

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-94351; File No. 4-533)

March 2, 2022

Joint Industry Plan; Notice of Filing of Amendment No. 4 to the National Market System Plan for the Selection and Reservation of Securities Symbols

Pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 608 thereunder,² notice is hereby given that on February 11, 2022, The Nasdaq Stock Market LLC (“Nasdaq”), on behalf of participants to the National Market System Plan for the Selection and Reservation of Securities Symbols (“Symbology Plan” or “Plan”) filed with the Securities and Exchange Commission (“Commission”) a proposal to amend the Symbology Plan.³ The proposal represents the fourth substantive amendment to the Plan (“Amendment”) and reflects changes unanimously approved by the Plan participants (“Participants”).⁴ The Amendment proposes to, among other things, eliminate certain Plan processor costs, release perpetual reservations, increase the number of limited-time symbol reservations, modify the waitlist provisions, and clarify the portability of symbol reservations.

¹ 15 U.S.C. 78k-1(a)(3).

² 17 CFR 242.608.

³ The Plan was created to enhance the effectiveness and efficiency of the national market system and to provide for fair competition between the self-regulatory organizations that list equity securities by establishing a uniform system for the selection and reservation of securities symbols. The Plan, among other things, sets forth the process for securing perpetual and limited-time reservations, the use of a waiting list, the right to reuse a symbol and the ability to request the release of a symbol.

⁴ The Plan Participants are BOX Exchange LLC, Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Chicago Board Options Exchange, Incorporated, Financial Industry Regulatory Authority, Investors Exchange LLC, Long-Term Stock Exchange, Inc., MEMX LLC, Miami International Securities Exchange, LLC, MIAX Pearl, LLC, Nasdaq BX, Inc., Nasdaq ISE, LLC, Nasdaq PHLX LLC, Nasdaq, New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE Chicago, Inc., and NYSE National, Inc.

The proposed Amendment has been filed by the Participants pursuant to Rule 608(b)(2) under Regulation NMS.⁵ The Commission is publishing this notice to solicit comments on the proposed Amendment from interested persons. Sections I and II contain statements that were prepared and submitted to the Commission by the Participants about the purpose of the Amendment, along with information pursuant to Rule 608(a) under the Act.

I. Rule 608(a)

A. Purpose of the Amendment

Since the Symbology Plan was originally approved,⁶ it has been modified several times to add additional participants.⁷ The plan participants now seek to amend the Symbology Plan as set forth below, and attached [sic] hereto as Exhibit A.

⁵ 17 CFR 242.608(b)(2).

⁶ On November 6, 2008, the Commission approved the Symbology Plan that was originally proposed by the Chicago Stock Exchange, Inc. (“CHX”), The Nasdaq Stock Market, Inc. (n/k/a The Nasdaq Stock Market LLC) (“Nasdaq”), National Association of Securities Dealers, Inc. (“NASD”) (n/k/a Financial Industry Regulatory Authority, Inc. (“FINRA”)), National Stock Exchange, Inc. (“NSX”) (n/k/a NYSE National, Inc. (“NYSE National”)), and Philadelphia Stock Exchange, Inc. (n/k/a Nasdaq PHLX LLC (“Phlx”)), subject to certain changes. See Securities Exchange Act Release No. 58904, 73 FR 67218 (November 13, 2008) (File No. 4-533).

⁷ On November 18, 2008, ISE filed with the Commission an amendment to the Plan to add ISE as a member to the Plan. See Securities and Exchange Act Release No. 59024 (November 26, 2008), 73 FR 74538 (December 8, 2008) (File No. 4-533). On December 22, 2008, NYSE, NYSE Arca, and NYSE Alternext (n/k/a NYSE American) (“NYSE Group Exchanges”), and Cboe filed with the Commission amendments to the Plan to add the NYSE Group Exchanges and Cboe as members to the Plan. See Securities Exchange Act Release No. 59162 (December 24, 2008), 74 FR 132 (January 2, 2009) (File No. 4-533). On December 24, 2008, BSE (n/k/a BX) filed with the Commission an amendment to the Plan to add BSE as a member to the Plan. See Securities Exchange Act Release No. 59187 (December 30, 2008), 74 FR 729 (January 7, 2009) (File No. 4-533). On September 30, 2009, BATS (n/k/a CboeBZX) filed with the Commission an amendment to the Plan to add BATS as a member to the Plan. See Securities Exchange Act Release No. 60856 (October 21, 2009), 74 FR 55276 (October 27, 2009) (File No. 4-533). On July 7, 2010, EDGA (n/k/a CboeEDGA) and EDGX (n/k/a CboeEDGX) filed with the Commission an amendment to the Plan to add EDGA and EDGX, each as a party to the Symbology Plan. See Securities Exchange Act Release No. 62573 (July 26, 2010), 75

Plan Processor Costs (Section I(c))

The participants seek to amend Section I(c) to require new parties to provide a signed copy of the Symbology Plan to the Commission and become a party to any contract required pursuant to Section III with the Processor. These changes are intended to codify existing practices.

In addition, the participants seek to eliminate the costs of entry for new participants. The Processor found that in recent years, the calculated pro rata amounts were de minimus or zero, and the participants are therefore proposing this change to help modernize the process and remove burdensome administrative tasks.

Perpetual Reservations (Section IV(b)(1)(A) and (d))

The parties seek amend Section IV(b)(1)(A) to release their list of perpetual reservations (“List A reservations”), effective 30 calendar days following the date of the Commission’s approval of the amendment to the Symbology Plan, except for those symbols which are used only for the purpose of system testing (“Test Symbols”). No new List A reservations shall be made, and parties shall not maintain a List A reservation, except for the purpose of reserving

FR 45682 (August 3, 2010) (File No. 4-533). On May 7, 2012, BOX filed with the Commission an amendment to the Plan to add BOX as a member to the Plan. See Securities and Exchange Act Release No. 66957 (May 10, 2012), 77 FR 28904 (May 16, 2012). On November 4, 2016, IEX filed with the Commission an amendment to the Plan to add IEX as a member to the Plan. See Securities Exchange Act Release No. 79422 (November 29, 2016), 81 FR 87645 (December 5, 2016). On February 26, 2018, MIAx filed with the Commission an amendment to the Plan to add MIAx as a member to the Plan. See Securities Exchange Act Release No. 82885 (March 15, 2018), 83 FR 12430 (March 21, 2018). On October 17, 2019, LTSE filed with the Commission an amendment to the Plan to add LTSE as a member to the Plan. See Securities Exchange Act Release No. 87597 (November 22, 2019), 84 FR 65448 (November 27, 2019). On July 6, 2020, MEMX filed with the Commission an amendment to the Plan to add MEMX as a member to the Plan. See Securities Exchange Act Release No. 89419 (July 29, 2020), 85 FR 46767 (August 3, 2020).

Test Symbols. This change is intended to supplement the changes described below to require all symbol reservations to be made at the request of an issuer in connection with a potential listing. The parties also seek to amend Sections IV(b)(1)(B), (b)(2)(F) and (d) to eliminate the references to List A reservations.

List B Reservations (Section IV(b)(1)(B))

The plan participants seek to amend the Symbology Plan to increase the number of limited-time symbol reservations (“List B reservations”) that a party to the Symbology Plan can reserve from 1,500 to 2,500 for symbols using one, two or three characters, on the one hand, and for symbols using four or five characters, on the other hand, in Section IV(b)(1)(B).

The increase in the number of limited-time symbol reservations is necessary given the substantial increase in the number of IPOs and other new listings. For example, one data source indicates that the number of IPOs was at a 20 year low in 2008 when the Symbology Plan was adopted, with 62 IPOs that year. In contrast, in 2020 there were 480 IPOs, and in 2021 there were 1,058 IPOs, representing a 220% increase year-over-year.⁸ Moreover, accompanying this increase in IPOs is a significant increase in the number of applications for new company listings and in prospects considering a public listing, each of which may require a symbol reservation.

In addition, an increase in the popularity of SPACs has necessitated the reservation of more symbols. Specifically, before a SPAC is listed a symbol is reserved for the SPAC while, at the same time, plan participants also reserve symbols for the operating companies that may eventually become the target of a SPAC. In 2021, there were 613 SPAC IPOs, compared to 248 SPAC IPOs in 2020, representing a 247% increase.⁹

⁸ See Stock Analysis, *IPO Statistics*, available at: <https://stockanalysis.com/ipos/statistics/> (last accessed January 18, 2022).

⁹ See Nasdaq, *A Record Pace for SPACs in 2021*, available at:

As such, while at the time of the Symbology Plan's adoption in 2008 it appeared sufficient to allow 1,500 one, two or three character reservations, on the one hand, and 1,500 four or five character reservations, on the other hand, those limits are no longer appropriate given current activity.

The plan participants also seek to make certain other amendments to Section IV(b)(1)(B) of the Symbology Plan in connection with a symbol reservation. Specifically, the parties propose to:

1. Add a new subclause (i) specifying that no party shall make a limited-time symbol reservation ("List B reservation") request with respect to a particular symbol unless said party has a reasonable basis to believe it will utilize such symbol within the next 24 months.
2. Add a new subclause (ii) specifying that each List B request made by a party for non-exchange traded products must be made in connection with the potential listing of a security on such party at the request of the issuer (or an agent of the issuer) of such security, and the reserving party must confidentially indicate the potential listing in the Symbol Reservation System and maintain documentation demonstrating that it has a reasonable basis to believe it will utilize such symbol for the listing of such security within the next 24 months.
3. Add a new subclause (iii) specifying that all List B reservation requests made by a party for exchange traded products must be made at the request of the issuer (or an agent of the issuer) of such security.

<https://www.nasdaq.com/articles/a-record-pace-for-spacs-in-2021>.

4. Add a new subclause (iv) specifying that the party shall release the symbol if it no longer reasonably believes that the issuer will list a security using the symbol.
5. Add a new subclause (v) specifying that a party shall not reserve more than one symbol per potential security listing that is not an exchange traded product. For the avoidance of doubt, if an issuer has multiple potential securities (e.g., an issuer of exchange-traded products or an operating company listing several classes of securities), the party may reserve multiple symbols at the request of the issuer so long as all other requirements set forth in Section IV(b)(1)(B) are met.

A corresponding clarifying change is proposed to Section IV(b)(3)(C) to clarify that List B reservation requests must be submitted in accordance with subclauses (i) to (v) of Section IV(b)(1)(B). The above changes are intended to ensure that each party reserves a symbol in connection with a potential listing, and confidentially indicates the company's name in the system. In the case of exchange-traded products, subclauses (iii) and (v) will allow exchanges to reserve multiple symbols at the request of an issuer listing multiple potential securities. These issuers commonly issue more than one product with different root symbols, unlike corporate issuers who rely on the same root symbol even where they have multiple classes.

Clarify Provisions that Only Applied to the Original Plan (Sections IV(b)(1-3) and (c))

The participants seek to make certain clarifications in Sections IV(b)(1-3) and (c)(1) of the Symbology Plan to update outdated language regarding reservations prior to the original effective date of the Symbology Plan (November 6, 2008). These changes are intended to clarify that certain provisions only applied prior to November 6, 2008, and are not applicable thereafter. However, the parties would like to retain the outdated language in Section IV(b)(2) of the Symbology Plan to provide transparency to any future new participants.

Waitlist Provisions

The parties seek to amend the Symbology Plan to permit an exchange to be on the waitlist for a symbol that it has reserved for another company. This is intended to address scenarios in which an issuer listing on an exchange requests a symbol that another issuer has already reserved with the same exchange. For example, if two companies request that NYSE reserve the ticker symbol “ABC,” NYSE could reserve “ABC” for Company 1 and place itself on the waitlist for “ABC” for Company 2. If Company 1 no longer wants to use the symbol, NYSE can release the symbol to Company 2. These changes are reflected in Sections IV(c)(1) and IV(c)(3)).

Currently, the Symbol Reservation System does not allow an exchange to go on the waitlist for a symbol it has already reserved. The Processor informed the plan participants that it estimates it will not be able to begin work on the tech changes required to implement this functionality until Q3 of 2022. In the meantime, the participants [sic] propose an interim solution to informally allow a party to go on the waitlist with coordination from the other SROs:

1. NYSE reserves symbol ABC for Company 1.
2. A week later, NYSE receives a request to reserve symbol ABC for Company 2. NYSE emails the plan participants to notify them that NYSE has received another request for symbol ABC. The email would include the time of the issuer’s request, the time of the email, the exchange requesting it, and any other information typically included in the Symbol Reservation System. An email template is attached [sic] as Exhibit B.
3. The email memorializes that Company 2 is now on the “waitlist” after Company 1 for symbol ABC. Each plan participant is responsible for reading and cataloging this email for its own records.

4. A few weeks later, Nasdaq goes on the Symbol Reservation System waitlist for symbol ABC for Company 3. Company 3 is now on the waitlist behind Company 1 and Company 2, according to the email records. However, in the Symbol Reservation System, Nasdaq would appear on the waitlist (for Company 3) immediately after NYSE (for Company 1).
5. A month later, Company 1 chooses to release the symbol, and Company 2 would like to reserve it. NYSE contacts Nasdaq and asks Nasdaq to remove itself from the Symbol Reservation System waitlist for Company 3, so that NYSE can go on the waitlist and re-reserve symbol ABC for Company 2.

Portability of Symbols (Section IV(f))

The participants seek to make certain clarifying amendments to Section IV(f) of the Symbology Plan to clarify that, as is generally consistent with current practice in accordance with the Symbology Plan, symbols are reserved for issuers in connection with a specific listing, and that those issuers can use a symbol reserved for their listing on any national securities exchange, including if an issuer wants to transfer to another exchange prior to listing.

Under the proposed amendment to subsection (1), if an SRO (a “New SRO”) lists a security or product that previously was listed on another SRO (a “Former SRO”), immediately prior to listing on the New SRO, the New SRO shall have the rights to that symbol unless, in the New SRO’s sole discretion, it consents to the symbol being retained by the Former SRO, provided however, that such Former SRO shall not reuse that symbol to identify a new security or product unless the Former SRO, in its sole discretion, reasonably determines that such use would not cause investor confusion.

Under the proposed amendment to subsection (2), if an SRO reserves a symbol pursuant to subsection (b)(1)(B) for a specific security or product of an issuer, and the issuer of the

security or product decides to list on a different SRO (the “Listing SRO”) during the period that the reservation is in effect, the Listing SRO shall have the rights to that symbol unless, in the Listing SRO’s sole discretion, it consents to the reserving SRO retaining the symbol on its reservation List B.

Other Amendments

The participants also seek to make certain clarifying amendments to the Symbology Plan to update the names of plan participants in Section I(a), update section references in Section IV(d), and correct minor typographical errors in Section III and IV(a).

B. Governing or Constituent Documents

Not applicable.

C. Implementation of Amendment

The proposed amendment will be implemented upon approval of the Commission.

D. Development and Implementation Phases

Not applicable.

E. Analysis of Impact on Competition

The amendment does not impose any burden on competition because it affects each member of the Symbology Plan in the same way.

F. Written Understanding or Agreements Relating to Interpretation of, or Participation in, Plan

Not applicable.

G. Approval by Sponsors in Accordance with Plan

Pursuant to Section VIII of the Symbology Plan, each of the participants to the Symbology Plan has authorized this amendment.

H. Description of Operation of Facility Contemplated by the Proposed Amendment

Not applicable.

I. Terms and Conditions of Access

Not applicable.

J. Method of Determination and Imposition, and Amount of, Fees and Charges

Not applicable.

K. Method and Frequency of Processor Evaluation

Not applicable.

L. Dispute Resolution

Not applicable.

II. Regulation NMS Rule 601(a)

A. Equity Securities for which Transaction Reports Shall be Required by the Plan

Not applicable.

B. Reporting Requirements

Not applicable.

C. Manner of Collecting, Processing, Sequencing, Making Available and Disseminating Last Sale Information

Not applicable.

D. Manner of Consolidation

Not applicable.

E. Standards and Methods Ensuring Promptness, Accuracy and Completeness of Transaction Reports

Not applicable.

F. Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination

Not applicable.

G. Terms of Access to Transaction Reports

Not applicable.

H. Identification of Marketplace of Execution

Not applicable.

III. Solicitation of Comments

The Commission seeks comment on the Amendment. Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed Amendment is consistent with the Act and the rules and regulations thereunder applicable to national market system plans. 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 4-533 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 4-533. 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 Plan that are filed with the Commission, and all written communications relating to the Plan 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 such filing also will be available for inspection and copying at the Parties' principal offices. 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 4-533, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

J. Matthew DeLesDernier
Assistant Secretary

¹⁰ 17 CFR 200.30-3(a)(85).