

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-82506; File No. SR-NYSE-2018-01)

January 16, 2018

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change to Amend the Complimentary Products and Services Available to Certain Eligible New Listings Pursuant to Section 907.00 of the Exchange's Listed Company Manual

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 January 3, 2018, 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, II, and III 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 907.00 of the Exchange's Listed Company Manual (the "Manual") to provide that companies initially listed on or after April 1, 2018 will no longer be eligible to receive corporate governance tools under the Exchange's services offering. 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

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 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 Section 907.00 of the Manual to provide that companies initially listed on or after April 1, 2018 will no longer be eligible to receive corporate governance tools under the Exchange's services offering.

Currently, all Eligible New Listings⁴ are entitled to receive complimentary access to corporate governance tools for a period of 24 calendar months with a commercial value of approximately \$50,000.⁵ In the Exchange's experience, companies that qualify as Eligible New Listings have generally not been interested in utilizing the corporate governance tools available as part of the Exchange's services offering. Consequently, the Exchange proposes to amend Section 907.00 to discontinue its provision of corporate governance tools. Eligible New Listings

⁴ For the purposes of Section 907.00, the term "Eligible New Listing" means (i) any U.S. company that lists common stock on the Exchange for the first time and any non-U.S. company that lists an equity security on the Exchange under Section 102.01 or 103.00 of the Manual for the first time, regardless of whether such U.S. or non-U.S. company conducts an offering and (ii) any U.S. or non-U.S. company emerging from a bankruptcy, spinoff (where a company lists new shares in the absence of a public offering), and carve-out (where a company carves out a business line or division, which then conducts a separate initial public offering).

⁵ The period of complimentary products and services provided to Eligible New Listing Companies begins on the date of listing on the Exchange. Notwithstanding the foregoing, however, if an Eligible New Listing begins to use a particular product or service provided for under Section 907.00 within 30 days of its initial listing date, the complimentary period will begin on the date of first use. The Exchange's current offering of corporate governance services have a commercial value of approximately \$50,000 on an annual basis.

with an initial listing date before April 1, 2018, will continue to be eligible to avail themselves of complimentary corporate governance tools on the same terms as such services are currently offered. Companies whose initial listing date is on or after April 1, 2018 will no longer be eligible to receive any complimentary corporate governance tools.⁶

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)⁷ of the Act, in general, and furthers the objectives of Section 6(b)(5) of the Act,⁸ 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. The Exchange believes that the proposed amendment is not unfairly discriminatory, as all companies listed on or after April 1, 2018 will continue to be eligible to avail themselves of the same services offering with the exception of the corporate governance tools offering which will be discontinued. It is not unfairly discriminatory to continue to offer corporate governance tools to companies listed prior to April 1, 2018 on the same terms as they are currently offered, as that benefit was part of the services offering that was available at the time of those companies' initial listing and may have had some influence over their listing decisions. The Exchange further believes that the proposed rule change is consistent

⁶ This rule filing is subject to Commission approval. If the Commission does not approve this rule filing prior to April 1, 2018, the Exchange will amend this rule filing to propose that the complimentary corporate governance services offering provided for in Section 907.00 of the Manual will be terminated as of a later date.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

with Section 6(b)(4) of the Act.⁹ In particular, the Exchange has found that companies that qualify as Eligible New Listings have generally not been interested in utilizing the corporate governance tools available as part of the Exchange's services offerings and, therefore, the Exchange believes it is reasonable to eliminate such offering.

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 purpose of the Act. The proposed rule change does not impose any burden on competition, as all companies whose initial listing occurs on or after April 1, 2018 will be eligible for an identical services offering with the exception of the discontinued corporate governance tools. In addition, all companies whose [sic] initial listing occurs prior to April 1, 2018 will continue to be eligible for corporate governance services on the same terms as they are currently offered.

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

Within 45 days of the date of publication of this notice in the Federal Register or up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

⁹ 15 U.S.C. 78f(b)(4).

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. Please include File Number SR-NYSE-2018-01 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-2018-01. 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-NYSE-2018-01, 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.¹⁰

Eduardo A. Aleman
Assistant Secretary

¹⁰ 17 CFR 200.30-3(a)(12).