

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 25

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

File No. \* SR 2024 - \* 19

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 * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input checked="" type="checkbox"/> 19b-4(f)(6)		
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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 Dealings and Settlements, Rule 235, and Rule 236, as well as Sections 204.12, 703.02, and 703.03 of the Listed Company Manual

### 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 \* Le-Anh Last Name \* Bui

Title \* Senior Counsel, NYSE Group Inc.

E-mail \* Le-Anh.Bui@ice.com

Telephone \* (202) 661-8953 Fax (212) 656-8101

### Signature

Pursuant to the requirements of the Securities Exchange of 1934, New York Stock Exchange LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 03/25/2024

(Title \*)

By David De Gregorio

Associate General Counsel

(Name \*)

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

David De Gregorio

Digitally signed by David De Gregorio  
Date: 2024.03.25 15:57:32 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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19b-4 NYSE T+1 Settlement Rules (fo

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 \***

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Ex. 1 NYSE T+1 Settlement Rules.doc

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 Advanced Notice by Clearing Agencies \***

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

Add Remove View

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 Sent As Paper Document

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

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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 Sent As Paper Document

**Exhibit 4 - Marked Copies**

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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**

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Ex. 5 NYSE T+1 Settlement Rules (for

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**

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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 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> New York Stock Exchange LLC (“NYSE” or the “Exchange”) proposes to amend Dealings and Settlements, Rule 235, and Rule 236, as well as Sections 204.12, 703.02 (part 2), and 703.03 of the Listed Company Manual, to conform to amendments to Rule 15c6-1(a) of the Act to shorten the standard settlement cycle for most broker-dealer transactions from two business days after the trade date (“T+2”) to one business day after the trade date (“T+1”).

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached as Exhibit 5.

- (b) The Exchange does not believe that the proposed rule change will 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 are:

Le-Anh Bui  
Senior Counsel  
NYSE Group, Inc.  
(202) 661-8953

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

- (a) Purpose

On March 6, 2023, the Commission adopted amendments to Rule 15c6-1(a) of the Act to

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

<sup>2</sup> 17 CFR 240.19b-4.

shorten the standard settlement cycle for most broker-dealer transactions from T+2 to T+1.<sup>3</sup> Accordingly, the Exchange proposes to amend the rules identified below to conform with the amendments to Rule 15c6-1(a) and reflect a standard settlement cycle of T+1:

- Dealings and Settlements
- Rule 235 (Ex-Dividend, Ex-Rights)
- Rule 236 (Ex-Warrants)
- Section 204.12 of the Listed Company Manual (Dividends and Stock Distributions)
- Section 703.02 (part 2) of the Listed Company Manual (Stock Split/Stock Rights/Stock Dividend Listing Process)
- Section 703.03 of the Listed Company Manual (Short Term Rights Offerings Relating to Listed Securities Listing Process)

#### *Proposed Rule Change*

The Exchange proposes the following changes to reflect a T+1 settlement cycle.

- Under Dealings and Settlements, Delivery Dates on Exchange Contracts currently provides that a “Regular Way” contract for sale of securities is due on the second business day following the day of the contract. The Exchange proposes to delete the word “second” from this rule to reflect settlement on T+1, rather than T+2.<sup>4</sup>
- Current Rule 235 provides that transactions in stocks shall be ex-dividend or ex-rights on the business day preceding the record date fixed by the corporation or the date of the closing of transfer books. The Exchange proposes to delete the phrase “the business day preceding,” such that the rule would provide that these transactions would be ex-dividend or ex-rights on the record date. The current rule further provides that if the record date or closing of transfer books occurs upon a day other than a business day, Rule 235 shall apply for the second preceding business day. The Exchange proposes to delete the word “second” from this portion of the rule to conform to a T+1 settlement cycle.<sup>5</sup>

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<sup>3</sup> See Securities Exchange Act Release No. 96930, 88 FR 13872 (March 6, 2023) (“T+1 Adopting Release”).

<sup>4</sup> The Exchange further proposes to modify the table that appears under Delivery Dates on Exchange Contracts to delete the rows describing “Cash” delivery and “Seller’s Option” delivery, as the Exchange discontinued non-regular way settlement in 2017 and such options are no longer offered. See Securities Exchange Act Release No. 81176 (July 20, 2017), 82 FR 34728 (July 26, 2017) (SR-NYSE-2017-33) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Eliminate Non-Regular Way Trading on the Exchange).

<sup>5</sup> The Exchange further proposes to delete the parenthetical sentence at the end of Rule 235 as obsolete, given that Rule 118 has been deleted from the Exchange’s rulebook. See Securities Exchange Act Release No. 76649 (December 15, 2015), 80 FR 79365 (December 21, 2015) (SR-NYSE-2015-60) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 13 To Eliminate Good til

- Current Rule 236 provides that ex-warrant trading will begin on the business day preceding the date of expiration of the warrants, except that when expiration occurs on a non-business day, it will begin on the second business day preceding expiration. To conform with a T+1 settlement cycle, the Exchange proposes to delete the phrase “the business day preceding,” such that the rule would provide that these transactions would be ex-warrants on the date of expiration, and the word “second,” such that the rule would provide for expiration on the business day preceding expiration when expiration occurs on a non-business day.
- Current Section 204.12 of the Listed Company Manual (Dividends and Stock Distributions) requires the Exchange to arrange for and give advance notice of changes in dealings in the stock to an “ex-dividend” basis, which is generally two business days prior to the record date. The Exchange proposes to amend Section 204.12 to provide that an “ex-dividend” basis would generally be on the record date to reflect a T+1 settlement cycle.
- Current Section 703.02 (part 2) of the Listed Company Manual (Stock Split/Stock Rights/Stock Dividend Listing Process) provides that a distribution of less than 25% of a company’s common stock is traded “ex” on and after the business day prior to the record date based on the Exchange’s two-day delivery rule, pursuant to which contracts made on the Exchange for the purchase and sale of securities are generally settled by delivery on the second business day after the contract is made. Given the change to a T+1 settlement cycle, the Exchange proposes to amend the first sentence of Section 703.02 (part 2) to reflect that a distribution of less than 25% of a company’s common stock is traded “ex” on the record date. The Exchange also proposes to amend the second sentence of Section 703.02 (part 2) to instead refer to the Exchange’s one-day delivery rule pursuant to which contracts made on the Exchange for the purchase and sale of securities are settled by delivery on the business day after the contract is made. Finally, the Exchange proposes to amend the table in Section 703.02 (part 2) setting forth a schedule of record dates and corresponding normal ex-dividend dates to reflect a shortened T+1 settlement cycle.<sup>6</sup>
- Current Section 703.03 of the Listed Company Manual (Short Term Rights Offerings Relating to Listed Securities Listing Process) provides that registration under the Securities Act of 1933 of securities to be offered should become

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Cancelled (“GTC”) Orders and Stop Orders, and Make Conforming Changes to Rules 49, 61, 70, 104, 109, 115A, 116, 118, 123, 123A, 123C, 123D, 1000, 1004 and 6140).

<sup>6</sup> The Exchange also proposes to add Juneteenth National Independence Day (June 19) to the list of holidays affecting ex-dividend dates set forth in Section 703.02 (part 2). This proposed change would ensure that Section 703.02 is consistent with NYSE Rule 7.2, which sets forth the holidays on which the Exchange is not open for business and was amended in 2021 to include Juneteenth National Independence Day. See Securities Exchange Act Release No. 93183 (September 30, 2021), 86 FR 55068 (October 5, 2021) (SR-NYSE-2021-56) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend NYSE Rule 7.2).

effective at least six business days prior to the record date so that a listed security may trade ex-rights in a normal fashion on the second business day prior to the record date. The Exchange proposes to amend Section 703.03 to provide that registration of listed securities should become effective at least six business days prior to the record date in order for such securities to be traded ex-rights on the record date.

### *Implementation*

The Exchange proposes that the operative date of this proposed rule change will be Tuesday, May 28, 2024, which is the compliance date specified in the T+1 Adopting Release, or such later date as may be announced by the Commission for compliance with the amendments to Rule 15c6-1(a) set forth in the T+1 Adopting Release.<sup>7</sup> With the implementation of the T+1 settlement cycle and as described in the proposed changes outlined above, the ex-dividend date for “normal” distributions will be the same business day as the record date. Accordingly, the Exchange proposes that Wednesday, May 29, 2024 would be the first date to which the proposed rules described herein would apply (i.e., the first record date to which the new ex-dividend date rationale will be applied). During the implementation of the T+1 settlement cycle, the Exchange proposes that the ex-dividend dates will be as follows:

<b>Record Date</b>	<b>Ex-Dividend Date</b>
May 24, 2024	May 23, 2024
May 28, 2024	May 24, 2024
May 29, 2024	May 29, 2024

A record date of Friday, May 24, 2024 would be a date prior to the effective date of the amendments to Rule 15c6-1(a) of the Act to shorten the standard settlement cycle for most broker-dealer transactions from T+2 to T+1.<sup>8</sup> The rules described above would apply to this record date in their current form and, thus, the “ex-dividend date” would be the first business day preceding the record date or Thursday, May 23, 2024. Monday, May 27, 2024 is Memorial Day, which is an Exchange holiday; accordingly, there would be no record date on a holiday. A record date of Tuesday, May 28, 2024 would also fall under the Exchange’s current rules, and the first business day preceding such record date would be Friday, May 24, 2024. On Wednesday, May 29, 2024, the proposed rules described above would apply, such that, for the record date of May 29, 2024, the “ex-dividend date” would be the same business day.

The Exchange will issue a Trader Notice regarding the implementation of the proposed rule change and T+1 settlement cycle, which date would correspond with the industry-led transition to a T+1 standard settlement, and the compliance date of the Commission’s amendment of Rule 15c6-1(a) of the Act to require standard settlement no later than T+1.

<sup>7</sup> See note 3, *supra*.

<sup>8</sup> See note 3, *supra*.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>9</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>10</sup> in particular, because it is designed to prevent fraudulent and manipulative acts and practices, 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 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.

In particular, the proposed rule change would amend the Exchange's rules to reflect a standard settlement cycle of T+1, in support of the industry-led initiative to shorten the settlement cycle to one business day. Moreover, the proposed rule change is consistent with the Commission's amendments to Rule 15c6-1(a) of the Act to require standard settlement no later than T+1. The Exchange believes that the proposed rule change would provide regulatory certainty to facilitate the industry-led move to a T+1 settlement cycle. The Exchange further believes that, by shortening the time period for settlement of most securities transactions, the proposed rule change would protect investors and the public interest by reducing the number of unsettled trades in the clearance and settlement system at any given time, thereby reducing the risk inherent in settling securities transactions to clearing corporations, their members, and public investors.

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 proposed change is not designed to address any competitive issue, but rather to support the industry's transition to a T+1 regular-way settlement cycle in conformity with the Commission's amendment of Rule 15c6-1(a). The proposed change amends the Exchange's rules pertaining to securities settlement, which rules would apply uniformly to all contracts for the purchase or sale of a security (other than exempted securities) that provide for payment of funds and delivery of securities that occur on the Exchange or other self-regulatory organizations, and is intended to facilitate the industry-wide transition to a T+1 settlement cycle. The Exchange also believes that the proposed rule change will serve to promote clarity and consistency in its rules, thereby reducing burdens on the marketplace and facilitating investor protection. Accordingly, the Exchange believes that the proposed changes do not impose any burden on competition other than that necessary to implement the amendments to Rule 15c6-1(a) of the Act as set forth in the T+1 Adopting Release.<sup>11</sup>

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change


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<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>11</sup> See note 3, supra.

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

Not applicable.

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

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Act<sup>12</sup> and Rule 19b-4(f)(6) thereunder.<sup>13</sup> The Exchange asserts that the proposed rule change (i) will not significantly affect the protection of investors or the public interest, (ii) will not impose any significant burden on competition, and (iii) by its terms, will not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest. Additionally, the Exchange provided the Commission with 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 the filing, or such shorter time as designated by the Commission.

The proposed change does not significantly affect the protection of investors or the public interest, as it conforms the Exchange's rules with the rule amendments adopted by the Commission to shorten the standard settlement cycle for most broker-dealer transactions from T+2 to T+1.<sup>14</sup> The proposed change also does not impose any significant burden on competition because the shortened settlement cycle will apply uniformly to all contracts for the purchase or sale of a security (other than exempted securities) that provide for payment of funds and delivery of securities that occur on the Exchange or other self-regulatory organizations and is intended to facilitate the industry-wide transition to a T+1 settlement cycle.

For the foregoing reasons, the Exchange believes that this rule filing qualifies for immediate effectiveness as a "non-controversial" rule change. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule changes 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.

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<sup>12</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>13</sup> 17 CFR 240.19b-4(f)(6).

<sup>14</sup> See note 3, supra.



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

The proposed rule change is based on the Commission's amendments to Rule 15c6-1.<sup>15</sup>

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

Not applicable.

10. Advanced 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 Publication in the Federal Register

Exhibit 5 – Text of the Proposed Rule Change

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<sup>15</sup> See note 3, supra.

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-NYSE-2024-19)

[Date]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Dealings and Settlements, Rule 235, and Rule 236, Sections 204.12, 703.02, and 703.03 of the Listed Company Manual

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on March 25, 2024, 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 Dealings and Settlements, Rule 235, and Rule 236, as well as Sections 204.12, 703.02 (part 2), and 703.03 of the Listed Company Manual, to conform to amendments to Rule 15c6-1(a) of the Act to shorten the standard settlement cycle for most broker-dealer transactions from two business days after the trade date (“T+2”) to one business day after the trade date (“T+1”). The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

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

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

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

On March 6, 2023, the Commission adopted amendments to Rule 15c6-1(a) of the Act to shorten the standard settlement cycle for most broker-dealer transactions from T+2 to T+1.<sup>4</sup> Accordingly, the Exchange proposes to amend the rules identified below to conform with the amendments to Rule 15c6-1(a) and reflect a standard settlement cycle of T+1:

- Dealings and Settlements
- Rule 235 (Ex-Dividend, Ex-Rights)
- Rule 236 (Ex-Warrants)
- Section 204.12 of the Listed Company Manual (Dividends and Stock Distributions)
- Section 703.02 (part 2) of the Listed Company Manual (Stock Split/Stock Rights/Stock Dividend Listing Process)
- Section 703.03 of the Listed Company Manual (Short Term Rights Offerings Relating to Listed Securities Listing Process)

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<sup>4</sup> See Securities Exchange Act Release No. 96930, 88 FR 13872 (March 6, 2023) (“T+1 Adopting Release”).

*Proposed Rule Change*

The Exchange proposes the following changes to reflect a T+1 settlement cycle.

- Under Dealings and Settlements, Delivery Dates on Exchange Contracts currently provides that a “Regular Way” contract for sale of securities is due on the second business day following the day of the contract. The Exchange proposes to delete the word “second” from this rule to reflect settlement on T+1, rather than T+2.<sup>5</sup>
- Current Rule 235 provides that transactions in stocks shall be ex-dividend or ex-rights on the business day preceding the record date fixed by the corporation or the date of the closing of transfer books. The Exchange proposes to delete the phrase “the business day preceding,” such that the rule would provide that these transactions would be ex-dividend or ex-rights on the record date. The current rule further provides that if the record date or closing of transfer books occurs upon a day other than a business day, Rule 235 shall apply for the second preceding business day. The Exchange proposes to delete the word “second” from this portion of the rule to conform to a T+1 settlement cycle.<sup>6</sup>
- Current Rule 236 provides that ex-warrant trading will begin on the business day preceding the date of expiration of the warrants, expect that when expiration

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<sup>5</sup> The Exchange further proposes to modify the table that appears under Delivery Dates on Exchange Contracts to delete the rows describing “Cash” delivery and “Seller’s Option” delivery, as the Exchange discontinued non-regular way settlement in 2017 and such options are no longer offered. See Securities Exchange Act Release No. 81176 (July 20, 2017), 82 FR 34728 (July 26, 2017) (SR-NYSE-2017-33) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Eliminate Non-Regular Way Trading on the Exchange).

<sup>6</sup> The Exchange further proposes to delete the parenthetical sentence at the end of Rule 235 as obsolete, given that Rule 118 has been deleted from the Exchange’s rulebook. See Securities Exchange Act Release No. 76649 (December 15, 2015), 80 FR 79365 (December 21, 2015) (SR-NYSE-2015-60) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 13 To Eliminate Good til Cancelled (“GTC”) Orders and Stop Orders, and Make Conforming Changes to Rules 49, 61, 70, 104, 109, 115A, 116, 118, 123, 123A, 123C, 123D, 1000, 1004 and 6140).

occurs on a non-business day, it will begin on the second business day preceding expiration. To conform with a T+1 settlement cycle, the Exchange proposes to delete the phrase “the business day preceding,” such that the rule would provide that these transactions would be ex-warrants on the date of expiration, and the word “second,” such that the rule would provide for expiration on the business day preceding expiration when expiration occurs on a non-business day.

- Current Section 204.12 of the Listed Company Manual (Dividends and Stock Distributions) requires the Exchange to arrange for and give advance notice of changes in dealings in the stock to an “ex-dividend” basis, which is generally two business days prior to the record date. The Exchange proposes to amend Section 204.12 to provide that an “ex-dividend” basis would generally be on the record date to reflect a T+1 settlement cycle.
- Current Section 703.02 (part 2) of the Listed Company Manual (Stock Split/Stock Rights/Stock Dividend Listing Process) provides that a distribution of less than 25% of a company’s common stock is traded “ex” on and after the business day prior to the record date based on the Exchange’s two-day delivery rule, pursuant to which contracts made on the Exchange for the purchase and sale of securities are generally settled by delivery on the second business day after the contract is made. Given the change to a T+1 settlement cycle, the Exchange proposes to amend the first sentence of Section 703.02 (part 2) to reflect that a distribution of less than 25% of a company’s common stock is traded “ex” on the record date. The Exchange also proposes to amend the second sentence of Section 703.02 (part 2) to instead refer to the Exchange’s one-day delivery rule pursuant to which

contracts made on the Exchange for the purchase and sale of securities are settled by delivery on the business day after the contract is made. Finally, the Exchange proposes to amend the table in Section 703.02 (part 2) setting forth a schedule of record dates and corresponding normal ex-dividend dates to reflect a shortened T+1 settlement cycle.<sup>7</sup>

- Current Section 703.03 of the Listed Company Manual (Short Term Rights Offerings Relating to Listed Securities Listing Process) provides that registration under the Securities Act of 1933 of securities to be offered should become effective at least six business days prior to the record date so that a listed security may trade ex-rights in a normal fashion on the second business day prior to the record date. The Exchange proposes to amend Section 703.03 to provide that registration of listed securities should become effective at least six business days prior to the record date in order for such securities to be traded ex-rights on the record date.

### *Implementation*

The Exchange proposes that the operative date of this proposed rule change will be Tuesday, May 28, 2024, which is the compliance date specified in the T+1 Adopting Release, or such later date as may be announced by the Commission for compliance with the amendments to Rule 15c6-1(a) set forth in the T+1 Adopting Release.<sup>8</sup> With the implementation of the T+1

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<sup>7</sup> The Exchange also proposes to add Juneteenth National Independence Day (June 19) to the list of holidays affecting ex-dividend dates set forth in Section 703.02 (part 2). This proposed change would ensure that Section 703.02 is consistent with NYSE Rule 7.2, which sets forth the holidays on which the Exchange is not open for business and was amended in 2021 to include Juneteenth National Independence Day. See Securities Exchange Act Release No. 93183 (September 30, 2021), 86 FR 55068 (October 5, 2021) (SR-NYSE-2021-56) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend NYSE Rule 7.2).

<sup>8</sup> See note 4, supra.

settlement cycle and as described in the proposed changes outlined above, the ex-dividend date for “normal” distributions will be the same business day as the record date. Accordingly, the Exchange proposes that Wednesday, May 29, 2024 would be the first date to which the proposed rules described herein would apply (i.e., the first record date to which the new ex-dividend date rationale will be applied). During the implementation of the T+1 settlement cycle, the Exchange proposes that the ex-dividend dates will be as follows:

<b>Record Date</b>	<b>Ex-Dividend Date</b>
May 24, 2024	May 23, 2024
May 28, 2024	May 24, 2024
May 29, 2024	May 29, 2024

A record date of Friday, May 24, 2024 would be a date prior to the effective date of the amendments to Rule 15c6-1(a) of the Act to shorten the standard settlement cycle for most broker-dealer transactions from T+2 to T+1.<sup>9</sup> The rules described above would apply to this record date in their current form and, thus, the “ex-dividend date” would be the first business day preceding the record date or Thursday, May 23, 2024. Monday, May 27, 2024 is Memorial Day, which is an Exchange holiday; accordingly, there would be no record date on a holiday. A record date of Tuesday, May 28, 2024 would also fall under the Exchange’s current rules, and the first business day preceding such record date would be Friday, May 24, 2024. On Wednesday, May 29, 2024, the proposed rules described above would apply, such that, for the record date of May 29, 2024, the “ex-dividend date” would be the same business day.

The Exchange will issue a Trader Notice regarding the implementation of the proposed rule change and T+1 settlement cycle, which date would correspond with the industry-led transition to a T+1 standard settlement, and the compliance date of the Commission’s

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<sup>9</sup> See note 4, supra.

amendment of Rule 15c6-1(a) of the Act to require standard settlement no later than T+1.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>10</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>11</sup> in particular, because it is designed to prevent fraudulent and manipulative acts and practices, 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 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.

In particular, the proposed rule change would amend the Exchange's rules to reflect a standard settlement cycle of T+1, in support of the industry-led initiative to shorten the settlement cycle to one business day. Moreover, the proposed rule change is consistent with the Commission's amendments to Rule 15c6-1(a) of the Act to require standard settlement no later than T+1. The Exchange believes that the proposed rule change would provide regulatory certainty to facilitate the industry-led move to a T+1 settlement cycle. The Exchange further believes that, by shortening the time period for settlement of most securities transactions, the proposed rule change would protect investors and the public interest by reducing the number of unsettled trades in the clearance and settlement system at any given time, thereby reducing the risk inherent in settling securities transactions to clearing corporations, their members, and public investors.

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<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(5).



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 change is not designed to address any competitive issue, but rather to support the industry's transition to a T+1 regular-way settlement cycle in conformity with the Commission's amendment of Rule 15c6-1(a). The proposed change amends the Exchange's rules pertaining to securities settlement, which rules would apply uniformly to all contracts for the purchase or sale of a security (other than exempted securities) that provide for payment of funds and delivery of securities that occur on the Exchange or other self-regulatory organizations, and is intended to facilitate the industry-wide transition to a T+1 settlement cycle. The Exchange also believes that the proposed rule change will serve to promote clarity and consistency in its rules, thereby reducing burdens on the marketplace and facilitating investor protection. Accordingly, the Exchange believes that the proposed changes do not impose any burden on competition other than that necessary to implement the amendments to Rule 15c6-1(a) of the Act as set forth in the T+1 Adopting Release.<sup>12</sup>

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>13</sup> and Rule 19b-4(f)(6) thereunder.<sup>14</sup> Because the proposed rule change does not: (i)

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<sup>12</sup> See note 4, *supra*.

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>14</sup> 17 CFR 240.19b-4(f)(6).

significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>15</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>16</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of such 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 shall institute proceedings under Section 19(b)(2)(B)<sup>17</sup> of the Act 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

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<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>17</sup> 15 U.S.C. 78s(b)(2)(B).

(<https://www.sec.gov/rules/sro.shtml>); or

- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-NYSE-2024-19 on the subject line.

Paper Comments:

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

All submissions should refer to file number SR-NYSE-2024-19. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSE-2024-19 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.<sup>18</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>18</sup> 17 CFR 200.30-3(a)(12).

Additions underlined  
Deletions [bracketed]

## Rules of New York Stock Exchange LLC

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### Dealings and Settlements (Rules 45—299C)

#### Delivery Dates on Exchange Contracts

##### Contracts for Sale of Securities (Rules 64, 65)

<i>Nature of Contract</i>	<i>Delivery Date</i>	<i>Remarks</i>
[Cash	Due on the day of the contract.	Transactions made at or before 2:00 P.M. are due before 2:30 P.M.; those made after 2:00 P.M. are due within 30 min. after sale (Rule 177.)]
Regular Way	Due on the [second] business day following the day of the contract.	
[Seller's Option	Due on the date of expiration of the option, which may not be less than two business days nor more than 60 days. If due date is a day other than a business day, delivery shall be due on the next succeeding business day unless otherwise agreed. (Rule 178.)	Seller may deliver earlier by giving written notice, on or after the day when delivery would have been due if the contract had been made "regular way," of intention to make delivery on next business day following such notice. (Rule 179(a).)]
	For trades not submitted to the Exchange or a Qualified Clearing Agency for comparison, written contracts must be exchanged. (Rule 137.)	

When Issued and Due as determined by Exchange.  
When Distributed  
(Rule 63).

Written contracts on  
transactions not cleared through  
a Qualified Clearing Agency  
must be exchanged. (Rule 137.)

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**Dividends, Interest, Rights, etc. (Rules 235—236)**

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**Rule 235. Ex-Dividend, Ex-Rights**

Transactions in stocks shall be ex-dividend or ex-rights on [the business day preceding] the record date fixed by the corporation or the date of the closing of transfer books. Should such record date or such closing of transfer books occur upon a day other than a business day, this Rule shall apply for the [second] preceding business day.

The Exchange may, however, in any specific case, direct otherwise.

*[(See Rule 118 as to types of orders which shall or shall not be reduced and Rule 118.10-.30 regarding reduction of orders, odd amounts, optional amounts and responsibility.)]*

**Rule 236. Ex-Warrants**

Transactions in securities which have subscription warrants attached shall be ex-warrants on [the business day preceding] the date of expiration of the warrants, except that when the date of expiration occurs on a day other than a business day, said transactions shall be ex-warrants on the [second] business day preceding said date of expiration.

The Exchange may, however, in any specific case, direct otherwise.

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## New York Stock Exchange LLC Listed Company Manual

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### Section 2 Disclosure and Reporting Material Information

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#### 204.12 Dividends and Stock Distributions

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Declaration of a dividend necessitates that the Exchange give advance notice to its member organizations as to the record date and other details pertaining to the dividend so they may have shares held by them, but registered in the names of others, transferred to the proper names for orderly receipt of the dividend. Also, the Exchange must arrange for and give advance notice of the changes in dealings in the stock to an “ex-dividend” basis, which is generally [two business days prior to] on the record date. (See Para. 703.02 (B), “‘Regular Way’ Trading with a deferred ‘Ex’ Date,” for details.)

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### Section 7 Listing Applications

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#### 703.02 (part 2) Stock Split/Stock Rights/Stock Dividend Listing Process

“Regular Way” Trading with a Deferred “Ex” Date—

Normally, a distribution of less than 25 % is traded “ex” (without the distribution) on [and after the business day prior to] the record date. This procedure is based on the Exchange’s [two] **one**-day delivery rule, pursuant to which contracts made on the Exchange for the purchase and sale of securities are settled by delivery on the [second] business day after the contract is made, unless other terms of settlement are specified at the time the contract is made.

In calculating the ex-dividend date, days on which the Exchange or the banks, transfer agencies and depositories for securities in New York State are closed are not counted as business days. Following is a tabulation showing the relation between record dates and the normal ex-dividend dates, according to the days of the week:

Record Date	Normal Ex-Dividend Date
Monday	[preceding Friday] <u>Monday</u>
Tuesday	[preceding Monday] <u>Tuesday</u>
Wednesday	[preceding Tuesday] <u>Wednesday</u>
Thursday	[preceding Wednesday] <u>Thursday</u>
Friday	[preceding Thursday] <u>Friday</u>
Saturday	preceding [Thursday] <u>Friday</u>
Sunday	preceding [Thursday] <u>Friday</u>

When either the record date or normal ex-dividend date, or when any intervening weekday (except Saturday), is a holiday on which the Exchange or the banks, agencies and depositories for securities in New York State are closed, the ex-dividend date will be one business day earlier than shown in the above tabulation, as the occurrence of such holiday defers, by one business day, deliveries in settlement of contracts made on the Exchange in the regular way.

Holidays thus affecting the ex-dividend dates are:

- New Year's Day (Jan. 1)
- Presidents' Day (third Mon. in Feb.)
- Martin Luther King's Day (third Mon. in Jan.)
- Good Friday (variable date between Mar. 20 and April 23, both inclusive)
- Memorial Day (last Mon. in May)
- Juneteenth National Independence Day (June 19)
- Independence Day (July 4)
- Labor Day (1st Mon. in Sept.)



- Columbus Day (second Mon. in Oct.) \*
- Veterans Day (Nov. 11) \*
- Thanksgiving Day (fourth Thurs. in Nov.)
- Christmas Day (Dec. 25)

In the event that any of the above holidays falls on Sunday, it is regularly observed on the following Monday.

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### **703.03 Short Term Rights Offerings Relating to Listed Securities Listing Process**

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#### **(D)Preparation of Timetable**

The schedule for the rights offering should be arranged so that all action by shareholders or any public authority which is prerequisite to the making of the offering occurs prior to the effectiveness of the registration under the Securities Act of 1933.

If at all practicable, registration under the Securities Act of 1933 of the securities to be offered should become effective at least six business days prior to the record date. This six-day interval is recommended in order that the listed security may trade ex-rights in a normal fashion on the [second business day prior to the] record date. Otherwise, a deferred ex-date and due-bills would have to be utilized. (See Para. 703.02 (B) for discussion of conditionally authorized distributions including rights offerings.)

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