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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106566; File No. SR-NYSE-2026-47]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Delete the Approved Person Registration Category and Adopt a New Definition of Associated Person

October 1, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on September 18, 2026, 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 and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b-4(f)(6) thereunder.[4] 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 (1) delete the "approved person" registration category as no longer necessary; (2) adopt a new definition of "associated person" based on the definition of associated person in Rule 1011(b) of the Financial Industry Regulatory Authority, Inc., and elements of the current definition of approved person; and (3) make related technical and conforming changes. The proposed rule change is available on the Exchange's website at www.nyse.com and at the principal office of the Exchange.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 15 U.S.C. 78s(b)(3)(A)(iii).

4 17 CFR 240.19b-4(f)(6).

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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to (1) delete the "approved person" registration category as no longer necessary; (2) adopt a new definition of "associated person" based on the definition of associated person in Rule 1011(b) of the Financial Industry Regulatory Authority, Inc. ("FINRA") and elements of the current definition of approved person; and (3) make related technical and conforming changes.

The proposal is not intended to effect any substantive change to the scope of the Exchange's jurisdiction. The Exchange will continue to exercise general supervision over, and retain jurisdiction over, the same categories of persons as currently set forth in Rule 2A (Jurisdiction). The persons currently encompassed by the "approved person" category would be captured by the proposed definition of "associated person" for jurisdictional and all other applicable Exchange rules on that basis.

Separately, the principal basis for the approved person category — identifying persons who directly or indirectly control a member organization — is already addressed through existing disclosure infrastructure. Member organization are required to identify such persons in Schedules A and B of the Form BD in the Central Registration Depository ("CRD"). Because control relationships of the kind that gave rise to the approved person category are already documented through that mechanism, a separate Exchange-specific registration category serves

no independent regulatory purpose, and its elimination will not create any gap in oversight.

Finally, replacing the approved person category with a definition of associated person that aligns with FINRA's corresponding rule (and, by extension, with the statutory definition in the Act, as discussed below) will provide greater harmonization between Exchange rules and FINRA rules of similar purpose, resulting in less burdensome and more efficient regulatory compliance.

Background

The "approved person" designation is an NYSE-specific regulatory category for certain persons or entities that have a controlling interest in a member organization. The rules governing the definition and application process for approved persons are Rules 2 and 304.[5]

The approved person category was adopted when Exchange membership was organized around individual seat-holders. Under that structure, certain individuals, including major shareholders, holding company executives, technology, and operations leaders, exercised significant control over member organizations without being registered representatives or principals, and therefore fell outside the Exchange's formal oversight reach. The approved person category was designed to close that potential gap by extending the Exchange's supervisory jurisdiction to those controlling persons who would otherwise escape review, thus enabling the Exchange to assess the fitness and background of individuals in a position to affect how a member organization conducted its business. That structural rationale no longer carries the same force. As described below, the Exchange proposed definition of "associated person" would capture the same individuals within the Exchange's regulatory framework without requiring a separate registration category and without the associated administrative burdens that the separate registration category imposes on the Exchange and member organizations.

Rule 2(c) defines "approved person" as a person, other than a member, principal

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[5] The Exchange notes that the approved person definition is an Exchange convention that is not intended to be identical to the definition of "associated person of a broker or dealer" pursuant to Section 3(a)(18) of the Act. See 15 U.S.C. 78c(a)(18).

executive or employee of a member organization, or governmental entity, who controls a member organization, is engaged in a securities or kindred business that is controlled by a member or member organization, or is a U.S.-registered broker-dealer under common control with a member organization. Rule 2(c) defines "governmental entity" to mean a sovereign nation, state, or territory, or other political subdivision, agency, or instrumentality thereof.

Rule 2(d) defines "person" as a natural person, corporation, limited liability company, partnership, association, joint stock company, trust, fund or any organized group of persons whether incorporated or not.

Under Rule 2(e), "control" means the power to direct or cause the direction of the management or policies of a person whether through ownership of securities, by contract or otherwise. A person is presumed to control another person if such person, directly or indirectly, has the right to vote 25 percent or more of the voting securities, is entitled to receive 25 percent or more of the net profits, or is a director, general partner or principal executive (or person occupying a similar status or performing similar functions) of the other person.

Rule 304 provides that a member organization must identify each approved person to the Exchange. Pursuant to the rule, each approved person must execute a written consent to the jurisdiction of the Exchange and agree to (1) supply the Exchange with information relating to the existence of any statutory disqualification to which the approved person or any person associated with the approved person may be subject, as defined in the Act; (2) abide by such provisions of the rules of the Exchange relating to approved persons as shall from time to time be in effect; and (3) permit examination by the Exchange, or any person designated by it, at any time or from time to time, of its books and records to verify the accuracy of the information required to be supplied herein and by the rules of the Exchange.

Supplementary Material .10 to Rule 304 sets forth certain additional requirements for approved persons domiciled outside the United States.

Supplemental Material .20 to Rule 304 provides that a member organization that is

directly or indirectly controlled by a governmental entity as defined in Rule 2(c) shall be required to identify such governmental entity to the Exchange.

Form BD is the Uniform Application for Broker-Dealer Registration. Broker-Dealers are required to file this form to register with the Commission, the self-regulatory organizations, and jurisdictions through the CRD system operated by FINRA.

Schedule A to Form BD requires broker-dealers to provide detailed information about their direct owners and executive officers, including:

- Names and addresses of all direct owners (individuals or entities) and executive officers;
- Ownership percentages for each direct owner;
- Type of ownership (e.g., partnership, corporation, trust); and
- Control relationships, indicating whether the owner or officer has control over the firm.

Schedule A assists regulators in the assessment of a broker-dealer's ownership structure and in the identification of individuals or entities with influence or control of the broker-dealer's activities.

Schedule B to Form BD requires broker-dealers to disclose information about their indirect owners, i.e., those who own or control the firm through intermediary entities, and requires:

- Identification of Indirect Owners: List all individuals or entities that have indirect ownership or control over the broker-dealer through one or more layers of ownership.
- Ownership Structure: Provide details on how ownership is held, including the names of intermediary entities and the percentage of ownership at each level.

- Control Relationships: Indicate whether any indirect owner exercises control over the broker-dealer, as defined by the SEC (e.g., voting rights, capital contributions).
- Personal Information: For individuals, include identifying details such as name, address, and employment history (via Form U-4 if applicable).

Schedule B complements Schedule A, which covers direct owners and executive officers, and helps regulators understand the full ownership and control structure of a broker-dealer.

Broker-dealers are required to keep Form BD current and promptly amend or update the information reported in Schedules A and B using Schedule C.

Proposed Rule Change

The Exchange proposes to eliminate the approved person registration category and delete the concept from its rules while simultaneously adopting a definition of associated person that incorporates elements of the current definition of approved persons and the FINRA definition of associated person in FINRA Rule 1011(b).

To effectuate these changes, the Exchange proposes the following amendments to its Rules.

Rule 2(c) (Definition of Approved Person)

The Exchange proposes the following changes to Rule 2(c). First, the Exchange would delete the definition of approved person in the first sentence of the Rule in its entirety. Second, the Exchange would adopt a new definition of associated persons based on FINRA Rule 1011(b) and the current approved person definition. As proposed, the Exchange would define "Associated Person," "associated person," and "person associated with a member organization" to mean

(1) a natural person registered under Exchange rules or who has applied for registration under Exchange rules. Proposed Rule 2(c)(1) would be

substantially the same as FINRA Rule 1011(b)(1) except for the reference to registration under NYSE rules;

(2) any partner, officer, director, or branch manager of a member organization (or any person occupying a similar status or performing similar functions). Once again, this provision would be substantially similar to FINRA Rule 1011(b)(2) except that the Exchange would omit the reference to "sole proprietor," which does not exist in the Exchange's rules;[6]

(3) any person (excluding a government entity) directly or indirectly controlling or controlled by a member organization, or a U.S. registered broker-dealer under common control with a member organization. This proposed definition would encompass the current "approved person" category in Rule 2(c), including persons that control a member organization, are engaged in a securities or kindred business controlled by a member or member organization, or are U.S. registered broker-dealers under common control with a member organization. The Exchange would also include members, principal executives,[7] or employees of member organizations to the extent such persons are identified as control persons on Form BD. The proposed definition is derived from Rule 346 (Statutory Disqualification - Association of Member Organizations and Persons Associated with Member Organizations) and is similar to FINRA Rule 1011(b)(5). Consistent with the existing definition of "approved person" in Rule 2(c), the proposal uses the term "governmental

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6 Prior to de-mutualization, a sole proprietor was the equivalent to a "member" under Exchange rules. Rule 2(a) provides that the term "member," when used to denote a natural person approved by the Exchange, means a natural person associated with a member organization who has been approved by the Exchange and designated by such member organization to effect transactions on the floor of the Exchange or any facility thereof.

7 The Exchange notes that, although principal executives are encompassed within the proposed definition of "associated person," it is nonetheless proposing to retain separate references to principal executives throughout its rules. Retaining these references will preserve existing rule text and avoid any potential ambiguity regarding the continued application of those provisions to principal executives.

entity," and the related provision is substantially similar to FINRA Rule 1011(b)(3). In addition, a member organization that is directly or indirectly controlled by a governmental entity would be required to identify that governmental entity to the Exchange. This requirement is substantially the same as Supplementary Material .20 to current Rule 304; or

(4) any employee of such member organization. The provision is substantially the same as FINRA Rule 1011(b)(4), except that the Exchange would not, consistent with Section 3(a)(18) of the Act, exclude any person whose functions are solely clerical or ministerial.[8]

The Exchange also proposes to add a new Supplementary Material .30 that would provide that "Control Persons" as defined in subsection (c) of this Rule include both direct and indirect owners identified on Schedules A and B of Form BD. Proposed Supplementary Material .30 would further provide that each Control Person agrees to submit to the jurisdiction of the Exchange and to comply with any provisions of the Exchange Rules applicable to Control Persons, as such term is defined in the Rules of the Exchange.

Because proposed Supplemental Material would encompass the substance of FINRA Rules 1011(b)(5) and (b)(6), the Exchange does not propose to adopt those provisions separately. Specifically, FINRA Rule 1011(b)(5) includes within the definition of an associated person any individual or entity that directly or indirectly controls an applicant for FINRA membership, regardless of whether that person is registered with or exempt from registration under the FINRA By-Laws or FINRA Rules. FINRA Rule 1011(b)(6), in turn, includes any person engaged in the investment banking or securities business that is directly or indirectly controlled by the applicant, regardless of whether such person is registered with or exempt from registration under the FINRA By-Laws or FINRA Rules.[9]

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[8] See note 13, infra and Rule 1230.

[9] The Exchange does not propose to adopt FINRA Rule 1011(b)(7), which extends the definition of an associated person to include any individual or entity that will be, or is anticipated to become, a person

The approved person category and Form BD's Schedules A and B are, in material respects, duplicative. Both focus on the concept of control, that is, the power to direct management or policies, and both presume control at the 25% ownership or voting rights threshold. Schedule A captures direct owners and executive officers; Schedule B captures indirect owners, including entities exercising control through means other than direct equity ownership. Taken together, the Schedules require disclosure of substantially the same universe of individuals and entities that the approved person category was designed to identify persons who directly or indirectly control a member organization, affiliates engaged in securities or kindred businesses under common control, and U.S. registered broker-dealers under common control. Because those relationships are already documented through Form BD — a disclosure mechanism applicable across all FINRA members and Exchange member organizations — the approved person category no longer performs a disclosure function that is not already performed elsewhere. Elimination of separate Exchange-specific registration requirements would therefore remove a layer of redundant reporting without diminishing the Exchange's ability to identify and exercise jurisdiction over the controlling persons that the category was designed to reach. Member organizations would benefit from a corresponding reduction in the administrative obligations associated with maintaining a parallel, Exchange-only disclosure track.

Rule 2A (Jurisdiction)

The Exchange proposes conforming amendments to Rule 2A(c), (d), (e) and (f) to replace references to "employees of member organizations," "registered and non-registered employees of member organizations," "registered or non-registered employees of members or member organizations" and "approved persons" with the term "associated persons, whether or not such

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described in paragraphs (1) through (6) of the FINRA rule. Unlike FINRA, the Exchange's jurisdiction does not extend to applicants for membership, prospective principal executives, or other persons who have not yet become subject to Exchange jurisdiction. See Rule 2A(f). Accordingly, the Exchange is not proposing to expand the scope of its jurisdiction to encompass such persons.

person is registered or exempt from registration under Exchange rules."[10]

These amendments are designed to align the text of Rule 2A with the proposed definition of "associated person" and to ensure consistent terminology throughout the Exchange's rulebook. As revised, the provisions would continue to apply to the same categories of individuals currently subject to the Exchange's jurisdiction, including employees of member organizations and Control Persons, regardless of whether such individuals are registered, exempt from registration, or otherwise not required to be registered under Exchange rules. The proposed references to associated persons "whether or not such person is registered or exempt from registration" are consistent with both the breadth of the proposed definition of "associated person" and the scope of the existing provisions relating to approved persons that these amendments would replace. As discussed above, the approved person framework was intended to extend the Exchange's regulatory authority beyond registered persons and principals to encompass other individuals associated with a member organization whose conduct may appropriately be subject to Exchange oversight. Accordingly, the proposed amendments do not expand or narrow the substantive scope of the rules, but instead update the terminology to reflect the Exchange's revised definitional framework and preserve the Exchange's existing jurisdiction over the relevant persons.

The Exchange would also add a new subsection (g) to Rule 2A based on Supplemental Material .10 of Rule 304, replacing "approved person" with "associated person" throughout. As proposed, an associated person domiciled outside the United States would not be required to permit the Exchange or its designee to examine its books and records at its domicile if, in the opinion of an independent attorney or government official, such examination would violate local

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[10] The Exchange also proposes several non-substantive technical and grammatical changes. First, in Rule 2A(c), the Exchange would replace "members organizations" with "member organizations" to correct a typographical error. Second, in Rule 2A(f), the Exchange would lowercase the term "self-regulatory organization" to conform to standard drafting conventions. Finally, in Supplementary Material .01(b) of Rule 5.2, Rule 8.300(e)(2), and Rule 8.400(e)(2), the Exchange would lowercase the "s" in "See" or consistency with the formatting used throughout the Exchange's rules.

law or conflict with generally accepted customs or business practices in that jurisdiction.

To invoke this exemption, the associated person must, at its own expense, obtain a written certification from either an attorney or counselor at law independent of both the associated person and its affiliated member organization and authorized to practice in the relevant jurisdiction, or from an appropriate governmental official of that jurisdiction confirming that the on-site examination would violate local law or generally accepted customs or business practices. Separately, while the exemption remains in effect, the associated person must annually provide its affiliated member organization with a certification from an independent attorney, counselor at law, or auditor authorized to practice in the jurisdiction. That annual certification must confirm, based on a reasonable examination conducted under generally accepted local practices, two things: first, with respect to any omnibus account carried by the affiliated member organization for the associated person (but not for its benefit), that the certifier has no reason to believe that any transaction beneficiary was a person associated with the associated person or its affiliated member organization under the Exchange Act; and second, with respect to any account carried in the name and for the benefit of the associated person reflecting transactions under Section 11(a)(1)(G) of the Act and Rule 11a1-2, that the associated person derived more than 50% of its gross revenues during the preceding fiscal year from the sources specified in Section 11(a)(1)(G)(i) of the Act.

Proposed subsection (g) to Rule 2A is substantively identical to current Supplementary Material .10 to Rule 304, except that it would require an associated person relying on the exemption to provide the annual written certification to the affiliated member organization rather than directly to the Exchange. This change is administrative in nature and relates solely to the maintenance of the certification records. It does not alter the substantive requirements of the exemption, the persons eligible to rely on it, or the content and frequency of the certification. Moreover, the Exchange retains the authority to request and review such certifications from member organizations as part of its regulatory and surveillance activities.

Conforming Changes

The Exchange proposes conforming changes to the following rules. Unless otherwise indicated, the Exchange would replace "approved person" and/or references to "employees" or "registered or non-registered employee affiliated with such entity" with "associated person":

- Supplementary Material .01(b) to Rule 5.2 provides that member organizations acting as a registered market maker in Commodity-Linked Securities, Currency-Linked Securities, Futures-Linked Securities or Multifactor Index-Linked Securities must provide the Exchange with access to books, records, or other information related to, among other things, transactions made by the firm or any limited partner, officer or approved person thereof, or registered or nonregistered employee affiliated with such entity, for its or their own accounts in the Index Asset components, the underlying commodities, currencies, or futures, or in derivatives based on any of the above;
- Rule 8.204(f)(2) (Commodity Futures Trust Shares) provides that a member organization acting as a registered market maker in Commodity Futures Trust Shares will make available to the Exchange such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, or registered or non-registered employee affiliated with such entity for its or their own accounts in the underlying commodity, related futures or options on futures, or any other related derivatives, as may be requested by the Exchange;
- Rule 8.300(e)(2) (Partnership Units) provides that a member organization acting as a registered market maker in Partnership Units will make available to the Exchange such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, or registered or non-registered employee affiliated with such entity for its or their

own accounts in the underlying asset or commodity, related futures or options on futures, or any other related derivatives, as may be requested by the Exchange;

- Rule 8.400(e)(2) (Paired Trust Shares) provides that a member organization acting as a registered market maker in Paired Trust Shares will make available to the Exchange such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or non-registered employee affiliated with such entity for its or their own accounts in the asset, commodity or other economic interest underlying the Reference Price, related options, related futures or options on futures, or any other related derivatives, as may be requested by the Exchange;
- Rule 8.700(f)(2) (Managed Trust Securities) provides that a member organization acting as a registered market maker in Managed Trust Securities will make available to the Exchange such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, or registered or non-registered employee affiliated with such entity for its or their own accounts in the underlying commodity or applicable currency, related futures or options on futures, or any other related derivatives, as may be requested by the Exchange;
- Rule 21 (Disqualification of Directors on Listing of Securities) prohibits Board members or any authorized committee from participating in decisions related to the listing or distribution of securities if they have a substantial interest in the security or related plan. A Board member is deemed to have such an interest if, among other things, the Board member or any member, principal executive, approved person in their member organization is an officer or director (or person occupying a similar status or performing similar functions) or a voting trustee of the issuer of such security or of any corporation which to his knowledge controls

or is controlled by the issuer or such security (Rule 21(2)); the Board member or their member organization or any member, affiliate, principal executive, or approved person of such member organization owns directly or indirectly more than 1% of such security or of any class of stock of the issuer, or of any corporation which to his knowledge controls the issuer of such security (Rule 21(3)); or the Board member or their member organization or any member, affiliate, principal executive, or approved person of such member organization to his knowledge holds directly or indirectly any substantial contract, option, or other privilege to purchase such security; or within six months prior thereto has directly or indirectly purchased (other than through the exercise of a right to subscribe) such security from the issuer or an underwriter thereof at a price below the market price (Rule 21(4)). The Exchange would replace approved person with associated person in subsections (2), (3) and (4);

- Rule 22(a) (Disqualification Because of Personal Interest) provides that the individuals specified therein shall not participate in the investigation or consideration of any matter relating to any member, principal executive, approved person, or member organization or affiliate of such member organization with knowledge that such member, principal executive, approved person, member organization or affiliate is indebted to such director or committee member, or to their member organization or any participant therein, or that they, their member organization or any participant therein is indebted to such member, principal executive, approved person, member organization, or affiliate, excluding, however, any indebtedness arising in the ordinary course of business out of transactions on any exchange, out of transactions in the over-the-counter markets, or out of the lending and borrowing of securities;
- Rule 91 (Taking or Supplying Securities Named in Order) provides that an

Exchange member, including DMMs, may not execute a client's buy or sell order by trading from an account in which they or their member organization, or any member, principal executive, approved person or officer of such member organization, have a direct or indirect interest, if they know or should know about that interest unless specific exceptions apply;

- Rule 96 (Limitation on Members' Trading Because of Options) prohibits members while on the trading Floor form trading a stock for their own or affiliated accounts if they or their member organization or any member, principal executive, or approved person of such member organization is directly or indirectly interested, if any stock in which the member holds or has granted options (e.g., puts, calls, straddles) on that stock unless those options are listed on a national exchange;
- Rule 98 (Operation of a DMM Unit) governs the operations of DMM units and restricts DMMs on the trading Floor to trading only their assigned DMM securities at their designated post and prohibits them from trading related derivative products or accessing related customer or position information while on the Floor. The Exchange would replace approved person with "Control Person" in subsections (a)(1), (c)(3)(D), (c)(7), (e)(1), (f)(1), and (f)(4)). The Exchange believes that Control Persons as defined in proposed Rule 2(c) would most closely align with the persons covered by the current Rule;
- Rule 98A (Restrictions on Persons or Parties Affiliated with A DMM Unit), prohibits, among other things, a DMM from being registered in a stock of an issuer, or a partner or subsidiary thereof, if such entity is an approved person or affiliate of the DMM unit's member organization. The Exchange would replace approved person in this sentence with "Control Person." As previously noted, the Exchange believes that Control Persons as defined in proposed Rule 2(c) would

most closely align with the persons covered by the current Rule;

- Rule 112 (Orders initiated "Off the Floor.") restricts certain trading activity by members on the Exchange's Trading Floor. Subsection (a) provides that orders for the account of a member organization or any member, principal executive, approved person, officer, or employee of such organization or a discretionary account serviced by the member or member organization must be routed to the trading Floor through standard customer order transmission channels, such as a clearing firm's order room. Subsection (d) provides that orders placed after a conversation with a Floor-based employee for any account in which a member organization, or any member, principal executive, approved person, or officer, or employee of such organization is directly or indirectly interested, or for any discretionary account serviced by the member organization, are considered off-Floor orders if sent through standard public order channels with a time-stamped record, unless an exception applies. Finally, subsection (e) provides that members and member organizations are prohibited from executing trades on the Exchange for any account in which such member, member organization, or any member, principal executive, approved person, officer or employee of such organization is directly or indirectly interested, or for any discretionary account serviced by the member or member organization, if doing so violates Exchange front-running policies related to block transactions. The Exchange would replace approved person with associated person and delete "or employee of such organization" in subsections (a), (d), and (e) as duplicative, and replace the reference to "employee" in that organization who is on the trading Floor with "associated person" in subsection (d));
- Supplementary Material .20 of Rule 113 (DMM Unit's Public Customers) provides that it is contrary to good business practice for a DMM, "his or her"

DMM unit or any other member or principal executive in such organization or any officer or employee to "popularize" either orally or in writing any security in which "he or she" is registered. The second sentence makes an exception for approved persons or member organizations associated with the DMM unit provided that certain disclosures are made. The Exchange would replace approved person in the second sentence with "Control Person" to reflect that associated persons who are Control Persons outside the DMM unit are the intended associated persons for the exception and not associated persons within the DMM. The Exchange would also replace gender-based references with references to the DMM;

- Rule 304 governing Approved Persons would be deleted in its entirety and marked "Reserved";[11]
- Rule 311 (Formation and Approval of Member Organizations) sets forth the requirements to form a NYSE member organization. The Exchange proposes to delete the second sentence of Rule 311(a), which currently requires that all approved persons execute agreements with the Exchange under Rule 304 as a condition of a member organization becoming or remaining a member organization. This requirement originated from the Exchange's approved person

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[11] Supplementary Material .90T(a) to Rule 304A (Member Examination Requirements) provides that it only applies to approved persons of a member organization who (i) have been designated by such member organization to effect transactions on the Floor of Exchange; and (ii) held a valid 86 Trinity Permit at the time they were designated to effect transactions on the Floor of the Exchange. Subsection (b) to Supplementary Material .90T provides that approved persons who satisfy the conditions in subsection (a) have six months from the date of such designation to meet the requirements contained in Rule 304A. Further, if an approved person who has been designated to effect transactions on the Floor of the Exchange fails to meet the requirements of Rule 304A by the end of the grace period, the rule provides that such approved person shall not be permitted to effect trades on the Floor until such approved person shall have satisfied the requirements of Rule 304A. This temporary provision was added in 2008 to facilitate the relocation of all equities trading conducted on or through the existing systems and facilities of the American Stock Exchange LLC ("Amex") located at 86 Trinity Place to trading systems and facilities operated by the NYSE located at 11 Wall Street. See Securities Exchange Act Release No. 58706 (Oct. 1, 200), 73 FR 59019 (Oct. 8, 2008) (SR-NYSE-2008-70) (Order Granting Approval of Proposed Rule Change Amending Rules Governing Membership in Order To Waive-In Members in Good Standing of the American Stock Exchange LLC as Members and Member Organizations of the Exchange). The Exchange proposes to delete Supplementary Material .90T(a) to Rule 304A as obsolete.

registration framework, which was designed to extend the Exchange's supervisory and disciplinary jurisdiction to controlling persons who might otherwise fall outside the scope of regulatory oversight. The framework enabled the Exchange to assess the fitness, qualifications, and disciplinary history of individuals in positions to direct or influence a member organization's business and affairs. Because such persons are now visible to the Exchange through CRD, the Exchange believes this agreement requirement is no longer necessary and proposes its removal. The Exchange would also remove Rule 311(b)(5), which requires every approved person of the member organization to meet the requirements of Rule 304. Rule 311.12 setting forth a required Authorization and Statement of Understanding for each natural person who is an approved person under Rule 2(c) would also be deleted as no longer necessary given the information available in CRD. The remaining subsections would be renumbered. Given the elimination of the approved person category and the Exchange's jurisdiction over individuals previously classified as approved persons, these provisions are obsolete. References to approved person would be changed to associated person with the exception of subsection (b)(1), which would be changed to Control Person which would most closely align with the persons covered by the current Rule. Subsection (c) would be deleted in its entirety as unnecessary since this information is currently available in CRD;

- Rule 312 (Changes Within Member Organizations) requires member organizations to provide notice to the Exchange of certain changes and actions. Rule 312(b)(1) requires written notice of any material change in the stockholdings of any member, principal executive or approved person of such member corporation. Rule 312(c) requires each member, principal executive and approved person of a member corporation to promptly notify his member corporation of any

material acquisition or disposition of shares of stock of such corporation. Finally, Rule 312(d) requires a member corporation to take certain actions whenever a person who is required to be approved by the Board as a member, principal executive or approved person fails or ceases to be so approved. The Exchange would replace approved person with Control Person which would most closely align with the persons covered by the current Rule;

- Rule 313 (Submission of Partnership Articles, Corporate Documents and Limited Liability Company Documents) provides for the submission of certain documents to the Exchange prior to becoming effective, including agreements between a member organization and, among others, any approved person (subsection (b)) and provides for submission of a certified list of members, principal executives and approved persons showing the number of shares of each class of stock of the member organization held of record or beneficially or both by each such party (subsection (e)). The Exchange would replace approved person with Control Person in each subsection;
- Rule 346 (Statutory Disqualification – Association of Member Organizations, and Persons Associated With Member Organizations) provides that no member organization, principal executive, approved person, person associated with a member organization or any person directly or indirectly controlling, controlled by or under common control with a member organization shall have associated with it any person who is known, or in the exercise of reasonable care should be known, to be subject to any "statutory disqualification" as defined in Section 3(a)(39) of the Act. Supplementary Material .01 provides for waiver of this provision when there is a pending proceeding before another self-regulatory organization to determine whether to permit a member or associated person of a member to become or continue membership or association notwithstanding a

statutory disqualification. The Exchange proposes to replace "approved person, person associated with a member organization or any person directly or indirectly controlling, controlled by or under common control with a member organization" with associated person in both sections. The Exchange believes that the proposed change would not alter the scope or operation of this rule. The terms "person associated with a member organization" and "associated person" are substantively equivalent, as the proposed definition of "associated person" encompasses the categories of individuals currently captured by the term "person associated with a member organization."

- Rule 402(4) (Customer Protection—Reserves and Custody of Securities) provides for customers to withdraw uncalled fully paid securities from a firm at any time prior to a partial call and to withdraw excess margin securities under certain circumstances. The Exchange would replace approved persons with associated persons."
- Rule 422 (Loans of and to Directors, etc.) restricts directors, officers, and employees of ICE, ICE Holdings, NYSE Holdings, and the Exchange from making or receiving loans involving, among others, approved persons, without prior Board approval unless the loan is either fully secured by marketable collateral or made within the same member organization. The Exchange would replace approved person and three references to "employee" of a member organization with associated person. The Exchange would also add a missing "the" before the word Exchange in the first sentence of the Rule.
- Rule 460.30 (DMMs Participating in Contests) provides that approved persons or a member organization associated with a DMM unit must notify the Exchange of its participation in any distribution or tender or exchange offer of any security covered by paragraph (b) of the rule and shall provide the information required

therein. The Exchange would replace approved person with "Control Person" in order to most closely align with the persons covered by the current Rule.

- Rule 619(h) of the Arbitration Rules (General Provision Governing Subpoenas, Production of Documents, etc.) provides that it may be deemed conduct or proceeding inconsistent with just and equitable principles of trade for purposes of Rule 2050(6) or Rule 8210, as applicable, for a member, member organization, principal executive, approved person, registered or non-registered employee of a member or member organization or person otherwise subject to the jurisdiction of the Exchange to fail to appear or to produce any document in their possession or control as directed pursuant to provisions of the NYSE Arbitration Rules. The Exchange would replace "approved person, registered or non-registered employee of a member or member organization" with associated person.
- Subsection (a) of Rule 6140 (Other Trading Practices) prohibits a member, member organization, principal executive, approved person, registered or non-registered employee of a member or member organization or person otherwise subject to the jurisdiction of the Exchange from executing or participating in trades that involves successively higher purchases or successively lower sales of a designated security, are intended to create a false or misleading appearance of market activity, or are meant to manipulate the market price or establish an artificial price that does not reflect the true market conditions. Rule 6140(b) prohibits the same persons from engaging in actions that create a false or misleading appearance of market activity or creating or inducing a false or misleading appearance with respect to the market in such security. The Exchange would replace approved person with associated person and delete "registered or non-registered employee of a member or member organization" in both subsections as redundant.

- Finally, Rule 9120 (Definitions) sets forth definitions applicable to the Exchange's disciplinary rules in the Rule 9000 Series. Subsection (g) defines "covered person" to mean a member, principal executive, approved person, registered or non-registered employee of a member organization, or other person (excluding a member organization) subject to the jurisdiction of the Exchange. The Exchange would replace approved person with associated person and delete "registered or non-registered employee of a member organization," as redundant.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[12] in general, and furthers the objectives of Section 6(b)(5) of the Act,[13] in particular, because it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest.

In particular, the Exchange believes that the proposal to eliminate the approved person category would eliminate a registration category that has no analogue under the membership scheme of FINRA or any other national securities exchange, thereby harmonizing the Exchange's rules with those of FINRA and other exchanges and resulting in less burdensome and more efficient regulatory compliance for member organizations. The Exchange accordingly believes that the proposal would remove impediments to and perfecting the mechanism of a free and open market and a national market system, consistent with the objectives of Section 6(b)(5) of the Act.[14]

The Exchange further believes that elimination of the approved person category would not diminish the scope of its jurisdiction. The principal function of the approved person category

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12 15 U.S.C. 78f(b).

13 15 U.S.C. 78f(b)(5).

14 15 U.S.C. 78f(b)(5).

is identifying persons who directly or indirectly control a member organization, and this is already addressed through the disclosure infrastructure of the CRD, which captures controlling relationships through Form BD's Schedules A and B. Moreover, the proposed sub-definition of "Control Person" within the proposed definition of "associated person" would include persons who control a member organization, persons engaged in a securities or kindred business controlled by a member or member organization, and U.S. registered broker-dealers under common control with a member organization, the same three categories of persons encompassed by the current "approved person" definition. The Exchange thus believes that the proposal would thereby preserve the substantive coverage of the current approved person category within the Exchange's broader jurisdictional framework. For the foregoing reasons, the Exchange believes the proposed change is consistent with preserving the current scope of Exchange jurisdiction while eliminating a separate, Exchange-specific registration category that is no longer necessary to achieve that purpose.

Each of the individuals and entities that would be encompassed in the proposed definition of "associated person" would fall within the definition of "associated person of a broker or dealer" in Section 3(a)(18) of the Act.[15] The Exchange notes that the definition of associated person in the Act is broader in scope than the individuals and entities currently subject to the Exchange's jurisdiction since the Act's definition of associated person includes any person under common control with a broker-dealer, while the current definition of approved person in Rule 2(c) does not include all affiliates; rather, it includes only affiliates engaged in a securities or kindred business that is controlled by a member or member organization or a U.S. registered broker-dealer under common control with a member organization. The Exchange thus believes that harmonizing its definition of associated person with FINRA's definition would also

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[15] See 15 U.S.C. 78c(a)(18). Under Section 3(a)(18), "associated person" means any partner, officer, director, or branch manager of a broker-dealer (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with a broker-dealer, or any employee of such broker-dealer, excluding for certain purposes any person whose functions are solely clerical or ministerial.

harmonize its rules with Section 3(a)(18) of the Act.[16] As noted, the Exchange believes that providing greater harmonization between Exchange and FINRA rules of similar purpose would result in less burdensome and more efficient regulatory compliance for Exchange member organizations. As such, the proposed rule change will foster cooperation and coordination with persons engaged in facilitating transactions in securities and will remove impediments to and perfect the mechanism of a free and open market and a national market system.

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

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 is not designed to address any competitive issues, but rather would remove a registration category from the Exchange's rules that is no longer necessary and adopt a new definition of "associated person" based on the definition in FINRA Rule 1011(b). The proposed amendments are thus intended to encourage less burdensome and more efficient regulatory compliance and will not impose any burden on competition. Further, the proposed changes would apply to all member organizations in the same manner and therefore would not impose any unnecessary intramarket burdens.

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.

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16 See 15 U.S.C. 78c(a)(18). Under Section 3(a)(18), "associated person" means any partner, officer, director, or branch manager of a broker-dealer (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with a broker-dealer, or any employee of such broker-dealer, excluding for certain purposes any person whose functions are solely clerical or ministerial. See also Rule 1230 (Associated Persons Exempt from Registration), which provides that persons associated with a member organization whose functions are solely and exclusively clerical or ministerial are not required to be registered with the Exchange.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Pursuant to Section 19(b)(3)(A) of the Act[17] and Rule 19b-4(f)(6)[18] thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.[19]

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-NYSE-2026-47 on the subject line.

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17 15 U.S.C. 78s(b)(3)(A).

18 17 CFR 240.19b-4(f)(6).

19 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, along with a brief description and text of 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.

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-2026-47. 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 filing 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-NYSE-2026-47 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

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[20] 17 CFR 200.30-3(a)(12).