

rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>5</sup> On March 4, 2021, the Commission instituted proceedings under Section 19(b)(2)(B) of the Exchange Act<sup>6</sup> to determine whether to approve or disapprove the proposed rule change.<sup>7</sup>

Section 19(b)(2) of the Act<sup>8</sup> provides that, after initiating proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for comment in the **Federal Register** on December 4, 2020.<sup>9</sup> The 180th day after publication of the Notice is June 2, 2021. The Commission is extending the time period for approving or disapproving the proposal for an additional 60 days.

The Commission finds that it is appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change, as modified by Amendment No. 1. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> designates August 1, 2021, as the date by which the Commission shall either approve or disapprove or the proposed rule change (File Number SR-CBOE-2020-106), as modified by Amendment No. 1.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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<sup>5</sup> See Securities Exchange Act Release No. 90926, 86 FR 6710 (January 22, 2021). The Commission designated March 4, 2021, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

<sup>6</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>7</sup> See Securities Exchange Act Release No. 91257, 86 FR 13769 (March 10, 2021).

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> See *supra* note 3.

<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>11</sup> 17 CFR 200.30-3(a)(57).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-92055; File No. SR-LTSE-2021-03]

### Self-Regulatory Organizations; Long-Term Stock Exchange; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to a Temporary Reduction in the Initial Listing Fee

May 27, 2021.

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> notice is hereby given that on May 18, 2021, Long-Term Stock Exchange (“LTSE” 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 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

LTSE proposes a rule change to temporarily reduce by half the schedule of Initial Listing Fees for issuers’ Primary Equity Securities on LTSE in light of the competitive market for listings and the ongoing disruptions caused by the global COVID-19 pandemic.<sup>3</sup> The Initial Listing fees would revert to their prior levels beginning on January 1, 2022.

The text of the proposed rule change is available at the Exchange’s website at <https://longtermstockexchange.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 these statements may be examined at the places specified in Item IV below.

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

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

<sup>3</sup> The Exchange originally filed to establish a fee schedule of listing fees for issuers of primary equity securities on January 22, 2020 (SR-LTSE-2020-02). On January 30, 2020, SR-LTSE-2020-02 was withdrawn and replaced by SR-LTSE-2020-03. See Securities Exchange Act Release No. 88133 (February 6, 2020), 85 FR 8048 (February 12, 2020).

The self-regulatory organization 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 on the Purpose of, and Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange is filing this proposed rule change to amend Rule 14.601 to temporarily reduce by half the schedule of Initial Listing Fees for issuers’ Primary Equity Securities on LTSE in light of the competitive market for listings and the ongoing disruptions caused by the global COVID-19 pandemic.<sup>4</sup> The Initial Listing fees would revert to their prior levels beginning on January 1, 2022.

##### 1. Initial Listing Fee

The Initial Listing Fee in LTSE Rule 14.601(a)(1) is determined based on the market capitalization of the Company when it lists on the Exchange.<sup>5</sup>

The amount of such fee is set forth in the fee table LTSE Rule 14.601(a)(3). The Initial Listing Fee is prorated based on the number of trading days in the year remaining at the time of a Company’s initial listing.<sup>6</sup> The proposed rule change would reduce the Initial Listing Fee in each listing tier for the remainder of 2021 by 50% while also retaining the proration calculation as set forth in the Rule.<sup>7</sup> Thus, for example, a Company with market capitalization up to \$1 billion listing on LTSE on May 31, 2021, would have an Initial Listing Fee of \$44,642.50 ( $\$75,000 \times 150/252$ ).<sup>8</sup> Prior to the proposed rule change, the Initial Listing Fee would have been \$89,285.00 ( $\$150,000 \times 150/252$ ).

Beginning January 1, 2022, the Initial Listing Fees and Annual Listing Fees would revert to the levels as originally adopted in Rule 14.601.<sup>9</sup>

The Exchange believes that it is appropriate to temporarily reduce the listing fees amount by half for the remainder of 2021. The market for listings is highly competitive and the Exchange believes that a temporary

<sup>4</sup> “Primary Equity Security” means a Company’s first class of Common Stock, Ordinary Shares, Shares or Certificates of Beneficial Interest of Trust, Limited Partnership Interests or American Depositary Receipts (“ADRs”) or Shares (“ADSs”). See Rule 14.002(a)(24).

<sup>5</sup> See *supra* note 3.

<sup>6</sup> See LTSE Rule 14.601(a)(1)(iv).

<sup>7</sup> The Annual Listing Fee, which would be assessed for calendar year 2022 for a Company listing on LTSE in 2021, is not affected by the proposed rule change.

<sup>8</sup> May 31, 2021 is the 150th trading day out of a total of 252 trading days in calendar year 2021.

<sup>9</sup> See *supra* note 3.

reduction in fees is appropriate at this time as the Exchange is attracting new listings. The Exchange does not believe that the proposed temporary reduction in its Initial Listing Fees will have any adverse impact on the amount of funds available for its regulatory program.

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the requirements of Section 6(b) of the Act<sup>10</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>11</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers, and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act<sup>12</sup> because it is designed 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 and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

The Exchange believes that the temporary reduction for the remainder of 2021 of the Initial Listing Fee is reasonable in view of the highly competitive market for listings and the disruptions faced by Companies as a result of the global COVID-19 pandemic. The benefits to a Company, its shareholders and stakeholders from pursuing long-term value creation were discussed extensively in the background and rationale for LTSE's Long-Term Policies.<sup>13</sup> While LTSE believes that the current environment reinforces the importance for a Company to demonstrate its commitment to long-termism and the Long-Term Policies set forth in Rule 14.425, the Exchange also believes that a temporary reduction in fees is appropriate in the current economic environment. The proposed rule change applies the reduction in fees equitably in that all price tiers are reduced by 50% and the reduced Initial Listing Fee is available to all Companies

that elect to list on LTSE in calendar year 2021.

Additionally, the Exchange operates in a highly competitive market for the listing of Primary Equity Securities. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. A temporary reduction in price contributes to the competitive marketplace. The Exchange believes therefore that the proposed rule change supports an open market and the national market system, and is consistent with the public interest.

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

LTSE does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would establish a temporary reduction in the schedule of Initial Listing Fees.

The market for listing services is highly competitive. Each listing exchange has a different fee schedule that applies to issuers seeking to list securities on its exchange. Issuers have the option to list their securities on these alternative venues based on the fees charged and the value provided by each listing. Because issuers have a choice to list their securities on a different national securities exchange, the Exchange does not believe that the proposed rule change imposes a burden on competition.

*Intramarket Competition.* The proposed rule change would establish a temporarily-reduced Initial Listing Fee that will be charged to all Companies listing on LTSE on the same basis. The Exchange does not believe that the proposed, temporary fees will have any meaningful effect on the competition among issuers listed on the Exchange.

*Intermarket Competition.* The Exchange operates in a highly competitive market in which issuers can readily choose to list securities on other exchanges and transfer listings to other exchanges if they deem fee levels at those other venues to be more favorable. Consequently, the Exchange does not believe the proposed rule change will impose any burden on intermarket competition in a manner that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange also notes that other listing venues adjust their fees from time to time.<sup>14</sup>

### *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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)<sup>15</sup> of the Act and paragraph (f) of Rule 19b-4<sup>16</sup> thereunder. At any time within 60 days of the filing of such 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 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](mailto:rule-comments@sec.gov). Please include File No. SR-LTSE-2021-03 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 No. SR-LTSE-2021-03. 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

(December 1, 2020) (Nasdaq's Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Certain Annual Listing Fees).

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

<sup>16</sup> 17 CFR 240.19b-4(f)(2).

<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(4).

<sup>12</sup> 15 U.S.C. 78f(b)(5).

<sup>13</sup> See Securities Exchange Act Release No. 86327 (July 8, 2019), 84 FR 33293 (July 12, 2019).

<sup>14</sup> See, e.g., Securities Exchange Act Release No. 90519 (November 25, 2020), 85 FR 77324

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 No. SR-LTSE-2021-03, and should be submitted on or before June 24, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-92057; File No. SR-CBOE-2021-034]

### Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 3.54 and Rule 3.10

May 27, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 20, 2021, Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") 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 Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6)

thereunder.<sup>4</sup> 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 Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to amend Rule 3.54 and Rule 3.10. 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://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), 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 amend Rule 3.54 in connection with a Designated Primary Market-Maker ("DPM") Designee.

Pursuant to Rule 3.54(a), a DPM may act as a DPM solely through its DPM Designees. A "DPM Designee" is an individual who is approved by the Exchange to represent a DPM in its capacity as a DPM. An individual must satisfy various requirements, which are included in Rule 3.54(b), in order to be a DPM Designee of a DPM. Specifically, current Rule 3.54(b)(2) provides that, as one of the requirements, the individual must be a Responsible Person of the DPM. Additionally, pursuant to current Rule 3.9(a), each Trading Permit Holder ("TPH") organization that is the holder of a Trading Permit that provides electronic access to the Exchange must designate at least one individual as the Responsible Person for that TPH organization. The Exchange notes that

Off-Floor DPMs, which is a DPM authorized to function remotely away from the Exchange's trading floor,<sup>5</sup> must hold Trading Permits that provide electronic access to the Exchange. Rule 3.9(a) provides that a Responsible Person must represent the TPH organization with respect to a TPH organization's electronic Trading Permit(s) in all matters relating to the Exchange, and must be a U.S.-based officer, director or management-level employee of the TPH organization, who is responsible for the direct supervision and control of Associated Persons of that TPH organization. Rule 3.9(b) provides that each TPH organization must designate an individual nominee to represent the organization with respect to each Floor Broker Trading Permit or Market-Maker Floor Trading Permit in all matters relating to the Exchange. Thus, an On-Floor DPM, which operates on the Exchange's trading floor,<sup>6</sup> is required to have a nominee for its Market-Maker Floor Trading Permit. Rule 3.9(b) provides, among other things, that each nominee of a TPH organization is required to be registered as a Market-Maker if holding a Market-Making Trading Permit, have authorized trading functions, and perform Exchange-approved trading functions only on behalf of one TPH organization. As a result, a nominee is required to be materially involved in the daily operation of the Exchange business activities of the TPH organization for which the person is a nominee.

Rule 3.10(a) requires, among other things, any individual designated to act as a Responsible Person or nominee desiring to act in one or more of the trading functions authorized by the Rules of the Exchange ("Rules", and individually, "Rule") to submit an application to the TPH Department in a form and manner prescribed by the Exchange. Additionally, Rule 3.10(d) provides that the TPH Department shall investigate, among other applicants, each applicant applying to be a Responsible Person or nominee (with the exception of any associated person applicant that is a current Trading Permit Holder, Responsible Person or nominee, any applicant that was a Trading Permit Holder, Responsible Person or nominee within 9 months prior to the date of receipt of that applicant's application by the TPH Department, and any Trading Permit Holder, Responsible Person, nominee or associated person applicant that was

<sup>17</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> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

<sup>5</sup> See Rule 1.1, Definition of "Designated Primary Market-Maker and DPM".

<sup>6</sup> See id.