

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-101322; File No. SR-CboeBZX-2024-055)

October 11, 2024

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)

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 On July 2, 2024, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced and superseded the proposed rule change in its entirety.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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 80a-1 et seq.

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/srcboebzx2024055.htm>.

⁵ 15 U.S.C. 78s(b)(2).

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

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 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)),

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 proposed rule change's consistency with the Exchange Act and, in particular, with Section 6(b)(5) of the Exchange Act, which requires,

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.

among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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 not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.¹⁵

The development and enforcement of meaningful corporate governance exchange listing standards is of substantial importance to financial markets and the investing public, especially given investor expectations regarding the nature of companies that have achieved an exchange listing for their securities and the role of an exchange in overseeing its market and ensuring compliance with its listing standards.¹⁶ The corporate governance standards embodied in exchange listing standards play an important role in assuring that listed companies observe good governance practices.¹⁷

In particular, the Commission has consistently recognized the importance of the annual shareholder meeting requirement to the protection of investors and the public interest.¹⁸ Among

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ See, e.g., Securities Exchange Act Release Nos. 99238 (Dec. 26, 2023), 89 FR 113, 116 n.21 and accompanying text (Jan. 2, 2024) (SR-NYSE-2023-34) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1, Amending Sections 312.03(b) and 312.04 of the NYSE Listed Company Manual To Modify the Circumstances Under Which a Listed Company Must Obtain Shareholder Approval of a Sale of Securities Below the Minimum Price to a Substantial Security Holder of the Company); 100816 (Aug. 26, 2024), 89 FR 70674, 70677-78 nn.46-48 and accompanying text (Aug. 30, 2024) (SR-NASDAQ-2024-019) (Order Granting Approval of a Proposed Rule Change, to Rules 5605, 5615 and 5810 To Amend Phase-In Schedules for Certain Corporate Governance Requirements and Applicability of Certain Cure Periods).

¹⁷ See id.

¹⁸ The Commission has stated that the right of shareholders to vote at an annual meeting is an essential and important one. See, e.g., Securities Exchange Act Release Nos. 86406 (July 18, 2019), 84 FR 35431, 35432 (July 23, 2019) (SR-NYSE-2019-20) (Order Granting Approval of a Proposed Rule Change Amending Section 302 of the Listed Company Manual To Provide Exemptions for the Issuers of Certain Categories of Securities From the Obligation To Hold Annual Shareholders' Meetings) ("NYSE Order"); 57268 (Feb. 4, 2008), 73 FR 7614, 7616 (Feb. 8, 2008) (SR-Amex-2006-31) (Order Approving Proposed Rule Change, as Modified by Amendment Nos. 1, 2, and 3 Thereto, Relating to Annual Shareholder Meeting Requirements) ("Amex Order").

other things, annual shareholder meetings allow the shareholders of a company the opportunity to elect directors and meet with, and engage, management to discuss company affairs.¹⁹ The Commission has recognized that, in limited circumstances, the exchange requirement to hold an annual shareholder meeting may not be necessary for certain issuers of specific types of securities where the holders of such securities do not directly participate as equity holders or vote in the annual election of directors or generally on the operations or policies of the listed company.²⁰ However, when approving a prior exchange proposal for specific exemptions from the annual shareholder meeting requirement, which included an exemption for exchange-traded funds (“ETFs”), the Commission expressly stated that CEFs are still required to hold annual meetings under that exchange’s rules.²¹

The Exchange states in support of its proposal that it believes the “burdensome” annual shareholder meeting requirement is unnecessary for CEFs given the investor protections afforded under the 1940 Act.²² Specifically, the Exchange states that it believes that because the 1940 Act

¹⁹ See, e.g., Amex Order at 7614; Securities Exchange Act Release No. 53578 (Mar. 30, 2006), 71 FR 17532 (Apr. 6, 2006) (SR-NASD-2005-073) (Order Granting Approval of a Proposed Rule Change and Amendment Nos. 1 and 2 Thereto and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 3 Thereto Relating to Rule 4350(e) To Amend the Annual Shareholder Meeting Requirement).

²⁰ See NYSE Order at 35432; Amex Order at 7616. The Commission has also stated that where an exchange has exempted issuers of certain categories of securities from the exchange requirement to hold an annual meeting, such issuers would remain subject to any applicable state and federal securities laws that relate to annual meetings and may still be required to hold annual shareholder meetings in accordance with such state and federal securities laws. See id. In addition, such issuers would remain subject to state and federal securities laws that may require other types of shareholder meetings, such as special meetings of shareholders. See NYSE Order at 35432. The Commission has also stated that the exemptions apply only with respect to particular securities, and that if a company also lists other common stock or voting preferred stock, or their equivalent, such company must nevertheless hold an annual meeting for the holders of such securities during each fiscal year. See id. at 35433.

²¹ See NYSE Order at 35433 n.20. See also infra note 28.

²² See Notice, supra note 4, at 57494.

preserves shareholder ability to elect directors,²³ requires “independent directors”²⁴ to approve significant actions,²⁵ and requires a shareholder vote on material governance and policy changes,²⁶ the Exchange’s requirement to hold an annual shareholder meeting is unnecessary for CEF shareholders.²⁷ The Exchange further states that it believes that because no other registered investment companies listed on the Exchange are required to hold an annual shareholder meeting (such exempted investment companies, “BZX-Listed ETFs”), there is not a compelling reason for CEFs to be subject to such a requirement.²⁸

The Commission received comments supporting the proposal.²⁹ Some commenters stated that Congress adopted the 1940 Act protections referenced by BZX in lieu of an annual shareholder meeting requirement.³⁰ Some commenters agreed with BZX that 1940 Act

²³ See id. at 57492.

²⁴ According to the Exchange, an “independent director” is a director that is not an “interested person” as defined in Section 2(a)(19) of the 1940 Act. See id. at 57492 n.9.

²⁵ See id. at 57492-93.

²⁶ See id. at 57493.

²⁷ See id. at 57494.

²⁸ See id. When justifying its prior proposal to exempt BZX-Listed ETFs from the annual shareholder meeting requirement of BZX Rule 14.10(f), the Exchange stated, among other things, that such securities are issued by an open-end investment company registered under the 1940 Act that are available for creation and redemption on a continuous basis, and require dissemination of an intraday portfolio value; that these requirements provide important investor protections and ensure that the net asset value (“NAV”) and the market price remain closely tied to one another while maintaining a liquid market for the security; and that these protections, along with the disclosure documents regularly received by investors, allow their shareholders to value their holdings on an ongoing basis and lessen the need for such shareholders to directly deal with management at an annual meeting. See Securities Exchange Act Release No. 99524 (Feb. 13, 2024), 89 FR 12919, 12930 (Feb. 20, 2024) (CboeBZX-2024-010) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Corporate Governance Requirements, as Provided Under Exchange Rule 14.10 and Make Certain Other Changes to Its Listing Rules as Provided Under Exchange Rules 14.3, 14.6, 14.7, and 14.12) (“BZX Prior Filing”).

²⁹ See, e.g., Letters from Paul G. Cellupica, General Counsel, and Kevin Ercoline, Assistant General Counsel, Investment Company Institute, dated Aug. 2, 2024 (“ICI Letter”); Investment Adviser Association, Securities Industry and Financial Markets Association (“SIFMA”), SIFMA’s Asset Management Group, and Insured Retirement Institute, dated Aug. 5, 2024 (“SIFMA et al. Letter”); Bruce Leto and Sara Crovitz, Stradley Ronon Stevens & Young, LLP, dated Aug. 13, 2024 (“Stradley Ronon Letter”); Joseph V. Amato, President and Chief Investment Officer, Equities, Neuberger Berman Group LLC, dated Aug. 5, 2024 (“Neuberger Berman Letter”).

³⁰ See, e.g., ICI Letter at 7-9; SIFMA et al. Letter at 2-3.

requirements, such as those pertaining to director elections, independent directors, and matters that require shareholder vote, protect CEF investors;³¹ and some stated that the 1940 Act requirements rendered BZX’s annual shareholder meeting requirement “superfluous.”³² Some commenters also claimed that certain investors exploit the current annual shareholder meeting requirement for their own gain—for example, by launching a proxy campaign to change a CEF’s management and/or investment strategy, to conduct tender offers, or to liquidate the CEF altogether.³³ These commenters stated that annual meetings allow a minority investor to have an outsized influence over the CEF that results in harm to long-term retail investors in the CEF and disincentivizes the creation of new listed CEFs.³⁴ Some commenters also stated that annual shareholder meetings are costly to CEFs and that retail investor engagement at such meetings is limited, and concluded that the burden of the annual shareholder meeting requirement outweighs any potential benefits.³⁵

The Commission also received comments opposing the proposal.³⁶ Some commenters stated that the 1940 Act requirements referenced by the Exchange were adopted in addition to the pre-existing annual shareholder meeting requirement of the New York Stock Exchange,

³¹ See, e.g., ICI Letter at 9-13; Letter Type A at <https://www.sec.gov/comments/sr-cboebzx-2024-055/srcboebzx2024055.htm>.

³² See, e.g., ICI Letter at 1 and 9; SIFMA et al. Letter at 2; Stradley Ronon Letter at 3.

³³ See, e.g., ICI Letter at 2-3, 5-7, 17-24; Neuberger Berman Letter at 1-2; Stradley Ronon Letter at 1-2.

³⁴ See, e.g., ICI Letter at 13-14; Neuberger Berman Letter at 1-2; Stradley Ronon Letter at 2.

³⁵ See, e.g., ICI Letter at 14-15; Letter from George W. Morriss, dated Aug. 5, 2024.

³⁶ See, e.g., Letters from Paul N. Roth, Founding Partner Emeritus, Of Counsel, Schulte Roth & Zabel LLP, dated Aug. 9, 2024 (“Schulte Letter”); Michael D’Angelo, Saba Capital Management, LP, dated Aug. 5, 2024 (“Saba Letter”); Profs. Lucian A. Bebchuk, Harvard Law School, and Robert J. Jackson, Jr., NYU School of Law, dated July 30, 2024 (“Bebchuk & Jackson Letter”); Profs. Daniel J. Taylor, The Wharton School, Edwin Hu, UVA School of Law, Robert Bishop, Duke School of Law, Bradford Levy, Chicago Booth School of Business, Shiva Rajgopal, Columbia Business School, and Jonathan Zytznick, Georgetown University Law Center, on behalf of the Working Group on Market Efficiency and Investor Protection in Closed-End Funds, dated July 30, 2024 (“Working Group Letter”).

rather than in lieu of it,³⁷ and some stated that the 1940 Act requirements are not a substitute for annual shareholder meetings.³⁸ Some commenters stated that CEFs are fundamentally different from other registered investment companies, including BZX-Listed ETFs.³⁹ In particular, commenters stated that CEFs commonly trade at a discount to NAV,⁴⁰ and claimed that the inability of CEF investors to redeem shares at NAV makes CEF investors more vulnerable to actions by CEF management.⁴¹ Commenters stated that, in light of these unique features of CEFs, annual meetings are an important tool to discipline CEF management.⁴² Commenters also stated that elimination of BZX’s annual shareholder meeting requirement would harm CEF investors by reducing opportunities for shareholder activism (or the threat of such activism);⁴³ further entrenching CEF management;⁴⁴ potentially increasing CEFs’ discounts to NAV;⁴⁵ and effectively disenfranchising CEF investors due to the infrequency with which shareholder meetings would be required under the 1940 Act⁴⁶ and the difficulty for shareholders to requisition special meetings.⁴⁷ A commenter stated that CEF shareholders “are constantly engaging with management and boards in an effort to close NAV discounts and recoup lost

³⁷ See, e.g., Schulte Letter at 3.

³⁸ See, e.g., Saba Letter at 9-10.

³⁹ See, e.g., Bebchuk & Jackson Letter at 5-7.

⁴⁰ See, e.g., Working Group Letter at 3; Schulte Letter at 5.

⁴¹ See, e.g., Bebchuk & Jackson Letter at 5-6.

⁴² See, e.g., Bebchuk & Jackson Letter at 7-8; Working Group Letter at 3.

⁴³ A commenter stated that the current annual shareholder meeting mechanism has both a direct effect (e.g., replacing existing fund directors) and indirect effect (e.g., the fear of potential replacement gives incumbent CEF directors incentive to avoid underperformance altogether); and that approval of BZX’s proposal would produce two types of entrenchment costs from the elimination of these direct and indirect effects. See Bebchuk & Jackson Letter at 7-8 and 10-11.

⁴⁴ See, e.g., Working Group Letter at 5.

⁴⁵ See, e.g., Working Group Letter at 6; Saba Letter at 1, 2, and 7 n.25.

⁴⁶ See, e.g., Bebchuk & Jackson Letter at 8-9.

⁴⁷ See, e.g., Working Group Letter at 5; Schulte Letter at 6-7 and n.31; Saba Letter at 2.

shareholder value” and that the proposal is “seeking to remove the primary avenue used by CEF shareholders[] to engage with CEF management and the board,”⁴⁸ and commenters expressed concern with the removal of a right (required annual shareholder meetings) that shareholders may have relied upon when investing in CEFs.⁴⁹

The Commission has concerns about whether BZX’s proposal to exempt CEFs from the annual shareholder meeting requirement set forth in BZX Rule 14.10(f) is designed to protect investors and the public interest, as required by Section 6(b)(5) of the Exchange Act.⁵⁰ Although BZX’s rules provide a similar exemption for BZX-Listed ETFs,⁵¹ there are important differences between CEFs and ETFs. Shares of CEFs often trade at prices that are less than, or at a “discount” to, the funds’ NAV per share. In contrast, while ETFs may trade at a discount, it is often to a much lesser degree than CEFs.⁵² Due to these circumstances, shareholders of CEFs may have an interest in expressing their views at annual shareholder meetings.

Moreover, the Commission has concerns with the sufficiency of the Exchange’s analysis and whether the Exchange has met its burden to demonstrate that its proposal is consistent with

⁴⁸ Schulte Letter at 6. In a similar proposal from the New York Stock Exchange to exempt CEFs from that exchange’s annual shareholder meeting requirement, opposing commenters described other benefits of annual shareholder meetings to CEF investors, such as providing accountability, transparency, and a forum for shareholders to voice concerns. See Securities Exchange Act Release No. 101257 (Oct. 4, 2024), 89 FR 82277, 82280 n.47 (Oct. 10, 2024) (SR-NYSE-2024-35) (Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to Amend Section 302.00 of the NYSE Listed Company Manual to Exempt Closed-End Funds Registered Under the Investment Company Act of 1940 From the Requirement to Hold Annual Shareholder Meetings).

⁴⁹ See, e.g., Schulte Letter at 4; Saba Letter at 2; Bebchuk & Jackson Letter at 12.

⁵⁰ 15 U.S.C. 78f(b)(5).

⁵¹ See BZX Prior Filing, supra note 28.

⁵² See Securities Act Release No. 10695, Investment Company Act Release No. 33646, S7-15-18 (Sept. 25, 2019), 84 FR 57162, 57165 (Oct. 24, 2019) (Exchange-Traded Funds Final Rule) (“The combination of the creation and redemption process with secondary market trading in ETF shares and underlying securities provides arbitrage opportunities that are designed to help keep the market price of ETF shares at or close to the NAV per share of the ETF.”). See also supra note 28.

the Exchange Act.⁵³ The Exchange states that BZX-Listed ETFs are already exempt from the annual shareholder meeting requirement of BZX Rule 14.10(f). However, the Exchange does not discuss or explain the differences between BZX-Listed ETFs and CEFs, which differences, as discussed above, may result in investor protection concerns for CEF shareholders with respect to eliminating the right to an annual shareholder meeting that may not be present for BZX-Listed ETFs' shareholders. For example, the Exchange does not discuss whether the fact that CEF shares may trade at a large discount to NAV would raise any investor protection concerns with eliminating the annual shareholder meeting requirement. The Exchange also does not discuss the extent to which CEF investors participate in, and benefit from, annual shareholder meetings, such that eliminating the annual shareholder meeting requirement may raise investor protection concerns. In addition, while the Exchange discusses how certain requirements set forth in the 1940 Act are designed to protect CEF investors and the public interest, the Exchange does not discuss how its specific proposal to exempt CEFs from the longstanding annual shareholder meeting requirement—and any resulting loss of benefits to CEF investors of annual shareholder meetings—would be designed to protect CEF investors and the public interest.

As a result, the Commission believes there are questions as to whether the proposal is consistent with Section 6(b)(5) of the Exchange Act⁵⁴ and its requirement, among other things, that the rules of a national securities exchange be designed to protect investors and the public

⁵³ Under the Commission's Rules of Practice, the "burden to demonstrate that a proposed rule change is consistent with the Exchange Act and the rules and regulations issued thereunder . . . is on the self-regulatory organization that proposed the rule change." 17 CFR 201.700(b)(3). The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements must all be sufficiently detailed and specific to support an affirmative Commission finding, and any failure of a self-regulatory organization to provide this information may result in the Commission not having a sufficient basis to make an affirmative finding that a proposed rule change is consistent with the Exchange Act and the applicable rules and regulations. Id.

⁵⁴ 15 U.S.C. 78f(b)(5).

interest. For this reason, it is appropriate to institute proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act⁵⁵ to determine whether the proposal should be approved or disapproved.

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their data, views, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Exchange Act⁵⁶ or any other provision of the Exchange Act, or the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of data, views, and arguments, the Commission will consider, pursuant to Rule 19b-4 under the Exchange Act,⁵⁷ any request for an opportunity to make an oral presentation.⁵⁸

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change, as modified by Amendment No. 1, should be approved or disapproved by [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by [INSERT DATE 35 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. The Commission asks that commenters

⁵⁵ 15 U.S.C. 78s(b)(2)(B).

⁵⁶ 15 U.S.C. 78f(b)(5).

⁵⁷ 17 CFR 240.19b-4.

⁵⁸ Section 19(b)(2) of the Exchange Act, as amended by the Securities Acts Amendments of 1975, Pub. L. 94-29 (June 4, 1975), grants to the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

address the sufficiency of the Exchange's statements in support of the proposal, in addition to any other comments they may wish to submit about the proposed rule change. 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-CboeBZX-2024-055 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-CboeBZX-2024-055. 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-CboeBZX-2024-055 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Rebuttal comments should be submitted by [INSERT DATE 35 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵⁹

Sherry R. Haywood,

Assistant Secretary.

⁵⁹ 17 CFR 200.30-3(a)(57).