it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[144]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2021–06676 Filed 3–31–21; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–91416; File No. SR–NYSE–2021–18]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 103B, Which Governs the Allocation of Securities to Designated Market Makers

March 26, 2021.

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (the ''Act'')[2] and Rule 19b–4 thereunder,[3] notice is hereby given that on March 15, 2021, New York Stock Exchange LLC (''NYSE'' 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 amend Rule 103B, which governs the allocation of securities to Designated Market Makers (''DMMs''). The proposed rule change is available on the Exchange's website at *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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 103B, which governs the allocation of securities to DMMs, to streamline the allocation process and facilitate the selection of DMM units by issuers of acquisition companies listed under NYSE Listed Company Manual Section 102.06 (''Acquisition Companies'').

Background

Current Rule 103B

Rule 103B(III) sets out the procedures under which DMM units are assigned to securities listed on the Exchange: An issuer may either select a DMM unit after interviewing all DMM units eligible to participate in the allocation process (Rule 103B(III)(A)), or delegate the authority for selecting its DMM unit to the Exchange (Rule 103B(III)(B)).

In addition, Rule 103B(VI)(A)(1) sets out an abbreviated DMM allocation process for listing companies that are a spin-off of or a company related to a listed company or one that lists a Related Security as defined in Rule 103B(VI)(A)(2).[4] Under Rule 103B(VI)(A)(1), such a listing company may remain with the DMM unit registered in the Related Security or acting as the assigned DMM unit to the related listed company or be allocated through the allocation process pursuant to NYSE Rule 103B, Section III. The rule further provides that if the spin-off company or company related to a listed company chooses to have its DMM unit selected by the Exchange pursuant to NYSE Rule 103B, Section III(B), and requests not to be allocated to the DMM unit that was its listed company's DMM unit, such request will be honored.

Acquisition Companies

Section 102.06 of the NYSE Listed Company Manual sets forth the listing standards for Acquisition Companies. An Acquisition Company (known in the marketplace as a special purpose acquisition company or ''SPAC'') is a special purpose company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more operating businesses or assets. The securities sold by the Acquisition Company in its initial public offering are typically units, consisting of one share of common stock and one or more warrants (or a fraction of a warrant) to purchase common stock, that are separable at some point after the IPO. Under Section 102.06 of the NYSE Listed Company Manual, among other things, an Acquisition Company must keep 90% of the gross proceeds of its IPO in an escrow account until the date of a business combination.[5] The Acquisition Company must also complete one or more business combinations, having an aggregate fair market value of at least 80% of the value of the escrow account, within 36 months of the effectiveness of the IPO registration statement.[6] Following a business combination, the combined company must meet the Exchange's requirements for initial listing of an operating company.[7]

An Acquisition Company is formed by a person or group of people acting together or by a corporate entity (in each case, a ''Sponsor''). Persons affiliated with the Sponsor manage the Acquisition Company, seek to identify an appropriate business combination, and successfully complete that transaction. The Sponsor is not usually compensated in cash by the Acquisition Company, but rather undertakes these activities because it receives an ownership interest in the Acquisition Company that it acquires for nominal consideration. In many cases, Acquisition Company Sponsors are asset management entities or are controlled by individuals who have had successful careers in the banking or asset management industries. In many

144 17 CFR 200.30–3(a)(12).

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

2 15 U.S.C. 78a.

3 17 CFR 240.19b–4.

4 For purposes of NYSE Rule 103B, a ''Related Security'' is defined as: (i) Any security listed on the Exchange issued by a company whose common equity securities are listed on the Exchange, other than such common equity securities; and (ii) any security listed on the Exchange by any issuer affiliated with a company whose common equity securities are listed on the Exchange. Related Securities of either a listed company whose common equity securities are listed on the Exchange or of an affiliated entity of such listed company include, but are not limited to, securities listed under NYSE Listed Company Manual Section 703.19 (except for Repackaged Securities).

5 *See* Section 102.06 of the NYSE Listed Company Manual. Section 102.06 also contains additional quantitative requirements to list an Acquisition Company.

6 *See generally id.* Public shareholders who object to a business combination have the right to convert their common stock into a pro rata share of the funds held in escrow. *See* Section 102.06(b) of the NYSE Listed Company Manual.

7 This includes the requirement to maintain a minimum of 400 round lot holders. *See* Sections 102.01A and 802.01B of the NYSE Listed Company Manual.

cases, the same persons or entities have formed more than one Acquisition Company over time. As the volume of Acquisition Company listings has increased, the Exchange has observed that the number of Sponsors that form multiple Acquisition Companies has also grown.

Proposed Rule Change

The Exchange proposes to amend Rule 103B(VI)(A), governing spin-offs and listing of related companies and related securities, to permit a similar abbreviated DMM allocation process for Acquisition Companies to that currently available to issuers that spin-off entities or list related companies or securities.

Specifically, the Exchange would add a new subdivision (3) to Rule 103B(VI)(A) that would provide that a listing Acquisition Company that is either under common control with another currently-listed Acquisition Company or is controlled by person(s) who controlled a previously-listed Acquisition Company at the time of such other Acquisition Company's listing, could choose, as applicable, to be allocated to the DMM unit currently registered in such other Acquisition Company or registered in such other Acquisition Company while it was listed on the Exchange. Alternatively, the proposed rule would provide that the listing Acquisition Company could be allocated through the allocation process pursuant to NYSE Rule 103B, Section III. As proposed, the process would be substantially similar to that in place for other issuers listing multiple securities or related entities on the Exchange who also have the option under Rule 103B to remain with the DMM unit registered in the related security or acting as the assigned DMM unit to the related listed company or be allocated through the allocation process pursuant to NYSE Rule 103B, Section III. The Exchange believes that the proposed rule change tailored to Acquisition Companies would provide those issuers with the same flexibility in selecting a DMM unit as other issuers currently have under Rule 103B.

This proposal addresses the growing trend for successful Acquisition Company Sponsors to form additional SPACs over time. The Exchange believes that an Acquisition Company Sponsor should be able to decide that it wishes to engage the same DMM unit for any additional Acquisition Company listings, as the Sponsor will be familiar with the DMM unit's expertise in trading Acquisition Company securities and should be allowed to continue with that DMM unit if it is satisfied with its performance. Similarly, if a Sponsor has multiple Acquisition Companies trading on the Exchange at the same time, there are managerial efficiencies from which the Sponsor benefits in dealing with only one DMM unit, rather than multiple different DMM units.

Finally, the Exchange proposes to technical, non-substantive changes to Rule 103B(VI)(A)(1) by capitalizing the words ''Related Security'' in two places. The Exchange also proposes to make the technical, non-substantive change of re-numbering current subsections (3) through (8) of Rule 103B(VI)(A).

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[8] in general, and furthers the objectives of Section 6(b)(5) of the Act,[9] in particular, because it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest, as follows.

The Exchange believes that the proposed amendments to Rule 103B(VI)(A) would remove impediments to and perfect the mechanism of a free and open market and a national market system by permitting Acquisition Companies under common control with another currently-listed Acquisition Company or one controlled by person(s) who controlled a previously-listed Acquisition Company at the time of such other Acquisition Company's listing to choose to maintain the same DMM unit currently registered in the other Acquisition Company or registered in such other Acquisition Company while it was listed on the Exchange. As noted, this option already exists for other issuers under Rule 103B, and enhances the efficiency of listings by allowing issuers and DMM units to maintain their preexisting relationships with respect to the commonly owned or controlled companies. Acquisition Company issuers would benefit from the efficiencies when listing additional Acquisition Companies under NYSE Listed Company Manual Section 102.06.

Finally, the Exchange's proposal to make technical, non-substantive changes to Rule 103B(VI)(A)(1) by capitalizing the words ''Related Security'' and re-numbering current subsections (3) through (8) of Rule 103B(VI)(A) adds clarity and transparency to the Exchange's Rules and reduces potential investor confusion, which would remove impediments to and perfect the mechanism of a free and open market and a national market system.

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 because it merely provides a process for the allocation of DMM units to Acquisition Companies listing on the Exchange consistent with current rules. Nor does the Exchange believe that the proposed changes would impose an undue burden on intramarket competition between the DMM units, because all eligible DMM units will participate in the original Rule 103B(III) allocation process for an Acquisition Company.

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

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) of the Act[10] and Rule 19b–4(f)(6)[11] 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

[8] 15 U.S.C. 78f(b).

[9] 15 U.S.C. 78f(b)(5).

[10] 15 U.S.C. 78s(b)(3)(A).

[11] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–NYSE–2021–18 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR–NYSE–2021–18. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NYSE–2021–18 and should be submitted on or before April 22, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[12]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2021–06670 Filed 3–31–21; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–91418; File No. SR–Phlx–2021–16]

Self-Regulatory Organizations; Nasdaq PHLX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Phlx's Pricing Schedule at Options 7, Section 6, Part D To Reduce the Phlx Options Regulatory Fee

March 26, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 16, 2021, Nasdaq PHLX LLC (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I and II, 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

The Exchange proposes to amend Phlx's Pricing Schedule at Options 7, Section 6, Part D to reduce the Phlx Options Regulatory Fee or ''ORF''.

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on April 1, 2021.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/phlx/rules,* 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 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

Currently, Phlx assesses an ORF of $0.0050 per contract side as specified in Phlx's Pricing Schedule at Options 7, Section 6, Part D. The Exchange proposes to reduce the ORF from $0.0050 per contract side to $0.0042 per contract side as of April 1, 2021, in order to help ensure that revenue collected from the ORF, in combination with other regulatory fees and fines, does not exceed the Exchange's total regulatory costs.

Collection of ORF

Currently, Phlx assesses its ORF for each customer option transaction that is either: (1) Executed by a member organization[3] on Phlx; or (2) cleared by a Phlx member organization at The Options Clearing Corporation (''OCC'') in the customer range,[4] even if the transaction was executed by a non-member organization of Phlx, regardless of the exchange on which the transaction occurs.[5] If the OCC clearing member is a Phlx member organization, ORF is assessed and collected on all cleared customer contracts (after adjustment for CMTA[6]); and (2) if the OCC clearing member is not a Phlx member organization, ORF is collected

[12] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] The term ''member organization'' means a corporation, partnership (general or limited), limited liability partnership, limited liability company, business trust or similar organization, transacting business as a broker or a dealer in securities and which has the status of a member organization by virtue of (i) admission to membership given to it by the Membership Department pursuant to the provisions of General 3, Sections 5 and 10 or the By-Laws or (ii) the transitional rules adopted by the Exchange pursuant to Section 6–4 of the By-Laws. References herein to officer or partner, when used in the context of a member organization, shall include any person holding a similar position in any organization other than a corporation or partnership that has the status of a member organization. *See* General 1, Section 1(17).

[4] Participants must record the appropriate account origin code on all orders at the time of entry in order. The Exchange represents that it has surveillances in place to verify that member organizations mark orders with the correct account origin code.

[5] The Exchange uses reports from OCC when assessing and collecting the ORF.

[6] CMTA or Clearing Member Trade Assignment is a form of ''give-up'' whereby the position will be assigned to a specific clearing firm at OCC.