

investors and listed companies.”¹⁹ The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition v. Securities and Exchange Commission*, the D.C. Circuit stated as follows: “[n]o one disputes that competition for order flow is ‘fierce.’ . . . As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’”²⁰ Accordingly, the Exchange does not believe its proposed change imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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 Act²¹ and paragraph (f) of Rule 19b-4²² 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. Please include file number SR-CboeEDGX-2024-061 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-CboeEDGX-2024-061. 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-CboeEDGX-2024-061 and should be submitted on or before November 7, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²³

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-101321; File No. SR-CBOE-2024-036]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To Amend Exchange Rule 4.3 To List and Trade Options on Units That Represent Interests in Ethereum Exchange-Traded Products

October 11, 2024.

On August 19, 2024, Cboe Exchange, Inc. (“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 Exchange Rule 4.3 regarding the criteria for underlying securities. Specifically, the Exchange proposes to amend Exchange Rule 4.3, Interpretation and Policy .06(a)(4) to allow the Exchange to list and trade options on Units³ that represent interests in the following exchange-traded products: the Fidelity Ethereum Fund, the 21Shares Core Ethereum ETF, the Invesco Galaxy Ethereum ETF, the Franklin Ethereum ETF, the VanEck Ethereum Trust, the Grayscale Ethereum Trust, the Grayscale Mini Ethereum Trust, the Bitwise Ethereum ETF, and the iShares Ethereum Trust ETF, designating them as Units deemed appropriate for options trading on the Exchange. The proposed rule change was published for comment in the **Federal Register** on September 4, 2024.⁴ The Commission received no comment letters regarding the proposed rule change.

Section 19(b)(2) of the Act⁵ 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

¹⁹ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

²⁰ *NetCoalition v. SEC*, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

²¹ 15 U.S.C. 78s(b)(3)(A).

²² 17 CFR 240.19b-4(f).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Exchange Rule 1.1 defines a “Unit” (which may also be referred to as an exchange-traded fund (“ETF”)) as a share or other security traded on a national securities exchange and defined as an NMS stock as set forth in Rule 4.3.

⁴ See Securities Exchange Act Release No. 100862 (Aug. 28, 2024), 89 FR 72146.

⁵ 15 U.S.C. 78s(b)(2).

²³ 17 CFR 200.30-3(a)(12).

proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is October 19, 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,⁶ designates December 3, 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-CBOE-2024-036).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-101322; File No. SR-CboeBZX-2024-055]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To Exempt Closed-End Management Investment Companies Registered Under the Investment Company Act of 1940 From the Annual Meeting of Shareholders Requirement Set Forth in Exchange Rule 14.10(f)

October 11, 2024.

I. Introduction

On June 25, 2024, Cboe BZX Exchange, Inc. (“BZX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to exempt closed-end management investment companies registered under the Investment Company Act of 1940 (“1940 Act”)³ from the annual meeting of shareholders requirement set forth in Exchange Rule 14.10(f). On July 2, 2024, the Exchange

filed Amendment No. 1 to the proposed rule change, which replaced and superseded the proposed rule change in its entirety. The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on July 15, 2024.⁴ On August 28, 2024, pursuant to Section 19(b)(2) of the Exchange Act,⁵ 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, as modified by Amendment No. 1.⁶ The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act⁷ to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.

II. Description of the Proposed Rule Change, as Modified by Amendment No. 1

BZX Rule 14.8 (General Listing Requirements—Tier I) sets forth listing requirements for closed-end management investment companies registered under the 1940 Act (“CEFs”).⁸ BZX Rule 14.10(f) generally requires that each Company⁹ listing common stock or voting preferred stock, and their equivalents, shall hold an annual meeting of Shareholders¹⁰ no later than one year after the end of the Company’s fiscal year-end. BZX Rule 14.10(e) sets forth certain exemptions from certain corporate governance requirements, including certain exemptions to the annual shareholder meeting requirement in BZX Rule 14.10(f).¹¹ Any CEF that would be listed

on the Exchange would be required to comply with the annual shareholder meeting requirement set forth in BZX Rule 14.10(f) and would not be subject to an exemption. The Exchange proposes to amend BZX Rule 14.10(e)(1)(E) to exempt CEFs from the BZX Rule 14.10(f) requirement to hold annual shareholder meetings. The Exchange also proposes to amend Interpretations and Policies .13 (Management Investment Companies) and .15 (Meetings of Shareholders or Partners) to BZX Rule 14.10 to specify that CEFs are exempt from the annual shareholder meeting requirement set forth in BZX Rule 14.10(f).¹²

III. Proceedings To Determine Whether To Approve or Disapprove SR-CboeBZX-2024-055 and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act¹³ to determine whether the proposed rule change, as modified by Amendment No. 1, should be approved or disapproved. Institution of proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved.

Pursuant to Section 19(b)(2)(B) of the Exchange Act,¹⁴ the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of the

the Exchange are nonvoting preferred securities, debt securities or Derivative Securities. BZX Rule 14.10(e)(1)(F)(ii) defines “Derivative Securities” as Commodity Futures Trust Shares (Rule 14.11(e)(7)), Commodity Index Trust Shares (Rule 14.11(e)(6)), Commodity-Based Trust Shares (Rule 14.11(e)(4)), Commodity-Linked Securities (Rule 14.11(d)(K)(ii)), Currency Trust Shares (Rule 14.11(e)(5)), Equity Gold Shares (Rule 14.11(e)(2)), Equity Index-Linked Securities (Rule 14.11(d)(K)(i)), ETF Shares (Rule 14.11(l)), Fixed Income Index-Linked Securities (Rule 14.11(d)(K)(iii)), Futures-Linked Securities (Rule 14.11(d)(K)(iv)), Index Fund Shares (Rule 14.11(c)), Index-Linked Exchangeable Notes (Rule 14.11(e)(1)), Managed Fund Shares (Rule 14.11(i)), Managed Portfolio Shares (Rule 14.11(k)), Managed Trust Securities (Rule 14.11(e)(10)), Multifactor Index-Linked Securities (Rule 14.11(d)(K)(v)), Partnership Units (Rule 14.11(e)(8)), Portfolio Depository Receipts (Rule 14.11(b)), SEEDS (Rule 14.11(e)(12)), Tracking Fund Shares (Rule 14.11(m)), Trust Certificates (Rule 14.11(e)(3)), and Trust Issued Receipts (Rule 14.11(f)).

¹² Business development companies, which the Exchange states are a type of closed-end management investment company defined in Section 2(a)(48) of the 1940 Act that are not registered under the 1940 Act, will still be required to comply with all of the provisions of BZX Rule 14.10. See Interpretations and Policies .13 to BZX Rule 14.10.

¹³ 15 U.S.C. 78s(b)(2)(B).

¹⁴ *Id.*

⁴ See Securities Exchange Act Release No. 100473 (July 9, 2024), 89 FR 57491 (“Notice”). Comments on the proposed rule change are available at: <https://www.sec.gov/comments/sr-cboebzx-2024-055/sr-cboebzx2024055.htm>.

⁵ 15 U.S.C. 78s(b)(2).

⁶ See Securities Exchange Act Release No. 100867, 89 FR 71944 (Sept. 4, 2024). The Commission designated October 13, 2024, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change, as modified by Amendment No. 1.

⁷ 15 U.S.C. 78s(b)(2)(B).

⁸ See BZX Rules 14.8(e) and (i). The Exchange states that the only products currently listed on the Exchange that are registered under the 1940 Act are those that fall within the definition of Derivative Securities (as defined below), and that there are currently no CEFs listed on the Exchange. See Notice, *supra* note 4, at 57493 n.15.

⁹ The term “Company” means the issuer of a security listed or applying to list on the Exchange. See BZX Rule 14.1(a)(3).

¹⁰ The term “Shareholder” means a record or beneficial owner of a security listed or applying to list. See BZX Rule 14.1(a)(28).

¹¹ Specifically, BZX Rule 14.10(e)(1)(F)(i) exempts from this annual shareholder meeting requirement issuers whose only securities listed on

⁶ *Id.*

⁷ 17 CFR 200.30-3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 80a-1 *et seq.*