

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-94298; File No. SR-NYSECHX-2022-02)

February 22, 2022

Self-Regulatory Organizations; NYSE Chicago, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Article I, Rule 5 to Replace References to Employees and Officers of Intercontinental Exchange Group, Inc.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on February 14, 2022, the NYSE Chicago, Inc. (“NYSE Chicago” 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 Article I, Rule 5 (Designation of Authority) to replace references to employees and officers of Intercontinental Exchange Group, Inc., the Exchange’s indirect parent company, with references to employees and officers of the Exchange. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://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

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

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 Article I, Rule 5 (Designation of Authority) to replace references to employees and officers of Intercontinental Exchange Group, Inc. (“ICE”), the Exchange’s indirect parent company, with references to employees and officers of the Exchange.

The Exchange adopted Rule 5 in 2019, stating that Rule 5 was substantially similar to the third paragraph of New York Stock Exchange Rule 1 (“NYSE Rule 1”).<sup>4</sup>

Like NYSE Rule 1, Rule 5 provides that, if the person named in a rule is not available, the chief executive officer (“CEO”) or chief regulatory officer (“CRO”) of the Exchange may designate one or more qualified employees of ICE to act in their place. Rule 5 goes on to state that, for purposes of a designation by the CEO, a qualified employee includes, among other things, any officer of ICE deemed by the CEO to possess the requisite knowledge and job qualifications.<sup>5</sup>

In practice, designations under Rule 5 are limited to Exchange employees and officers. To more accurately reflect actual practice, the Exchange proposes to replace the references to employees and officers of ICE in Rule 5 with references to employees and officers of the

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<sup>4</sup> See Securities Exchange Act Release No. 85190 (February 25, 2019), 84 FR 7154 (March 1, 2019) (SR-NYSECHX-2019-02) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Rules of the Exchange To Adopt Article 1, Rule 5).

<sup>5</sup> Article 1, Rule 5.

Exchange, as follows:

- in the first sentence, “Intercontinental Exchange Group, Inc. (‘ICE’)” would be replaced with “the Exchange”; and
- in clause (1) of the second sentence, “Exchange” would be added before “officer,” and “of ICE” would be deleted.

The proposed changes would not result in any practical changes regarding which individuals would be eligible to perform the functions specified in Rule 5 and would not require the Exchange to change which individuals may currently performing these functions.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>7</sup> in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in 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.

The Exchange believes that the proposed rule change would promote clarity and transparency in its rules. The Exchange believes that the change would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from the increased clarity and transparency that the change would introduce, thereby reducing potential confusion.

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<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

The Exchange believes that the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors and the public interest, because it would remove any potential confusion among market participants that may result if the Exchange retained references to ICE employees and ICE officers in Rule 5, adding clarity and transparency to Exchange rules. Moreover, the proposed change to the first prong of the definition of “qualified employee” for purposes of designation by the CEO would make it consistent with the first prong of the definition of “qualified employee” for purposes of designation by the CRO, reducing any potential confusion among market participants.

In practice, Exchange employees and officers, and not ICE employees and officers, are designated pursuant to Rule 5. The proposed changes would ensure that remained true, as under the changes only Exchange officers or Exchange employees could be qualified employees delegated authority by the CEO pursuant to Rule 5. For that reason, the Exchange believes that the proposed change would remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors and the public interest.

For these reasons, the Exchange believes that the proposal is consistent with the Act.

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

In accordance with Section 6(b)(8) of the Act,<sup>8</sup> the Exchange believes that the proposed rule change will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change is not designed to address any competitive issue but rather serve to promote clarity and consistency, thereby reducing burdens

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

on the marketplace and facilitating investor protection. The proposed changes would be administrative and would apply only to the Exchange, and therefore would not impose any unnecessary competitive burden on third parties.

For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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<sup>9</sup> and Rule 19b-4(f)(6)<sup>10</sup> 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.

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<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 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.

#### 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 e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSECHX-2022-02 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-NYSECHX-2022-02. This file number should be included on the subject line if e-mail 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-NYSECHX-2022-02 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

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

Jill M. Peterson  
Assistant Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).