

MEMO# 26964

February 4, 2013

SEC Approves NYSE's Proposed Rule Changes to Create Uniform Method for Listed Companies to Provide Notice to Exchange

[26964]

February 4, 2013

TO: CLOSED-END INVESTMENT COMPANY MEMBERS No. 15-13
INVESTMENT ADVISER MEMBERS No. 12-13
ETF ADVISORY COMMITTEE No. 8-13
ETF (EXCHANGE-TRADED FUNDS) COMMITTEE No. 8-13 RE: SEC APPROVES NYSE'S
PROPOSED RULE CHANGES TO CREATE UNIFORM METHOD FOR LISTED COMPANIES TO
PROVIDE NOTICE TO EXCHANGE

The Securities and Exchange Commission ("SEC") has approved a proposed rule change by the New York Stock Exchange LLC ("NYSE") to amend the methods by which listed companies give notice to the NYSE of matters or events where timely notification is essential to the ability of investors to arrange to be holders of a security by a certain date for a distribution or shareholder meeting. [\[1\]](#) For certain enumerated events, the amended Listed Company Manual of the NYSE ("Manual") sets forth a new, uniform method that listed companies are required to use to notify the NYSE.

Specifically, amended Section 204.00 of the Manual requires a company to give notice through a web-based communication system – either a web portal or email address – specified by the NYSE in a prominent position on its website for certain identified events. [\[2\]](#) These events are: (1) closing of transfer books; (2) notice of dividend action or action relating to a stock distribution; (3) meetings of shareholders; (4) notice of the fixing of a date for the taking of a record of shareholders or for the closing of transfer books; (5) redemption of listed securities; (6) notice of corporate action that will result in or looks toward either the partial or full call for redemption of a listed security; (7) notice of dates set in connection with the calling of any meeting of shareholders; and (8) notice by transfer agents of the number of shares outstanding at the end of each calendar quarter. The NYSE also provides for alternative methods of notification if electronic communications systems become unavailable.

For the remaining notification provisions in the Manual (such as a change in transfer agent

or trustee or change in auditors), companies may use the methods provided for in Section 204.00 or any other reasonable method. The NYSE is providing listed companies with more flexibility to determine what method of notification best suits a particular situation under these circumstances because a company's failure to notify the NYSE immediately with respect to these events would not significantly disadvantage investors.

In addition, amended Section 204.00 requires that, in cases where a material event or a statement dealing with a rumor that calls for immediate release is made shortly before the opening or during market hours, companies must notify the NYSE using the telephone alert procedures set forth in Section 202.06(B) of the Manual. [3] The NYSE also made several clarifying, conforming, and administrative changes, including amending the number of copies of a proxy statement that a listed company must submit to the NYSE from six to three copies.

Jennifer S. Choi
Senior Associate Counsel – Securities Regulation

endnotes

[1] See SEC Release No. 34-68635, 78 FR 3958 (Jan. 17, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-01-17/pdf/2013-00876.pdf>.

[2] The NYSE expects to receive the web-based notification pursuant to Section 204.00 through [www.egovdirect](http://www.egovdirect.com), a web portal operated by the NYSE or through an email address designated by the NYSE.

[3] Under Section 202.06(B), a company must give notice to its NYSE representative by telephone at least ten minutes prior to the release of the announcement. If the announcement is in written form, a company must provide the text of the written announcement to the NYSE at least ten minutes prior to its release using the web-based communication system specified in Section 204.00