



The Honourable Paul Atkins, Chairman
Ms. Vanessa A. Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

11 September 2026

Dear Chairman Atkins and Ms. Countryman,

Subject: SEC Release No. 34-106128; File No. SR-NYSE-2026-37, the Proposed Rule Change to Amend Sections 303A.00 AND 303A.07 of the NYSE Listed Company Manual

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the proposed rule change to amend Sections 303A.00 and 303A.07 of the New York Stock Exchange LLC (NYSE) Listed Company Manual.

Led by investors responsible for assets under management of >US\$100 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries. ICGN's [Global Governance Principles](#) and [Global Stewardship Principles](#), written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.

We are writing to voice our strong opposition to the proposed rule change from the NYSE which would extend, "from one year to five years, the period within which a newly listed company must establish an internal audit function."¹ Internal Audit is a fundamental part of the effective framework of governance and we believe that such a delay presents a significant potential risk for investors in newly listed companies.

Our Global Governance principles state that a "board should oversee the establishment and maintenance of an effective system of internal control to properly manage risk which should be measured against internationally accepted standards of internal audit and tested annually for its adequacy."²

An independent internal audit function, and its ongoing assurance of an issuer's risks and internal controls, is a key part of the system of governance. We note that the NYSE's

¹Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of a Proposed Rule Change To Amend Sections 303A.00 and 303A.07 of the NYSE Listed Company Manual, Exchange Act Release No. 34-106128, 91 Fed. Reg. 53,448 (Aug. 18, 2026).

² [ICGN Global Governance Principles](#), Principle 8, Internal and External Audit (2021), p. 30.

proposal acknowledges that it believes that a robust internal audit function is a “key component of sound corporate governance.”³

Moving the creation of an internal control function out for five years leaves a company and its investors without the necessary resources to consider risks, ensure that the proper controls that are in place, and reported by an independent resource to the board of directors.

Newly listed companies may in some cases have a higher risk profile, given their introduction into the capital markets and as such the need for robust internal controls and a well-resourced internal audit function may be higher rather than lower.

A board’s adopted governance practices can send positive signals to investors if it recognizes the need for independent internal review during these early stages. By developing robust financial controls and independent internal audit oversight from the start, boards and audit committees will have better documentation to inform their decisions.

The risk of a delay in the establishment of an internal audit function is compounded by other proposed regulatory changes. Most newly listed companies are exempt from the Sarbanes-Oxley auditor attestation over internal control for up to five years after their initial public offering. The SEC is currently proposing to limit that attestation to large accelerated filers, a new status that companies will only reach after five years of reporting history. The proposal would also exempt every newly public company for its first five years.⁴ ICGN provided an extensive comment letter against this change in the SEC’s proposal and asks that the SEC and the NYSE do not move forward at this time.⁵

Finally, we see that there are no published cost/benefit or investor impact analyses related to how this proposal will impact a company’s investors. Expenses for internal audit functions are ultimately paid by investors. These resources are not burdensome; investors understand that there is an appropriate investment that needs to be made in assurance to build trust and that boards also need the insight and assurance provided by robust internal audit.

We would prefer that the current expectation that internal audit should be established within the first year and reported to investors thereafter be maintained. We ask that the SEC vote against the proposed NYSE rule change.

Thank you again for the opportunity to share our opposition to the proposed change. If you would like to follow up with questions or comments, please contact me or our Senior Advisor-Americas, Carol Nolan Drake (carol.nolandrake@icgn.org).

Yours faithfully,



Jen Sisson
Chief Executive Officer, ICGN

³Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of a Proposed Rule Change To Amend Sections 303A.00 and 303A.07 of the NYSE Listed Company Manual, Exchange Act Release No. 34-106128, 91 Fed. Reg. 53,448 (Aug. 18, 2026).

⁴See 15 U.S.C. § 7262(b) (emerging growth company exemption); Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies, Release Nos. 33-11419, 34-105515, 91 Fed. Reg. 30,086 (May 21, 2026).

⁵ [ICGN comment letter](#) on Registered Offering Reform, File Number S7-2026-17, and Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies, File Number S7-2026-18, 20 July 2026.