| OMB APPROVAL |
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| OMB Number: 3235-0045<br>Estimated average burden<br>hours per response.....38 |

*Required fields are shown with yellow backgrounds and asterisks.*

Page 1 of * 28

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2017 - * 53
Amendment No. (req. for Amendments *)

Filing by New York Stock Exchange LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ☑ Amendment * ☐ Withdrawal ☐

Section 19(b)(2) * ☑ Section 19(b)(3)(A) * ☐ Section 19(b)(3)(B) * ☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule
- ☐ 19b-4(f)(1)
- ☐ 19b-4(f)(2)
- ☐ 19b-4(f)(3)
- ☐ 19b-4(f)(4)
- ☐ 19b-4(f)(5)
- ☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐ Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐ Exhibit 3 Sent As Paper Document ☐

**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to amend the Listed Company Manual to revise its initial and continued listing standards for Acquisition Companies

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * John Last Name * Carey

Title * Senior Director NYSE Group Inc

E-mail * John.Carey@theice.com

Telephone * (212) 656-5640 Fax (212) 656-2030

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 11/02/2017

By Martha Redding

(Name *)

(Title *)

Assistant Secretary

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Martha Redding, mredding@nyx.com

*Required fields are shown with yellow backgrounds and asterisks.*

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information ***

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change ***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies ***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

Add Remove View

Exhibit Sent As Paper Document

☐

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

Add Remove View

Exhibit Sent As Paper Document

☐

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")[1] and Rule 19b-4 thereunder,[2] New York Stock Exchange LLC ("NYSE" or the "Exchange") proposes to amend the Listed Company Manual (the "Manual") to revise its initial and continued listing standards for Acquisition Companies.

The text of the proposed rule change is set forth in Exhibit 5 attached hereto. A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit

(b) The Exchange does not believe that the proposed rule change would have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange's governing documents. Therefore, the Exchange's internal procedures with respect to the proposed rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

John Carey
Senior Director
NYSE Group, Inc.
(212) 656-5640

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

Section 102.06 of the Manual sets forth initial listing requirements applicable to a company whose business plan is to complete an initial public offering and engage in a merger or acquisition with one or more unidentified companies within a

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

2 17 CFR 240.19b-4.

specific period of time (an "Acquisition Company" or "AC").[3] Section 802.01B of the Manual sets forth the continued listing standards for ACs. The Exchange proposes to change its initial and continued listing standards for Acquisition Companies as follows:

- Reduce the number of round-lot holders required for initial listing from 300 to 150 and eliminate the 300 holders continued listing requirement.
- Require Acquisition Companies to demonstrate at the time of initial listing and on a continuing basis that they have net tangible assets (i.e., total assets less intangible assets and liabilities) that exceed $5 million.
- Apply the same initial listing criteria to listing in connection with an IPO and in connection with a transfer or quotation,
- Provide a 30 day period after a Business Combination for a company originally listed as a SPAC to meet initial listing requirements.

*Proposal to Reduce Number of Round-Lot Holders*

Section 102.06 currently requires, in part, that an Acquisition Company: (i) deposit into and retain in an escrow account at least 90% of the gross proceeds of its initial public offering through the date of its Business Combination; (ii) complete the Business Combination within 36 months of the effectiveness of the IPO registration statement; and (iii) provide the public shareholders who object to the Business Combination with the right to convert their common stock into a pro rata share of the funds held in escrow.[4] Following the Business Combination, the combined company must meet the Exchange's requirements for initial listing.

Acquisition Companies often have difficulty demonstrating compliance with the shareholder requirement for initial and continued listing.[5] The shareholder

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3 Section 102.06 provides that an Acquisition Company must complete one or more business combinations having an aggregate fair market value of at least 80% of the value of the deposit account (the "Business Combination") within 36 months of the effectiveness of its IPO registration statement.

4 Section 102.06 also requires that each proposed business combination be approved by a majority of the company's independent directors.

5 Section 102.06 requires an Acquisition Company listing in connection with an IPO to have a minimum of 300 round lot holders and Section 802.01B requires an Acquisition Company to have at least 300 public stockholders on a continued basis. Section 102.06 requires companies listing upon transfer or as a quotation listing to meet the following distribution requirements:

requirement, along with the listing requirements relating to total market capitalization and market value of publicly held shares, is designed to help ensure that a security has a sufficient number of investors to provide a liquid trading market.[6] Based on conversations with marketplace participants, including the sponsors of Acquisition Companies and lawyers and bankers that advise these companies, the Exchange believes that the difficulties Acquisition Companies have in demonstrating compliance with the shareholder requirement are due to intrinsic features of Acquisition Companies, which limit the number of retail investors interested in the vehicle and encourage owners to hold their shares until a transaction is announced, which can be as long as three years after the initial public offering. These same intrinsic features of Acquisition Companies also limit the benefit to investors of a shareholder requirement.

In addition, because the price of an Acquisition Company is based primarily on the value of the funds it holds in trust, and the Acquisition Company's shareholders have the right to redeem their shares for a pro rata share of that trust in conjunction with the Business Combination, the impact of the number of shareholders on an Acquisition Company security's price is less relevant than is the case for operating company common stocks. For this reason, Acquisition Companies, historically, trade close to the value in the trust, even when they have

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Number of holders of 100 shares or more or of a unit of trading if less than 100 shares.....300

OR

Total stockholders.....2,200

Together with average monthly trading volume.....100,000 shares (for most recent 6 months)

OR

Total stockholders.....500

Together with average monthly trading volume.....1,000,000 shares (for most recent 12 months)

AND

Number of publicly held shares.....1,100,000 shares

"Public stockholders" exclude holders that are directors, officers, or their immediate families and holders of other concentrated holdings of 10% or more.

6 See, e.g., Rocky Mountain Power Company, Securities Exchange Act Release No, 40648 (November 9, 1998) (text at footnote 11).

had few shareholders. These trading patterns suggest that Acquisition Companies' low number of shareholders has not resulted in distorted prices.

The Exchange believes that an Exchange Traded Fund ("ETF") is somewhat similar to an Acquisition Company in this regard in that an arbitrage mechanism keeps the ETF's price close to the value of its underlying securities, even when trading in the ETF's shares is relatively illiquid. The initial listing requirements for ETFs do not include a shareholder requirement and only 50 shareholders are required for continued listing after the ETF has been listed for one year.

For these reasons, the Exchange proposes to reduce the shareholder requirement for the initial listing of an Acquisition Company to 150 round lot shareholders for all Acquisition Companies, including IPOs, transfers and quotation listings, and to eliminate the 300 total holder continued requirement.

The Exchange notes that it can be difficult for a company, once listed, to obtain evidence demonstrating the number of its shareholders because many accounts are held in street name and shareholders may object to being identified to the company. As a result, companies must seek information from broker-dealers and from third-parties that distribute information such as proxy materials for the broker-dealers. This process is time-consuming and particularly burdensome for Acquisition Companies because most operating expenses are typically borne by the Acquisition Company's sponsors due to the requirement that the gross proceeds of the initial public offering remain in the trust account until the closing of the business combination.[7] Accordingly, given the short life of an Acquisition Company, the trading characteristics of Acquisition Companies, and the requirement to meet the initial listing standards at the time of the Business Combination, the Exchange also proposes to eliminate the continued listing shareholder requirement for Acquisition Companies.[8]

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[7] While under Section 102.06 an Acquisition Company could pay operating and other expenses, subject to a limitation that 90% of the gross proceeds of the company's offering must be retained in trust account, the market standard for Acquisition Companies is typically that 100% of the gross proceeds from the IPO are kept in the trust account and only interest earned on that account is available to be used to pay taxes and a limited amount of operating expenses. Marketplace participants have also indicated that the current trend is to allow interest earned to be used for payments of taxes only, thus placing the burden for all operating expenses on the sponsors.

[8] The Exchange notes that any Acquisition Company listed on the NYSE will be allocated to a Designated Market Maker. As a result, the Exchange does not expect that the proposed change will result in illiquidity or other problems trading the securities of Acquisition Companies.

*Proposal to Add Net Tangible Asset Requirement*

To ensure that ACs listed on the Exchange are exempt from definition of a penny stock under Commission rules, the Exchange proposes to require ACs to have net tangible assets[9] in excess of $5,000,000 at the time of initial listing and on a continuing basis.

Rule 3a51–1 under the Act[10] defines a ‘‘penny stock’’ as any equity security that does not satisfy one of the exceptions enumerated in subparagraphs (a) through (g) under the Rule. If a security is a penny stock, Rules 15g-1 through 15g-9 under the Act[11] impose certain additional disclosure and other requirements on brokers and dealers when effecting transactions in such securities. Rule 3a51–1(a)(2) under the Act[12] excepts from the definition of penny stock securities registered on a national securities exchanges that have initial listing standards that meet certain requirements, including, in the case of primary common stock, 300 round lot holders. Rule 3a51-1 also includes alternative exceptions from the definition of penny stock.

By proposing to require ACs to have net tangible assets of at least $5 million on an initial and continued basis,[13] the securities of such companies will satisfy the

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9 Net tangible assets are total assets, less intangible assets and liabilities. The required level of net tangible assets must be demonstrated on the Company's most recent audited financial statements filed with, and satisfying the requirements of, the Commission or Other Regulatory Authority (as defined in Section 107.03). In the case of an AC listing at the time of its IPO, net tangible assets may be demonstrated in a public filing, such as the AC’s registration statement, on a pro forma basis reflecting the offering.

10 17 CFR 240.3a51–1.

11 17 CFR 240.15g–1 et seq.

12 17 CFR 240.3a51–1(a)(2).

13 The required level of net tangible assets must be demonstrated on the Company's most recent audited financial statements filed with, and satisfying the requirements of, the Commission or Other Regulatory Authority (as defined in Section 107.03). In the case of an AC listing at the time of its IPO, net tangible assets may be demonstrated in a public filing, such as the AC’s registration statement, on a pro forma basis reflecting the offering. Section 107.03 defines an "Other Regulatory Authority" as: (i) in the case of a bank or savings authority identified in Section 12(i) of the Exchange Act, the agency vested with authority to enforce the provisions of Section 12 of the Exchange Act; or (ii) in the case of an insurance company that is subject to an exemption issued by the Commission that permits the listing of the security, notwithstanding its failure to be registered

exclusion from being a penny stock in Rule 3a51- 1(g)(1) of the Act.[14] The Exchange would commence immediate suspension and delisting procedures with respect to any Acquisition Company that fell below the net tangible assets continued listing standard. An AC will not be eligible to follow the procedures outlined in Sections 802.02 and 802.03 with respect to these criteria and any such security will be subject to immediate suspension and the delisting procedures as set forth in Section 804.

*Period for Company to demonstrate that it Satisfies Initial Listing Requirements*

Last, the Exchange notes that the existing rules require that following an Acquisition Company's Business Combination, the resulting company must satisfy all initial listing requirements, including the shareholder requirements set forth in Section 102.01A.To address the delays described above associated with obtaining information about the number of shareholders holding shares in "street name" accounts, the Exchange proposes to allow a company to demonstrate that it meets the initial listing requirements with respect to shareholders within 30 days following a business combination. If the company has not demonstrated that it meets the requirements for initial listing in that time, the Exchange will commence delisting proceedings and immediately suspend trading in the company's securities. An AC will not be eligible to follow the procedures outlined in Sections 802.02 and 802.03 with respect to any failure to meet the applicable initial listing criteria at the time of its Business Combination and any such security will be subject to immediate suspension and the delisting procedures as set forth in Section 804.

These proposed changes will be effective upon approval of this rule by the Commission.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Exchange Act,[15] in general, and furthers the objectives of Section 6(b)(5) of the Exchange Act,[16] in particular in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with

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pursuant to Section 12(b), the Commissioner of Insurance (or other officer or agency performing a similar function) of its domiciliary state.

14 17 CFR 240.3a51-1(g)(1). All Acquisition Companies currently listed satisfy this alternative.

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

16 15 U.S.C. 78f(b)(5).

persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. While the change would allow Acquisition Companies to list with fewer shareholders, this proposed change is consistent with the investor protection provisions of the Act because other protections help assure that market prices will not be distorted by any potential resulting lack of liquidity, which is the underlying purpose of the shareholder requirement. In particular, the ability of a shareholder to redeem shares for a pro rata share of the trust helps assure that the Acquisition Company will trade close to the value of the assets held in trust.

The proposed rule change will also continue to assure that any listed Acquisition Company satisfies an exclusion from the definition of a "penny stock" under the Act by imposing a new requirement that an Acquisition Company have upon initial listing and maintain $5 million of net tangible assets and subject any Acquisition Company that falls below that standard to immediate suspension and delisting procedures.

Thus, this change will remove impediments to and perfect the mechanism of a free and open market by removing listing requirements that prohibit certain companies from listing or remaining listed without any concomitant investor protection benefits. In addition, the change would also limit the amount of time that an Acquisition Company could remain listed following a business combination if it has not demonstrated compliance with the initial listing requirements, thereby enhancing investor protection. Accordingly, the Exchange believes that the proposal satisfies the requirements of the Act.

The proposal to provide companies with 30 days to demonstrate that they meet all applicable initial listing standards after a Business Combination is intended to address the difficulty companies have in identifying the number of holders they have immediately upon consummation of their Business Combination. Acquisition Company shareholders typically have the right to request redemption of their securities until immediately before consummation and it is therefore impracticable for companies to identify the number of round-lot holders immediately to demonstrate their qualification for initial listing. The proposed 30 day period will relate only to a company's ability to demonstrate its compliance with the holders requirement, as a company's compliance with the earnings or global market capitalization and stock price requirements will be apparent at the time of consummation of the Business Combination. This proposed change is consistent with the protection of investors and the public interest, as it does not alter the substantive quantitative requirements a company must meet to remain listed.

4. 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 purpose of the proposed rule is to adopt initial and continued listing standards for Acquisition Companies that better reflect the characteristics and trading market for Acquisition Companies. While the rule may permit more Acquisition Companies to list, or remain listed, on the Exchange, other exchanges could adopt similar rules to compete for such listings. As such, the Exchange does not believe it imposes any burden on competition.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

The Exchange does not consent at this time to an extension of any time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

None. The Exchange notes that the Commission has published a notice in the Federal Register with respect to a NASDAQ rule filing proposing to make similar changes to its Acquisition Company rules. See Securities Exchange Act Release 81816 (October 4, 2017); 82 FR 47272 (October 11, 2017) (SR-NASDAQ-2017-087).

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Federal Register

Exhibit 5 – Proposed Rule Text

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NYSE-2017-53)

[Date]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change to Amend the Listed Company Manual to Revise Its Initial and Continued Listing Standards for Acquisition Companies

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 November 2, 2017, 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 the Listed Company Manual (the "Manual") to revise its initial and continued listing standards for Acquisition Companies. 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

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

2 15 U.S.C. 78a.

3 17 CFR 240.19b-4.

statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

Section 102.06 of the Manual sets forth initial listing requirements applicable to a company whose business plan is to complete an initial public offering and engage in a merger or acquisition with one or more unidentified companies within a specific period of time (an "Acquisition Company" or "AC").[4] Section 802.01B of the Manual sets forth the continued listing standards for ACs. The Exchange proposes to change its initial and continued listing standards for Acquisition Companies as follows:

- Reduce the number of round-lot holders required for initial listing from 300 to 150 and eliminate the 300 holders continued listing requirement.
- Require Acquisition Companies to demonstrate at the time of initial listing and on a continuing basis that they have net tangible assets (i.e., total assets less intangible assets and liabilities) that exceed $5 million.

[4] Section 102.06 provides that an Acquisition Company must complete one or more business combinations having an aggregate fair market value of at least 80% of the value of the deposit account (the "Business Combination") within 36 months of the effectiveness of its IPO registration statement.

- Apply the same initial listing criteria to listing in connection with an IPO and in connection with a transfer or quotation,
- Provide a 30 day period after a Business Combination for a company originally listed as a SPAC to meet initial listing requirements.

*Proposal to Reduce Number of Round-Lot Holders*

Section 102.06 currently requires, in part, that an Acquisition Company: (i) deposit into and retain in an escrow account at least 90% of the gross proceeds of its initial public offering through the date of its Business Combination; (ii) complete the Business Combination within 36 months of the effectiveness of the IPO registration statement; and (iii) provide the public shareholders who object to the Business Combination with the right to convert their common stock into a pro rata share of the funds held in escrow.[5] Following the Business Combination, the combined company must meet the Exchange's requirements for initial listing.

Acquisition Companies often have difficulty demonstrating compliance with the shareholder requirement for initial and continued listing.[6] The shareholder requirement,

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5 Section 102.06 also requires that each proposed business combination be approved by a majority of the company's independent directors.

6 Section 102.06 requires an Acquisition Company listing in connection with an IPO to have a minimum of 300 round lot holders and Section 802.01B requires an Acquisition Company to have at least 300 public stockholders on a continued basis. Section 102.06 requires companies listing upon transfer or as a quotation listing to meet the following distribution requirements:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares.....300

OR

along with the listing requirements relating to total market capitalization and market value of publicly held shares, is designed to help ensure that a security has a sufficient number of investors to provide a liquid trading market.[7] Based on conversations with marketplace participants, including the sponsors of Acquisition Companies and lawyers and bankers that advise these companies, the Exchange believes that the difficulties Acquisition Companies have in demonstrating compliance with the shareholder requirement are due to intrinsic features of Acquisition Companies, which limit the number of retail investors interested in the vehicle and encourage owners to hold their shares until a transaction is announced, which can be as long as three years after the initial public offering. These same intrinsic features of Acquisition Companies also limit the benefit to investors of a shareholder requirement.

In addition, because the price of an Acquisition Company is based primarily on the value of the funds it holds in trust, and the Acquisition Company's shareholders have

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Total stockholders.....2,200

Together with average monthly trading volume.....100,000 shares (for most recent 6 months)

OR

Total stockholders.....500

Together with average monthly trading volume.....1,000,000 shares (for most recent 12 months)

AND

Number of publicly held shares.....1,100,000 shares

"Public stockholders" exclude holders that are directors, officers, or their immediate families and holders of other concentrated holdings of 10% or more.

7 See, e.g., Rocky Mountain Power Company, Securities Exchange Act Release No, 40648 (November 9, 1998) (text at footnote 11).

the right to redeem their shares for a pro rata share of that trust in conjunction with the Business Combination, the impact of the number of shareholders on an Acquisition Company security's price is less relevant than is the case for operating company common stocks. For this reason, Acquisition Companies, historically, trade close to the value in the trust, even when they have had few shareholders. These trading patterns suggest that Acquisition Companies' low number of shareholders has not resulted in distorted prices.

The Exchange believes that an Exchange Traded Fund ("ETF") is somewhat similar to an Acquisition Company in this regard in that an arbitrage mechanism keeps the ETF's price close to the value of its underlying securities, even when trading in the ETF's shares is relatively illiquid. The initial listing requirements for ETFs do not include a shareholder requirement and only 50 shareholders are required for continued listing after the ETF has been listed for one year.

For these reasons, the Exchange proposes to reduce the shareholder requirement for the initial listing of an Acquisition Company to 150 round lot shareholders for all Acquisition Companies, including IPOs, transfers and quotation listings, and to eliminate the 300 total holder continued requirement.

The Exchange notes that it can be difficult for a company, once listed, to obtain evidence demonstrating the number of its shareholders because many accounts are held in street name and shareholders may object to being identified to the company. As a result, companies must seek information from broker-dealers and from third-parties that distribute information such as proxy materials for the broker-dealers. This process is time-consuming and particularly burdensome for Acquisition Companies because most operating expenses are typically borne by the Acquisition Company's sponsors due to the

requirement that the gross proceeds of the initial public offering remain in the trust account until the closing of the business combination.[8] Accordingly, given the short life of an Acquisition Company, the trading characteristics of Acquisition Companies, and the requirement to meet the initial listing standards at the time of the Business Combination, the Exchange also proposes to eliminate the continued listing shareholder requirement for Acquisition Companies.[9]

*Proposal to Add Net Tangible Asset Requirement*

To ensure that ACs listed on the Exchange are exempt from definition of a penny stock under Commission rules, the Exchange proposes to require ACs to have net tangible assets[10] in excess of $5,000,000 at the time of initial listing and on a continuing basis.

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8 While under Section 102.06 an Acquisition Company could pay operating and other expenses, subject to a limitation that 90% of the gross proceeds of the company's offering must be retained in trust account, the market standard for Acquisition Companies is typically that 100% of the gross proceeds from the IPO are kept in the trust account and only interest earned on that account is available to be used to pay taxes and a limited amount of operating expenses. Marketplace participants have also indicated that the current trend is to allow interest earned to be used for payments of taxes only, thus placing the burden for all operating expenses on the sponsors.

9 The Exchange notes that any Acquisition Company listed on the NYSE will be allocated to a Designated Market Maker. As a result, the Exchange does not expect that the proposed change will result in illiquidity or other problems trading the securities of Acquisition Companies.

10 Net tangible assets are total assets, less intangible assets and liabilities. The required level of net tangible assets must be demonstrated on the Company's most recent audited financial statements filed with, and satisfying the requirements of, the Commission or Other Regulatory Authority (as defined in Section 107.03). In the case of an AC listing at the time of its IPO, net tangible assets may be demonstrated in a public filing, such as the AC's registration statement, on a pro forma basis reflecting the offering.

Rule 3a51–1 under the Act[11] defines a ‘‘penny stock’’ as any equity security that does not satisfy one of the exceptions enumerated in subparagraphs (a) through (g) under the Rule. If a security is a penny stock, Rules 15g-1 through 15g-9 under the Act[12] impose certain additional disclosure and other requirements on brokers and dealers when effecting transactions in such securities. Rule 3a51–1(a)(2) under the Act[13] excepts from the definition of penny stock securities registered on a national securities exchanges that have initial listing standards that meet certain requirements, including, in the case of primary common stock, 300 round lot holders. Rule 3a51-1 also includes alternative exceptions from the definition of penny stock.

By proposing to require ACs to have net tangible assets of at least $5 million on an initial and continued basis,[14] the securities of such companies will satisfy the exclusion from being a penny stock in Rule 3a51- 1(g)(1) of the Act.[15] The Exchange would

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11 17 CFR 240.3a51–1.

12 17 CFR 240.15g–1 et seq.

13 17 CFR 240.3a51–1(a)(2).

14 The required level of net tangible assets must be demonstrated on the Company's most recent audited financial statements filed with, and satisfying the requirements of, the Commission or Other Regulatory Authority (as defined in Section 107.03). In the case of an AC listing at the time of its IPO, net tangible assets may be demonstrated in a public filing, such as the AC’s registration statement, on a pro forma basis reflecting the offering. Section 107.03 defines an "Other Regulatory Authority" as: (i) in the case of a bank or savings authority identified in Section 12(i) of the Exchange Act, the agency vested with authority to enforce the provisions of Section 12 of the Exchange Act; or (ii) in the case of an insurance company that is subject to an exemption issued by the Commission that permits the listing of the security, notwithstanding its failure to be registered pursuant to Section 12(b), the Commissioner of Insurance (or other officer or agency performing a similar function) of its domiciliary state.

15 17 CFR 240.3a51-1(g)(1). All Acquisition Companies currently listed satisfy this alternative.

commence immediate suspension and delisting procedures with respect to any Acquisition Company that fell below the net tangible assets continued listing standard. An AC will not be eligible to follow the procedures outlined in Sections 802.02 and 802.03 with respect to these criteria and any such security will be subject to immediate suspension and the delisting procedures as set forth in Section 804.

*Period for Company to demonstrate that it Satisfies Initial Listing Requirements*

Last, the Exchange notes that the existing rules require that following an Acquisition Company's Business Combination, the resulting company must satisfy all initial listing requirements, including the shareholder requirements set forth in Section 102.01A.To address the delays described above associated with obtaining information about the number of shareholders holding shares in "street name" accounts, the Exchange proposes to allow a company to demonstrate that it meets the initial listing requirements with respect to shareholders within 30 days following a business combination. If the company has not demonstrated that it meets the requirements for initial listing in that time, the Exchange will commence delisting proceedings and immediately suspend trading in the company's securities. An AC will not be eligible to follow the procedures outlined in Sections 802.02 and 802.03 with respect to any failure to meet the applicable initial listing criteria at the time of its Business Combination and any such security will be subject to immediate suspension and the delisting procedures as set forth in Section 804.

These proposed changes will be effective upon approval of this rule by the Commission.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Exchange Act,[16] in general, and furthers the objectives of Section 6(b)(5) of the Exchange Act,[17] in particular in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. While the change would allow Acquisition Companies to list with fewer shareholders, this proposed change is consistent with the investor protection provisions of the Act because other protections help assure that market prices will not be distorted by any potential resulting lack of liquidity, which is the underlying purpose of the shareholder requirement. In particular, the ability of a shareholder to redeem shares for a pro rata share of the trust helps assure that the Acquisition Company will trade close to the value of the assets held in trust.

The proposed rule change will also continue to assure that any listed Acquisition Company satisfies an exclusion from the definition of a "penny stock" under the Act by imposing a new requirement that an Acquisition Company have upon initial listing and maintain $5 million of net tangible assets and subject any Acquisition Company that falls below that standard to immediate suspension and delisting procedures.

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16 15 U.S.C. 78f(b).

17 15 U.S.C. 78f(b)(5).

Thus, this change will remove impediments to and perfect the mechanism of a free and open market by removing listing requirements that prohibit certain companies from listing or remaining listed without any concomitant investor protection benefits. In addition, the change would also limit the amount of time that an Acquisition Company could remain listed following a business combination if it has not demonstrated compliance with the initial listing requirements, thereby enhancing investor protection. Accordingly, the Exchange believes that the proposal satisfies the requirements of the Act.

The proposal to provide companies with 30 days to demonstrate that they meet all applicable initial listing standards after a Business Combination is intended to address the difficulty companies have in identifying the number of holders they have immediately upon consummation of their Business Combination. Acquisition Company shareholders typically have the right to request redemption of their securities until immediately before consummation and it is therefore impracticable for companies to identify the number of round-lot holders immediately to demonstrate their qualification for initial listing. The proposed 30 day period will relate only to a company's ability to demonstrate its compliance with the holders requirement, as a company's compliance with the earnings or global market capitalization and stock price requirements will be apparent at the time of consummation of the Business Combination. This proposed change is consistent with the protection of investors and the public interest, as it does not alter the substantive quantitative requirements a company must meet to remain listed.

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 purpose of the proposed rule is to adopt initial and continued listing standards for Acquisition Companies that better reflect the characteristics and trading market for Acquisition Companies. While the rule may permit more Acquisition Companies to list, or remain listed, on the Exchange, other exchanges could adopt similar rules to compete for such listings. As such, the Exchange does not believe it imposes any burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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

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.

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-2017-53 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSE-2017-53. 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-2017-53 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.[18]

Robert W. Errett
Deputy Secretary

[18] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Added text underlined;
Deleted text in [brackets].

NYSE Listed Company Manual

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**102.06 Minimum Numerical Standards - Acquisition Companies**

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An AC must have a closing price or, if listing in connection with an IPO, an IPO price per share of at least $4 at the time of initial listing. ACs must demonstrate: (i) an aggregate market value of $100,000,000; (ii) a market value of publicly-held shares of $80,000,000 (A); [and] (iii) [one of the following distribution criteria:] net tangible assets (i.e., total assets less intangible assets and liabilities) in excess of $5,000,000 (B); and (iv) at least 150 holders of 100 shares or more (or of a unit of trading if less than 100 shares) and 1,100,000 publicly held shares (A)(C). [ACs must meet one of the following distribution criteria as applicable:

**Listing in connection with an IPO:**

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares.....300 (B)

**and**

Number of publicly held shares.....1,100,000 shares (A)

**ACs listing in connection with a transfer or quotation:**

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares.....300 (B)

**OR**

Total stockholders.....2,200 (B)

Together with average monthly trading volume.....100,000 shares (for most recent 6 months)

**OR**

Total
stockholders.....500 (B)

Together with average monthly trading volume.....1,000,000 shares (for most recent 12 months)

**AND**

Number of publicly held shares.....1,100,000 shares (A)]

(A) Shares held by directors, officers, or their immediate families and other concentrated holdings of 10 percent or more are excluded in calculating the number of publicly-held shares. For ACs that list at the time of their IPOs, if necessary, the Exchange will rely on a written commitment from the underwriter to represent the anticipated value of the AC's offering in order to determine an AC's compliance with this listing standard. If the unit of trading is less than 100 shares, the requirements relating to number of publicly-held shares will be reduced proportionately.

(B) The required level of net tangible assets must be demonstrated on the Company's most recent audited financial statements filed with, and satisfying the requirements of, the Commission or Other Regulatory Authority (as defined in Section 107.03). In the case of an AC listing at the time of its IPO, net tangible assets may be demonstrated in a public filing, such as the AC's registration statement, on a pro forma basis reflecting the offering.

(C) The number of beneficial holders of stock held in the name of Exchange member organizations will be considered in addition to holders of record. The Exchange will make any necessary check of such holdings.

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**802.01B Numerical Criteria for Capital or Common Stock (including Equity Investment Tracking Stock)**

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**Criteria for Acquisition Companies ("ACs")**

*Prior to Consummation of Business Combination*

Prior to the consummation by a listed Acquisition Company (an "AC") of its Business Combination (as defined in Section 102.06), the Exchange will promptly initiate suspension and delisting procedures:

(i) if the AC's average aggregate global market capitalization is below $50,000,000 or the average aggregate global market capitalization attributable to its publicly-held shares is below $40,000,000, in each case over 30 consecutive trading days. An AC will not be eligible to follow the procedures outlined in Sections 802.02 and 802.03 with respect to this criterion, and any such AC will be subject to delisting procedures as set forth in Section 804. The Exchange will notify the AC if its average aggregate global market capitalization falls below $75,000,000 or the average aggregate global market capitalization attributable to its publicly-held shares falls below $60,000,000 and will advise the AC of the delisting standard.

* Shares held by directors, officers, or their immediate families and other concentrated holding of 10 percent or more are excluded in calculating the number of publicly-held shares.

(ii) if the AC securities initially listed (either common equity securities or units, as the case may be), fall below the following distribution criteria (the distribution standards set forth in Section 802.01A above are not applied to ACs):

• [the number of public stockholders (A)(B) is less than.....300

OR

•] the number of total stockholders (A) is less than.....1,200 and average monthly trading volume is less than.....100,000 shares (for most recent 12 months)

OR

• the number of publicly-held shares (B) is less than.....600,000(C).

(A) The number of beneficial holders of stock held in the name of Exchange member organizations will be considered in addition to holders of record.

(B) Shares held by directors, officers, or their immediate families and other concentrated holdings of 10% or more are excluded in calculating the number of publicly-held shares. "Public stockholders" exclude holders that are directors, officers, or their immediate families and holders of other concentrated holdings of 10% or more.

(C) If the unit of trading is less than 100 shares, the requirement relating to the number of shares publicly held shall be reduced proportionately.

(iii) if net tangible assets of an AC fall below $5,000,000.

An AC will not be eligible to follow the procedures outlined in Sections 802.02 and 802.03 with respect to the criteria set forth in (i)-(iii) above and any such security will be subject to immediate suspension and the delisting procedures as set forth in Section 804.

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*After Consummation of Business Combination*

After consummation of its Business Combination, a company that had originally listed as an AC will be subject to Section 801 and Section 802.01 in its entirety and will be required immediately upon consummation of the Business Combination to meet the following requirements:

(i) A price per share of at least $4.00;

(ii) a global market capitalization of at least $150,000,000;

(iii) an aggregate market value of publicly-held shares of at least $40,000,000*; and

(iv) the requirements with respect to shareholders and publicly-held shares set forth in Section 102.01A for companies listing in connection with an initial public offering. The company will have 30 days from the date of consummation of the Business Combination to demonstrate compliance with the applicable shareholder requirements.

* Shares held by directors, officers, or their immediate families and other concentrated holding of 10 percent or more are excluded in calculating the number of publicly-held shares.

[If the resulting company would not meet the foregoing requirements, the Exchange will promptly initiate suspension and delisting of the AC.] An AC will not be eligible to follow the procedures outlined in Sections 802.02 and 802.03 with respect to these criteria and any such security will be subject to immediate suspension and the delisting procedures as set forth in Section 804 at the time of consummation of the Business Combination, or, in the case of a failure to demonstrate compliance with the shareholder requirements, no later than 30 days after consummation of the Business Combination.

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