuant to Rule 3502.

Yet Rule 3502's current formulation contains an incongruity that places negligent contributors to firms' violations beyond the rule's reach. That incongruity stems from the notion that registered firms, like any legal entity, can act only through natural persons. It logically follows that when a registered firm is found to have acted negligently, it is likely that such negligence is attributable to at least one natural person's negligence.

Rule 3502, however, at present requires a level of culpability higher than negligence—at least recklessness—before the Board can impose sanctions against associated persons who directly and substantially contribute to firms' negligence-based violations. Put another way, Rule 3502 requires a showing of more than negligence by individuals for the Board to sanction them for conduct resulting in negligence by firms. Thus, under current Rule 3502, associated persons who do not exercise reasonable care and contribute to firms' violations may escape liability and accountability—even while the firms committing the violations do not. The Board believes that amending Rule 3502 addresses this incongruity, and therefore better protects investors and promotes quality audits.

(b) Statutory Basis

The statutory basis for the proposed rules is Title I of the Act.

B. Board's Statement on Burden on Competition

Not applicable. The Board's consideration of the economic impacts of the proposed rules is discussed in section D below.

C. Board's Statement on Comments on the Proposed Rules Received From Members, Participants or Others

The Board released the proposed rule amendment for public comment in PCAOB Release No. 2023–007 (September 19, 2023). The Board received 28 written comment letters; one comment letter was subsequently withdrawn. The Board has carefully considered all comments received. The Board's response to the comments it received and the changes made to the rules in response to the comments received are discussed below.

Introduction

In the Sarbanes-Oxley Act of 2002 (''Sarbanes-Oxley'' or the ''Act''), Congress established the Board in the wake of a series of high-profile corporate collapses that laid bare auditor misconduct and the need for a new type of oversight of the public accounting industry.[3] As part of its

[1] *See* Section 103(a)(1) of Sarbanes-Oxley; *see also, e.g., id.* 101(c)(2), (c)(4), (c)(6) & (g)(1).

[2] *Ethics and Independence Rules Concerning Independence, Tax Services, and Contingent Fees,* PCAOB Release No. 2005–014, at 9 (July 26, 2005), *available at https://pcaobus.org/Rulemaking/Docket017/2005-07-26_Release_2005-014.pdf* (''The Board proposed [Rule 3502] to codify the ethical obligation of associated persons of registered firms not to cause registered firms to commit [ ] violations.'').

[3] Public Law 107–204, 15 U.S.C. 7201 *et seq.; see* S. Rep. No. 107–205, at 3 (2002) (''The purpose of [Sarbanes-Oxley] is to address the systemic and

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