although it reflected the rate increase in the rate tables, it mistakenly failed to update the rate referenced under the Fee Cap Table, which table includes line items for, among other things, AIM Facilitation and Solicitation Contra Orders. Accordingly, the Exchange proposes to update the AIM Contra Order rates in the Fee Cap Table from $0.05 per contract to $0.07 per contract. No substantive changes are being made by the proposed rule change.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act. Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable practices, to provide for fair and orderly transactions, to promote just and efficient execution of transactions, to remove impediments to and perfect the mechanism of a free and open market and national market system, and, in general, to protect investors and the public interest.

The Exchange believes the proposed rule change to update an inaccurate rate under the Fee Cap Table will alleviate potential confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and national market system and, in general, to protect investors and the public interest. As noted above, the proposed filing does not substantively change any transaction fees, but merely corrects an inadvertent oversight from a previous rule filing.

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. The proposed rule change does not address competitive issues, but rather, as discussed above, is merely intended to correct an inadvertent marking omission relating to a rate change made in a previous rule filing, which will alleviate potential confusion.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

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 Act and paragraph (f) of Rule 19b–4 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 (http://www.sec.gov/rules/sro.shtml); or
- Send an email to rule-comments@sec.gov. Please include File Number SR–CBOE–2018–072 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–CBOE–2018–072 and be submitted on or before December 7, 2018.

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Listed Company Manual To Clarify the Application of the Initial Listing Requirements to Common Equity Securities Issued in Exchange for a Listed Equity Investment Tracking Stock

November 9, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) and Rule 19b–4 thereunder, notice is hereby given that on November 2, 2018, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with

10 57783 Federal Register
the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III 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 the Listed Company Manual (the “Manual”) to clarify the application of the initial listing requirements to common equity securities issued in exchange for a listed Equity Investment Tracking Stock. 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

Section 102.07 of the Manual sets forth initial listing requirements applicable to the listing of Equity Investment Tracking Stocks. An Equity Investment Tracking Stock is defined as a class of common equity securities that tracks on an unleveraged basis the performance of an investment by the issuer in the common equity securities of a single other company listed on the Exchange. An Equity Investment Tracking Stock may track multiple classes of common equity securities of a single issuer, so long as all of those classes have identical economic rights and at least one of those classes is listed on the Exchange.4

The issuer of an Equity Investment Tracking Stock may seek (by a shareholder vote, exchange offer or other legally permissible means) to exchange outstanding shares of the Equity Investment Tracking Stock for newly issued shares of a non-tracking stock class of common equity securities pursuant to a specified exchange ratio. The common stock issued in this exchange may be of an already listed class or it may consist of shares of a class that is not currently listed on the Exchange. However, the initial listing standards for common stock set forth in Section 102.01 of the Manual do not currently specify the listing standards applicable to a newly listed class of common stock issued in exchange for an Equity Investment Tracking Stock. Therefore, the Exchange proposes to amend Section 102.01 to clarify how the new class of common stock will be listed in such circumstances.

In light of the fact that there is a predecessor security listed on the NYSE, the Exchange believes that the listing of a common stock in exchange for shares of a listed Equity Investment Tracking Stock is more similar to a listing upon transfer from another exchange than it is to an initial public offering. Specifically, such an exchange is comparable to a transfer in that in both cases the Exchange is able to rely on the existence of both historical trading information and a liquid public trading market in making its listing determination. As such the Exchange proposes to apply to such listings the initial listing standards applicable to transfers. The Exchange notes that the initial listing standards for transfers and quotations are at least as high as those for IPOs and are more stringent in certain respects.

The Exchange proposes to amend Section 102.01A to specify that such common equity securities listed upon consummation of an exchange for a listed Equity Investment Tracking Stock will be subject to the distribution requirements set forth in that rule for transfer and quotation listings. Section 102.01A provides that a company listing in connection with a transfer or quotation listing must have at least 1.1 million publicly held shares5 and meet one of the following additional distribution requirements:

- 400 shareholders of round lots (i.e., at least 100 shares);
- 2,200 total stockholders together with an average monthly trading volume of at least 100,000 shares over the most recent six months; or
- 500 total shareholders together with an average monthly trading volume of at least 1,000,000 shares over the most recent 12 months.

Section 102.01B of the Manual requires companies listing upon transfer from another exchange to demonstrate that they have $100 million in market value of publicly held shares and a closing share price of $4.00 per share.6 In applying these requirements to the listing of a new class of common stock in exchange for an Equity Investment Tracking Stock, the Exchange proposes to permit issuers to demonstrate their compliance by reference to the trading price and publicly-held share outstanding of the Equity Investment Tracking Stock immediately prior to the consummation of the exchange, basing those calculations on the exchange ratio between the two securities.7 The Exchange believes this approach is justified, as the market price for the Equity Investment Tracking Stocking immediately prior to the consummation of the exchange will reflect the market’s anticipation of the value of the common stock into which it will be exchanged.

Any company listing its primary class of common stock on the Exchange must meet one of the two financial tests in Section 102.01C of the Manual, the Earnings Test or the Global Market Capitalization Test. As the Earnings Test is based solely on the issuer’s historical financial statements, there are no issues specific to issuers engaged in these sorts of exchanges of Equity Investment Tracking Stocks for common stock. However, the Global Market Capitalization Test requires the issuer to demonstrate that it has $200 million in global market capitalization. In meeting this test, the Exchange proposes to permit issuers to demonstrate their

4 In order for an Equity Investment Tracking Stock to qualify for initial listing, it must meet the requirements of Sections 102.01A and 102.01B of the Manual and the issuer of the Equity Investment Tracking Stock must meet the Global Market Capitalization Test set forth in Section 102.01C. The Exchange will not list an Equity Investment Tracking Stock if, at the time of the proposed listing, the issuer of the equity tracked by the Equity Investment Tracking Stock has been deemed below compliance with the Exchange’s listing standards. The issuer of the Equity Investment Tracking Stock must own (directly or indirectly) at least 50% of both the economic interest and voting power of all of the outstanding classes of common equity securities of the issuer whose equity is tracked by the Equity Investment Tracking Stock.

5 Shares held by directors, officers, or their immediate families and other concentrated holding of 10 percent or more are excluded in calculating the number of publicly-held shares wherever that term is used throughout this proposal.

6 Companies listing in connection with an IPO are required to have $40 million in market value of publicly held shares.

7 In making listing qualification determinations, the Exchange will rely generally on information with respect to a company’s shares outstanding, publicly held shares and the exchange ratio as most recently disclosed in an SEC filing, but reserves the right to adjust those numbers if there have been significant changes in those numbers since the most recent SEC disclosure.
compliance by reference to the trading price and shares outstanding of the
Equity Investment Tracking Stock prior to the consummation of the exchange,
basing those calculations on the exchange ratio between the two
securities.8 The Exchange believes this approach is justified for the same
reasons set forth above with respect to
the stock price and publicly-held shares
requirements.

2. Statutory Basis

The Exchange believes that the
proposed rule change is consistent with
Section 6(b) of the Exchange Act,9 in
general, and furthers the objectives of
Section 6(b)(5) of the Exchange Act,10 in
particular in that 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, or dealers.
The proposal to apply the same initial
listing standards to the listing of a new
common stock issued in exchange for an
Equity Investment Tracking Stock are
applied to transfers and quotation
listings is designed to protect investors
and the public interest because the
applicable standards are the most
stringent standards applied to the listing
of common equities on the Exchange.
The proposal to use the trading price
and shares outstanding of the Equity
Investment Tracking Stock immediately
prior to the exchange, as adjusted by the
exchange ratio, in conducting its initial
listing analysis will provide the
Exchange with relevant information
about the characteristics of the trading
market for the issuer’s securities which
will be predictive of the market for the
common stock into which the Equity
Investment Tracking Stock will be
exchanged. As such, this information
will be helpful to the Exchange in
making its initial listing determination.

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. The sole
purpose of the proposal is to clarify the
application of the initial listing
requirements to common equity
securities issued in exchange for a listed
Equity Investment Tracking Stock. As
such, the Exchange does not believe the
proposal imposes any burden on
competition.

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

The Exchange has filed the proposed
rule change pursuant to Section
19(b)(3)(A)(iii) of the Act11 and Rule
19b–4(f)(6) thereunder.12 Because
the 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
prior to 30 days from the date on which
it was filed, or such shorter time as the
Commission may designate, if
consistent with the protection of
investors and the public interest, the
proposed rule change has become
effective pursuant to Section 19(b)(3)(A)
of the Act and Rule 19b–4(f)(6)(iii)
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
under Section 19(b)(2)(B)13 of the Act 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. Please include File Number SR–

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–2018–55. 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 such
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
comments submissions. You should
submit only information that you wish
to make available publicly. All
submissions should refer to File
Number SR–NYSE–2018–55, and
should be submitted on or before
December 7, 2018.

8 Section 102.01C provides, that, in considering the
listing under the Global Market Capitalization
Rule of current publicly-traded companies, the
Exchange will require such companies to meet the
minimum $200 million global market capitalization
requirements to common equity
securities issued in exchange for a listed
Equity Investment Tracking Stock. As
such, the Exchange does not believe the
proposal imposes any burden on
competition.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.14

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2018–24984 Filed 11–15–18; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release Nos. 33–10573; 34–84574; File No. 265–28]

Investor Advisory Committee Meeting

AGENCY: Securities and Exchange Commission.


SUMMARY: The Securities and Exchange Commission Investor Advisory Committee, established pursuant to Section 911 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, is providing notice that it will hold a public meeting. The public is invited to submit written statements to the Committee.

DATES: The meeting will be held on Thursday, December 13, 2018 from 9:00 a.m. until 3:00 p.m. (ET). Written statements should be received on or before December 13, 2018.

ADDRESSES: The meeting will be held in Multi-Purpose Room LL–006 at the Commission’s headquarters, 100 F Street NE, Washington, DC 20549. The meeting will be webcast on the Commission’s website at www.sec.gov. Written statements may be submitted by any of the following methods:

Electronic Statements
- Use the Commission’s internet submission form (http://www.sec.gov/rules/other.shtml); or
- Send an email message to rules-comments@sec.gov. Please include File No. 265–28 on the subject line; or

Paper Statements
- Send paper statements to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File No. 265–28. This file number should be included on the subject line if email is used. To help us process and review your statement more efficiently, please use only one method.

Statements also will be available for website viewing and printing in the Commission’s Public Reference Room, 100 F Street NE, Room 1503, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. All statements 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.


SUPPLEMENTARY INFORMATION: The meeting will be open to the public, except during that portion of the meeting reserved for an administrative work session during lunch. Persons needing special accommodations to take part because of a disability should notify the contact person listed in the section above entitled FOR FURTHER INFORMATION CONTACT.

The agenda for the meeting includes:
Welcome remarks; a discussion regarding disclosures on human capital (which may include a recommendation from the Investor as Owner subcommittee); a discussion regarding disclosures on sustainability and environmental, social, and governance (ESG) topics; a discussion regarding unpaid arbitration awards; subcommittee reports; and a nonpublic administrative work session during lunch.

Dated: November 9, 2018.

Brent J. Fields,
Secretary.

[FR Doc. 2018–25019 Filed 11–15–18; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend General 8 of the Exchange’s Rules

November 9, 2018.

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 October 29, 2018, Nasdaq ISE, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“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 General 8 of the Exchange’s Rules, as described below.

The text of the proposed rule change is available on the Exchange’s website at http://ise.cchwallstreet.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 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 General 8 of its Rules, which govern the provision by the Exchange of colocation, connectivity, and direct connectivity services and related products, and which set forth the fees that the Exchange charges for those products and services, to: (1) Clarify that all of the products and services set forth in General 8 are shared among the Nasdaq Inc. affiliated exchanges—The Nasdaq Stock Market LLC, Nasdaq BX, Inc., Nasdaq PHLX LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, and Nasdaq GEMX, LLC (collectively, the “Nasdaq, Inc. Exchanges”)—meaning that a firm need only purchase these products and services once to be able to use them to connect to all of the Nasdaq, Inc. Exchanges to which the firm is otherwise entitled to connect, and to receive the third party services and market data feeds that it is otherwise entitled to receive; and (2) make other