



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103354; File No. SR-NYSE-2025-23]

### **Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend its Price List**

June 30, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 16, 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 its Price List to introduce additional monthly quoting incentives for Designated Market Makers (“DMM”) in assigned Exchange Traded Products (“ETP”) after the first 12 months, and up to the first 36 months, following listing on the Exchange. The Exchange proposes to implement the fee changes effective June 16, 2025. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes additional monthly quoting incentives for DMMs in assigned ETPs after the first 12 months, and up to the first 36 months, following listing on the Exchange.

The proposed change responds to the current competitive environment where order flow providers have a choice of where to direct orders by offering incentives to DMMs to quote and trade at the national best bid or offer (“NBBO”)<sup>3</sup> in assigned ETPs for a specified period following the ETP’s listing on the Exchange. The Exchange also hopes thereby to encourage additional ETPs to list and trade, and to maintain their listing, on the Exchange.

The Exchange proposes to implement the fee changes effective June 16, 2025.<sup>4</sup>

Background

Current Market and Competitive Environment

The Exchange operates in a highly competitive market. 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, 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.”<sup>5</sup>

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<sup>3</sup> See Rule 1.1(r) (definition of NBBO, Best Protected Bid, Best Protected Offer, Protected Best Bid and Offer (PBBO)).

<sup>4</sup> The Exchange originally filed to amend the Price List on June 3, 2025 (SR-NYSE-2025-19). SR-NYSE-2025-84 was withdrawn on June 16, 2025 and replaced by this filing.

<sup>5</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (S7-10-04) (Final Rule) (“Regulation NMS”).

While Regulation NMS has enhanced competition, it has also fostered a “fragmented” market structure where trading in a single stock can occur across multiple trading centers. When multiple trading centers compete for order flow in the same stock, the Commission has recognized that “such competition can lead to the fragmentation of order flow in that stock.”<sup>6</sup> Indeed, cash equity trading is currently dispersed across 16 exchanges,<sup>7</sup> numerous alternative trading systems,<sup>8</sup> and broker-dealer internalizers and wholesalers, all competing for order flow. Based on publicly-available information, no single exchange currently has more than 20% market share.<sup>9</sup> Therefore, no exchange possesses significant pricing power in the execution of cash equity order flow. More specifically, the Exchange’s share of executed volume of equity trades in Tapes A, B and C securities is less than 12%.<sup>10</sup>

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can move order flow, or discontinue or reduce use of certain categories of products, in response to fee changes. With respect to non-marketable order flow that would provide displayed liquidity on an Exchange, member organizations can choose from any one of the 16 currently operating registered exchanges to route such order flow. Accordingly, competitive forces constrain exchange transaction fees that relate to orders that would provide liquidity on an exchange.

In response to the competitive environment described above, the Exchange proposes additional monthly credits for DMMs that meet certain quoting and volume requirements in

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<sup>6</sup> See Securities Exchange Act Release No. 61358, 75 FR 3594, 3597 (January 21, 2010) (File No. S7-02-10) (Concept Release on Equity Market Structure).

<sup>7</sup> See Cboe U.S Equities Market Volume Summary, available at [https://markets.cboe.com/us/equities/market\\_share/](https://markets.cboe.com/us/equities/market_share/). See generally <https://www.sec.gov/fast-answers/divisionsmarketregmrexchangesshtml.html>.

<sup>8</sup> See FINRA ATS Transparency Data, available at <https://otctransparency.finra.org/otctransparency/AtsIssueData>. A list of alternative trading systems registered with the Commission is available at <https://www.sec.gov/foia/docs/atlist.htm>.

<sup>9</sup> See Cboe Global Markets U.S. Equities Market Volume Summary, available at [https://markets.cboe.com/us/equities/market\\_share/](https://markets.cboe.com/us/equities/market_share/).

<sup>10</sup> See *id.*

assigned ETPs during the first 12 months, and up to the first 36 months, following the assigned ETP's listing on the Exchange while that ETP is listed on the Exchange.

#### Proposed Rule Change

In order to encourage quoting on the Exchange in listed ETPs, the Exchange currently offers monthly quoting credits to DMMs in assigned ETPs. Specifically, DMMs quoting 30% or more of the time in a billing month in an ETP assigned to that DMM on the last day of that billing month are eligible for a credit of \$4,000 per assigned ETP for that billing month. DMMs quoting less than 30% of the time in a billing month in an ETP assigned to that DMM on the last day of that billing month are eligible for a credit of \$2,000 per assigned ETP for that billing month. DMMs are eligible for these credits for the first 12 months following the listing of the ETP on the Exchange while that ETP is listed on the Exchange.

The Exchange proposes to retain these incentives and introduce additional tiered incentives to encourage quoting on the Exchange in listed ETPs by DMMs in assigned securities, as follows.

First, a DMM quoting 30% or more of the time in a billing month in an ETP assigned to that DMM on the last day of that billing month that also has (1) a CADV of 100,000 shares or more, and (2) a DMM Providing Liquidity<sup>11</sup> of 15% or more in that ETP in DMM assigned securities will be eligible for a \$2,000 credit for that billing month for that ETP after the first 12 months and up to the first 36 months of listing on the NYSE.

Second, DMMs quoting 30% or more of the time in a billing month in an ETP assigned to that DMM on the last day of that billing month that has (1) a CADV of less than 100,000 shares, and (2) a DMM Providing Liquidity of 40% or more in that ETP will be eligible for a \$2,000 credit for that billing month after the first 12 months and up to the first 36 months of that ETP's listing on the NYSE.

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<sup>11</sup> The terms "ADV" and "CADV" are defined in footnote \* of the Price List. The term "DMM Providing Liquidity" is defined in the section of the Price List titled "Fees and Credits applicable to Designated Market Makers ("DMMs")" under the "General" heading.

DMMs not meeting the above requirements for quoting or DMM Providing Liquidity in an ETP assigned to that DMM on the last day of that billing month would be eligible for a credit of \$500 per assigned ETP for that billing month after the first 12 months and up to the first 36 months of listing on the NYSE.

As noted above, DMMs currently quoting under 30% of the time in a billing month in an ETP assigned to that DMM on the last day of that billing month are eligible for a credit of \$2,000 per assigned ETP for that billing month. With respect to eligibility for the \$2,000 credit per assigned ETP, the Exchange would change “Under 30%” to “ETP symbols not meeting the above requirements” in order to reflect the proposed introduction of additional DMM requirements.

Finally, as set forth in proposed footnote \*, DMMs with 1-20 assigned ETPs as of June 30, 2025, would be eligible for a one-time \$15,000 incentive. DMMs with over 20 assigned ETPs as of June 30, 2025, will be eligible for a one-time incentive of \$60,000.

For example, ETP 1 lists on the Exchange and is assigned to DMM A in August 2024. Further assume that for ETP1, DMM A quotes at the NBBO 35% of the time and has DMM Providing Liquidity of 25% every month. Based on this quoting activity, DMM A would be eligible for the following credits for these billing months:

- \$4,000 credit in July 2025 since DMM A meets the 30% DMM quoting requirement and ETP1 is in its 12<sup>th</sup> month of listing on NYSE.
- \$2,000 credit in August 2025 if ETP 1 has a CADV of at least 100,000 as DMM A meets both the 30% DMM quoting requirement and 15% DMM Providing Liquidity requirement, and ETP1 is in its 13<sup>th</sup> month of listing on the Exchange.
- \$500 credit in August 2025 if ETP 1 has a CADV of less than 100,000 as DMM A meets the 30% DMM quoting requirement but does not meet the 40% DMM Providing Liquidity requirement insofar as ETP 1 is in its 13<sup>th</sup> month of listing on the Exchange.

- The DMM would be eligible for these credits each month through July 2027 assuming the DMM meets the proposed requirements each billing month. The DMM would not be eligible for any credit in August 2027 since ETP 1 would be in its 37<sup>th</sup> month of listing on the Exchange.

As another example, assume ETP 2 lists on the Exchange and is assigned to DMM B in August 2023. Further assume that for ETP 2, DMM B quotes at the NBBO 35% of the time and has a DMM Providing Liquidity of 25% every month. Based on this quoting activity, DMM B would be eligible for a \$2,000 credit in June 2025 if ETP 2 has a CADV of at least 100,000, or a \$500 credit if ETP 2 has a CADV of less than 100,000, as ETP 2 is in its 23<sup>rd</sup> month of listing on the Exchange. In addition, assume that DMM B has 7 assigned ETPs as of June 30, 2025. Pursuant to proposed footnote \*, DMM B would be eligible to receive a one-time credit of \$15,000.

The purpose of the proposed change is to encourage higher quoting and adding levels by DMMs on the Exchange in a listed ETP's in the period after the first 12 months, and up to the first 36 months, following listing, which would support the quality of price discovery on the Exchange and is consistent with the overall goals of enhancing market quality. As noted above, the Exchange operates in a competitive environment, and member organizations have a choice of where to send order flow. Because the proposal permits DMMs to receive a monthly credit if the DMM quotes a certain percentage at the NBBO on the Exchange during the first 12 months and up to the first 36 months following an ETP's listing while the ETP is listed, and meets the proposed per symbol CADV and DMM Providing Liquidity requirements, the Exchange believes that the proposed credits would provide incentives for DMMs to increase quoting on the Exchange in their listed ETPs in order to qualify for the proposed incentives. The Exchange believes that incentivizing DMMs on the Exchange to add liquidity at the NBBO to meet the higher quote and adding levels could contribute to price discovery and improve quoting on the Exchange. In addition, additional liquidity providing quotes benefit all market participants

because they provide greater execution opportunities on the Exchange and improve the public quotation, which benefits all member organizations. Moreover, the Exchange believes that offering an additional one-time incentive to DMMs based on the number of assigned ETPs as of June 30, 2025, together with the other proposed incentives, is a reasonable means to incentivize DMMs in assigned ETPs, which will improve market quality, attract additional order flow to a public market, and enhance execution opportunities for member organizations on the Exchange, to the benefit of all market participants.

The proposed change is not otherwise intended to address other issues, and the Exchange is not aware of any significant problems that market participants would have in complying with the proposed changes.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>12</sup> in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,<sup>13</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

### The Proposed Change is Reasonable

As discussed above, the Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, 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

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<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(4) & (5).

investors and listed companies.”<sup>14</sup> While Regulation NMS has enhanced competition, it has also fostered a “fragmented” market structure where trading in a single stock can occur across multiple trading centers. When multiple trading centers compete for order flow in the same stock, the Commission has recognized that “such competition can lead to the fragmentation of order flow in that stock.”<sup>15</sup>

The new proposed incentives are reasonable. Specifically, the Exchange believes that a new DMM credits would provide an incentive for DMMs to increase liquidity-providing orders at the NBBO on the Exchange following the first year and up to 36 months after the listing of an ETP. The proposed credits are thus intended to encourage higher levels of liquidity and quoting by DMMs on the Exchange in listed ETPs for longer following listing, which would support the quality of price discovery on the Exchange and is consistent with the overall goals of enhancing market quality. To the extent that the proposed change leads to an increase in overall liquidity activity and quoting on the Exchange and more competitive quoting, this will improve the quality of the Exchange’s market, improve quote spreads and increase its attractiveness to existing and prospective participants. The proposed incentives will also support new ETPs listing on the Exchange by incentivizing DMMs in those ETP listed issues that meet the specified CADV levels to quote at the NBBO more often and provide more liquidity to meet the new requirements. In addition, the proposed change would incentivize DMMs quoting less than 30% of the time in a billing month in an ETP assigned to that DMM on the last day of that billing month that are currently receiving a \$2,000 credit to be eligible for the proposed \$500 credit after the first 12 months and up to the first 36 months based on the same trading profile.

As noted above, the Exchange operates in a competitive environment, and member organizations have a choice of where to send order flow. Because the proposed credits require

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<sup>14</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37495, 37499 (June 29, 2005) (S7-10-04) (Final Rule) (“Regulation NMS”).

<sup>15</sup> See Securities Exchange Act Release No. 61358, 75 FR 3594, 3597 (January 21, 2010) (File No. S7-02-10) (Concept Release on Equity Market Structure).

DMMs to meet certain quoting requirements at the NBBO and providing liquidity requirements at specified CADV levels in order to qualify for the credits, the Exchange believes that the proposed credit would provide an incentive for all DMMs to increase quoting on the Exchange in order to qualify for the base credit and increase quoting and providing in order to qualify for the higher credit. The Exchange believes that incentivizing DMMs on the Exchange to add liquidity to meet the higher quote levels at the NBBO for more months following listing on the Exchange could contribute to improved price discovery and quoting on the Exchange. In addition, additional liquidity providing quotes benefit all market participants because they provide greater execution opportunities on the Exchange and improve the public quotation. The proposal would also reward DMM units, who have greater risks and heightened quoting and other obligations than other market participants.

#### The Proposal is an Equitable Allocation of Fees

The Exchange believes that the proposed credits are an equitable allocation of fees because the proposed credits would be available to all DMMs on an equal basis. The Exchange believes that the proposal will allocate the proposed credits fairly among DMMs and allow DMMs to qualify for a credit by adding liquidity and improving quoting at the NBBO during the first 12 months and up to the first 36 months following an ETP's listing on the Exchange. The Exchange believes the proposed rule change would improve market quality by providing incentives for all DMMs to increase aggressively priced liquidity-providing orders at the NBBO on the Exchange, thereby encouraging higher levels of liquidity by DMMs on the Exchange, which would support the quality of price discovery on the Exchange and is consistent with the overall goals of enhancing market quality. Moreover, the proposal is an equitable allocation of fees because it would incentivize DMM units for their increased risks and heightened quoting and other obligations in assigned ETPs. As such, it is equitable to offer DMM units an additional flat, one-time credit based on the number of assigned ETPs as of June 30, 2025.

#### The Proposal is Not Unfairly Discriminatory

The Exchange believes it is not unfairly discriminatory to provide credits for adding liquidity that encourage DMMs on the Exchange to quote at the NBBO as the proposed credits would be provided on an equal basis to all similarly situated DMMs that add liquidity in assigned ETPs after the first year and up to 36 months following listing and by meeting the proposed quoting, CADV, and DMM Providing Liquidity requirements. For the same reason, the Exchange believes it is not unfairly discriminatory to provide a lower credit for quoting at the NBBO less than 30% during that same time period because the proposed credit would equally encourage all similarly-situated DMMs to provide additional liquidity on the Exchange. As noted, the Exchange intends for the proposal to further improve market quality for all members on the Exchange in listed ETPs and by extension attract more liquidity to the market, thereby encouraging higher levels of liquidity by DMMs on the Exchange in listed ETPs, which would support the quality of price discovery on the Exchange and is consistent with the overall goals of enhancing market quality. The Exchange also believes that basing the additional incentive on the number of assigned ETPs as of June 30, 2025, is not unfairly discriminatory because it would apply equally to all member organizations that choose to maintain DMM units on the Exchange.

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**

In accordance with Section 6(b)(8) of the Act,<sup>16</sup> the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, as discussed above, the Exchange believes that the proposed changes would encourage the submission of additional liquidity to a public exchange, thereby promoting market depth, price discovery and transparency and enhancing order execution opportunities for member organizations. As a result, the Exchange believes that the proposed change furthers the Commission’s goal in adopting Regulation NMS of fostering

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<sup>16</sup> 15 U.S.C. 78f(b)(8).

integrated competition among orders, which promotes “more efficient pricing of individual stocks for all types of orders, large and small.”<sup>17</sup>

*Intramarket Competition.* The proposed changes are designed to incentivize market participants to direct displayed order flow to the Exchange by encouraging DMMs to provide additional liquidity on the Exchange in listed ETPs. Greater liquidity benefits all market participants on the Exchange by providing more trading opportunities and encourages member organizations to send orders, thereby contributing to robust levels of liquidity, which benefits all market participants on the Exchange. The proposed credits would be available to all similarly-situated market participants, and, as such, the proposed change would not impose a disparate burden on competition among market participants on the Exchange. As noted, the proposal would apply to all similarly situated member organizations on the same and equal terms, who would benefit from the change on the same basis. Accordingly, the proposed change would not impose a disparate burden on competition among market participants on the Exchange.

*Intermarket Competition.* The Exchange operates in a highly competitive market in which market participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees and rebates, including fees and rebates for market makers on the Exchange, to remain competitive with other exchanges and with off-exchange venues. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, 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.

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<sup>17</sup> Regulation NMS, 70 FR at 37498-99.

### 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,<sup>18</sup> and Rule 19b-4(f)(2) thereunder<sup>19</sup> 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](mailto:rule-comments@sec.gov). Please include file number SR-NYSE-2025-23 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 SR-NYSE-2025-23. 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

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<sup>18</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>19</sup> 17 CFR 240.19b-4.

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-2025-23 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.<sup>20</sup>

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

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<sup>20</sup> 17 CFR 200.30-3(a)(12).