

September 1, 2021

NYSE Amends Related Party Transaction Threshold Requirement

The NYSE recently re-amended Rule 314.00, *Related Party Transactions*, so that related party transactions below \$120,000 are exempt from the approval requirements. The NYSE had amended Rule 314.00 in April to, among other things, require approval of any transactions disclosable under Item 404 of Regulation S-K, but without applying the transaction value threshold of that provision. This latest amendment adopts Item 404's definition of related party transactions wholesale, including the exemption for transactions valued at less than \$120,000, and aligns with Nasdaq's definition of related party transactions, which also refers to Item 404. All of the other April amendments to Rule 314.00 remain in effect. The rule change took effect immediately upon filing with the SEC. A copy of the rule change filing is available [here](#).

For a copy of Rule 314.00, marked to show the changes effected by this amendment, please see [Annex A](#).

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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Annex A – Marked Revised Text of NYSE Rule 314.00, Related Party Transactions

A company's audit committee or another independent body of the board of directors, shall conduct a reasonable prior review and oversight of all related party transactions for potential conflicts of interest and will prohibit such a transaction if it determines it to be inconsistent with the interests of the company and its shareholders. For purposes of this rule, the term "related party transaction" refers to transactions required to be disclosed pursuant to Item 404 of Regulation S-K under the Securities Exchange Act ~~[(but without applying the transaction value threshold of that provision)]~~. In the case of foreign private issuers, the term "related party transactions" refers to transactions required to be disclosed pursuant to Form 20-F, Item 7.B ~~[(but without regard to the materiality threshold of that provision)]~~.