



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102759; File No. SR-NYSE-2025-11]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Section 902.03 of the NYSE Listed Company Manual to Specify that During its First Five Years of Listing a Class of Common Equity on the Exchange an Issuer Will Only Be Subject to Initial and Annual Listing Fees For its Primary Class of Equity Securities

April 2, 2025.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that on March 28, 2025, 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 Section 902.03 of the NYSE Listed Company Manual (the “Manual”) to specify that during its first five years of listing a class of common equity on the Exchange, an issuer will (i) only be subject to initial and annual listing fees for its primary class of equity securities, and (ii) will be exempt from all other listing fees, including fees for (a) the listing of additional shares of the primary class of equity securities, (b) the listing of an additional class of common stock, preferred stock, warrants or rights, (c) the listing of securities convertible into or exchangeable or exercisable for additional securities of a listed class, (d)

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

applications in connection with a Technical Original Listing⁴ or reverse stock split, or (e) applications for changes involve modification to Exchange records or in relation to a poison pill. The proposed rule change is available on the Exchange's website at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

Issuers that list equity securities on the Exchange are subject to two primary types of fees: listing fees and annual fees. Listing fees are charged both at the time a primary class of securities is initially listed on the Exchange (the "Initial Listing Fee"), and in connection with the subsequent listing of additional shares of such class (the "Additional Listing Fee").⁵ Annual fees are calculated based on the number of shares issued and outstanding (including treasury stock and restricted stock) and are billed at the beginning of each calendar year that an issuer is listed on the Exchange (the "Annual Listing Fee").⁶ Less frequently, issuers are subject to fees for (i) listing of an additional class of common stock⁷, preferred stock, warrants or rights⁸, (ii) securities

⁴ See Section 703.10 of the Manual.

⁵ See Section 902.03 of the Manual. The initial listing fee at the time an issuer first lists a class of common shares is \$325,000. The fee for listing additional shares of a listed class is charged on a per share basis at a tiered rate based on the number of securities outstanding, subject to a minimum fee of \$10,000.

⁶ In an issuer's first year of listing, a pro-rated Annual Fee is charged at the time of initial listing.

⁷ See Section 902.03 of the Manual under "Listing Fees." The listing fee for an additional class of common shares is charged at a flat rate of \$5,000.

⁸ See Section 902.03 of the Manual under "Listing Fees." The listing fee for such securities is currently

convertible into or exchangeable or exercisable for additional securities of a listed class⁹, (iii) applications in connection with a Technical Original Listing¹⁰ or reverse stock split¹¹, or (iv) applications for changes that involve modification to Exchange records or in relation to a poison pill¹² (the foregoing fees identified in clauses (i)-(iv), collectively, the “Alternative Listing Fees”).

Effective, April 1, 2025, the Exchange proposes to amend Section 902.03 of the Manual to provide an exemption from certain fees to issuers during their first five years of listing on the Exchange. Under the proposal, from the date of initial listing until the fifth anniversary thereof, an issuer that lists a primary class of equity securities on the Exchange will only be subject to the Initial Listing Fee and Annual Listing Fee (such Annual Fee calculated on an adjusted basis for any subsequent issuance or corporate action), in each case for such class of primary equity securities and will be exempt from any Additional Listing Fee or Alternative Listing Fee. For the avoidance of doubt, an issuer that does not have a class of common equity securities listed (ex. an issuer that lists only preferred stock) would continue to be subject to fees as set forth in the Manual.¹³ In addition, notwithstanding that an issuer may be entitled to the proposed exemption, such issuer would remain subject to the listing fees specified in Sections 902.05, 902.06 and 902.08 of the Manual, as applicable.¹⁴ An issuer that lists a primary class of common

charged at a rate of \$0.004 per share.

⁹ See Section 902.03 of the Manual under “Listing Fees, Limitations on Listing Fees.” The supplemental listing application fee for such listing is \$10,000.

¹⁰ See Section 703.10 of the Manual.

¹¹ See Section 902.03 of the Manual under “Listing Fees, Limitations on Listing Fees.” The application fee for such listing is \$15,000.

¹² *Id.* Such application fee is \$10,000.

¹³ Only issuers listing a class of common equity on the Exchange are subject to the flat Initial Listing Fee. Issuers only listing a class of preferred stock or bonds are subject to an initial listing fee that is calculated on a per share basis for preferred stock and a per series basis for bonds.

¹⁴ The fee schedule in Section 902.03 applies to common and preferred equity securities of U.S. issuers and foreign private issuers. Other types of issuers and classes of securities are subject to the fee schedules contained in other sections of the Manual. Section 902.05 sets forth fees for structured products. Section 902.06 sets forth fees for short-term securities. Section 902.08 sets forth fees for debt securities and listed structured products that trade on the NYSE Bonds platform. Structured products, short-term securities and debt securities and listed structured products that trade on the NYSE Bonds Platform represent separate classes of securities, distinct from a company’s class of equity securities. Because of the different nature of

securities on the Exchange as the result of a transfer from another national securities exchange would not be eligible for the proposed fee exemption.¹⁵

The Exchange proposes to adopt the proposed exemption to give issuers greater predictability with respect to the fees that they will incur in the first years of listing and to mitigate the costs of initially listing on the Exchange.¹⁶ The Initial Listing Fee is charged as of the date that an issuer first lists a primary class of equity securities on the Exchange. The Annual Listing Fee for such primary class of equity securities is billed at the beginning of each subsequent year that a company remains listed on the Exchange.¹⁷ Conversely, an Additional Listing Fee is billed at any time during a calendar year that a company lists additional shares and an Alternative Listing Fee is billed throughout the year at the time that an issuer completes a transaction giving rise to such fee. In the early years of a company's listing on the Exchange, the Exchange believes there is benefit to a company in anticipating its expenses. Understanding that it will be subject to a single fee at the time of initial listing and once each subsequent year will enable companies to better budget and plan for expenses at a time when they are incurring other expenses common to newly public companies. The Exchange believes that the investing public benefits when companies choose to go public and list their common equity on a national securities exchange. To that end, the Exchange believes its proposal may encourage more

these securities and because not every listed company also lists a class of securities falling under one of these rules, the Exchange believes it is appropriate to exclude them from the proposed exemption. Similarly, Sections 902.04, 902.07 and 902.09-902.12 contain the fee schedules for different types of issuers (including closed-end funds and special purpose acquisition companies). Because those issuers are not subject to the fees that are the subject of the proposed exemption, the Exchange does not propose to apply the exemption to them.

¹⁵ An issuer that transfers to the Exchange from another national securities exchange does not pay an Initial Listing Fee. See Section 902.02 of the Manual.

¹⁶ Companies typically list a primary class of equity securities on the Exchange via an initial public offering ("IPO"). In connection with preparing for their IPO, the Exchange understands that companies incur substantial initial costs, including for legal and audit services. In the initial years as a public company, the Exchange also believes that issuers incur initial start-up costs related to development of corporate functions like investor relations in connection with the transition to being a publicly traded company.

¹⁷ In an issuer's first year of listing, a pro-rated Annual Fee is charged at the time of initial listing.

companies to consider listing their common equity on a national securities exchange by lessening the financial burden of doing so during the first five years of listing.

Under the proposal, a company would benefit from the fee exemption from the date it first lists a class of common equity on the Exchange until the fifth anniversary of such date. The Exchange proposes to provide the fee exemption to any company that initially listed a class of common equity on the Exchange on or after April 1, 2021. For those companies that listed on or after April 1, 2021, they would benefit from the fee exemption for the balance of the five-year period running from April 1, 2025 to the fifth anniversary of a company's listing. For example, if an eligible company initially listed on April 1, 2021, such company would receive the benefit of the proposed exemption for one year until it reached the five-year anniversary of its listing. As of April 1, 2026, such company would be subject to the Exchange's usual fee schedule. For the avoidance of doubt, fees paid and incurred prior to April 1, 2025 will not be altered or refunded.

The Exchange notes that it amended its Initial Listing Fee, effective January 1, 2022, to adopt a flat Initial Listing Fee of \$295,000, which has subsequently increased over time.¹⁸ Prior to the rule change, the Exchange charged a tiered Initial Listing Fee which resulted in many issuers paying substantially less than the Initial Listing Fee charged in recent years. For the period from April 1, 2021 to December 31, 2021, while the prior tiered Initial Listing Fee was in place, the Exchange notes that a majority of new issuers paid the highest Initial Listing Fee charged under the tiered structure, i.e., \$295,000. Because the substantial majority of companies that have listed a class of primary common equity on the Exchange since April 1, 2021 have paid a meaningful Initial Listing Fee of at least \$295,000, the Exchange believes it is appropriate to provide such companies with the proposed fee exemption.

¹⁸ See Securities Exchange Act Release No. 93862 (December 22, 2021), 86 FR 74198 (December 29, 2021) (SR-NYSE-2021-76). Prior to the 2022 rule change, the Exchange charged a tiered initial listing fee, based on shares outstanding, ranging from \$150,000 to \$295,000. The Initial Listing Fee is currently \$325,000.

The revised annual fees will be applied in the same manner to all eligible issuers that initially list a class of common equity securities on the Exchange. In addition, the Exchange does not believe that the proposed fee exemption will have any negative impact on the Exchange's ability to fund or perform its regulatory obligations.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹⁹ in general, and furthers the objectives of Section 6(b)(4)²⁰ of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges. The Exchange also believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,²¹ in that it is designed to 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 facilitating transactions in securities, to 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 and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Proposed Changes are Reasonable

The Exchange believes that the proposed limited fee exemption is reasonable. In that regard, the Exchange notes that companies incur a variety of expenses in connection with going public and during the first few years of being listed on a national securities exchange. The Exchange believes there is a benefit to encouraging more companies to list their common equity on a national securities exchange. Therefore, the Exchange believes it is reasonable to provide issuers who may be considering a public listing an additional incentive to do so.

¹⁹ 15 U.S.C. 78f(b).

²⁰ 15 U.S.C. 78f(b)(4).

²¹ 15 U.S.C. 78f(b)(5).

The Exchange operates in a highly competitive marketplace for listings. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS,²² the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”²³

The Exchange believes that the ever-shifting market share among the exchanges with respect to new listings and the transfer of existing listings between competitor exchanges demonstrates that issuers can choose different listing markets in response to fee changes. Accordingly, competitive forces constrain exchange listing fees. Stated otherwise, changes to exchange listing fees can have a direct effect on the ability of an exchange to compete for new listings and retain existing listings.

Given this competitive environment, the adoption of the proposed limited fee exemption represents a reasonable attempt to incentivize companies to list their common securities on the Exchange.

The Proposal is an Equitable Allocation of Fees

The Exchange believes its proposal equitably allocates its fees among its market participants.

The Exchange believes that it represents an equitable allocation of reasonable fees to amend Section 902.03 of the Manual to specify that during its first five years of listing a class of common equity on the Exchange, an issuer will (i) only be subject to the Initial Listing Fee and Annual Listing Fee for its primary class of equity securities, and (ii) will be exempt from any

²² Securities Exchange Act Release No. 34-51808 (June 9, 2005); 70 FR 37496 (June 29, 2005) (“Regulation NMS”).

²³ See Regulation NMS, 70 FR at 37499.

Additional Listing Fee or Alternative Listing Fee. As discussed above, the Exchange notes that issuers initially listing a class of common equity on the Exchange pay a meaningful Initial Listing Fee. Prior to January 1, 2022, the Exchange's Initial Listing Fee was charged on a tiered basis, calculated based on shares outstanding. Since that date, however, the Exchange has charged a flat Initial Listing Fee that has increased over time. A majority of companies that listed between April 1, 2021 and December 31, 2021 paid the highest Initial Listing Fee charged under the prior tiered structure. Because the substantial majority of companies that has listed a primary class of common equity on the Exchange since April 1, 2021 has paid, or will pay, a meaningful Initial Listing Fee, the Exchange believes it is equitable vis-a-vis other listed issuers (that in many cases paid a lower Initial Listing Fee), to provide such newly listed companies with the proposed limited fee exemption to mitigate some of the costs incurred as a newly public company.²⁴ The Exchange notes that all companies, regardless of listing date, will remain subject to the Exchange's Initial Listing Fee and Annual Listing Fee schedule.

The Proposal is Not Unfairly Discriminatory

The Exchange believes that the proposal is not unfairly discriminatory. The proposed limited fee exemption is not unfairly discriminatory among issuers electing to list a primary class of common equity on the Exchange after April 1, 2025 because all such issuers will benefit from the proposed fee exemption during their first five years of listing.

For issuers that listed on or after April 1, 2021 but prior to April 1, 2025, the Exchange believes it is not unfairly discriminatory to provide such issuers with the balance of the five-year exemption running from April 1, 2025 to the fifth anniversary of a company's listing because it ensures that all recently listed companies (that listed a primary class of common equity) are eligible for some degree of fee relief. The Exchange's proposal helps ensure that companies that may have listed on different dates within a short period of time (i.e., just before or after April 1,

²⁴ See, *supra*, Footnote 16.

2025) are not subject to very disparate fee treatment. While the Exchange's proposal to offer prorated fee relief to issuers that listed between April 1, 2021 and April 1, 2025 will result in issuers receiving the exemption for varying periods of time, the Exchange believes this is not unfairly discriminatory because the relief is intended to mitigate the costs incurred by newly public companies. Issuers that listed closer in time to April 1, 2021 have had more time to develop as a public company and are less likely to need the proposed fee relief.

Further, the Exchange believes that companies that listed before April 1, 2021 are less likely to need the fee relief contemplated by the proposed exemption both because they have had more time to develop as a public company and because in many cases they paid a meaningfully smaller Initial Listing Fee than companies that have listed since April 1, 2021. The Exchange amended its Initial Listing Fee effective January 1, 2022 such that any issuer listing after that date has paid a flat Initial Listing Fee of at least \$295,000. Prior to January 1, 2022, the Exchange charged a tiered Initial Listing Fee which resulted in many issuers paying substantially less than the Initial Listing Fee charged in recent years. However, even under the prior tiered structure, a majority of companies that listed between April 1, 2021 and December 31, 2021 also paid the top fee of \$295,000. Therefore, the Exchange does not believe it is unfairly discriminatory to provide such issuers with some limited period of fee relief.

The Exchange believes it is not unfairly discriminatory to exclude companies that transfer the listing of their primary class of common equity from another national securities exchange from receiving the limited fee exemption because the purpose of the exemption is to encourage companies to publicly list their shares for the first time and any such transfer company is exempt from paying an Initial Listing Fee to the Exchange. Similarly, other categories of issuers such as closed-end funds, special purpose acquisition companies, and bond or preferred-equity only issuers are subject to separate fee schedules and do not pay the Exchange's meaningful flat Initial Listing Fee and thus it is not unfairly discriminatory to not provide such issuers with the proposed fee relief.

For the foregoing reasons, the Exchange believes that the proposal is consistent with the Act.

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 rule change is designed to provide a limited fee exemption to companies initially listing a class of common equity on the Exchange. The market for listing services is extremely competitive. Each listing exchange has a different fee schedule that applies to issuers seeking to list securities on its exchange. Issuers have the option to list their securities on these alternative venues based on the fees charged and the value provided by each listing. Because issuers have a choice to list their securities on a different national securities exchange, the Exchange does not believe that the proposed fee changes impose a burden on competition.

Intramarket Competition.

The proposed limited fee exemption will be available to all issuers of a primary class of equity securities listing after April 1, 2025 on the same basis. To the extent that an issuer listed prior to the proposed April 1, 2025 effective date (but after April 1, 2021), a pro-rated balance of the fee exemption will be provided from April 1, 2025 to the fifth year anniversary of such issuer's listing. While the period of pro-ration may vary among issuers, it will directly correlate to when an issuer first listed on the Exchange and will be applied on the same terms. For the foregoing reasons, the Exchange does not believe that the proposed limited fee exemption will have any meaningful effect on the competition among issuers listed on the Exchange.

Intermarket Competition.

The Exchange operates in a highly competitive market in which issuers can readily choose to list new securities on other exchanges and transfer listings to other exchanges if they deem fee levels at those other venues to be more favorable. Because competitors are free to

modify their own fees, and because issuers may change their chosen listing venue, the Exchange does not believe its proposed fee change can impose any burden on intermarket competition.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,²⁵ and Rule 19b-4(f)(2) thereunder,²⁶ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing. At any time within 60 days of the filing of the 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.

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSE-2025-11 on the subject line.

²⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁶ 17 CFR 240.19b-4.

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-2025-11. 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-2025-11 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.²⁷

Sherry R. Haywood,
Assistant Secretary.

²⁷ 17 CFR 200.30-3(a)(12).

