



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104383; File No. SR-NYSE-2025-41]

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

December 12, 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 December 1, 2025, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 adopt an alternative requirement to qualify for the Non Display Tier 1 pricing. The Exchange proposes to implement the fee change effective December 1, 2025. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com) and at the principal office of the Exchange.

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.

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

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

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Price List to adopt an alternative requirement to qualify for the Non Display Tier 1 pricing.

The proposed change responds to the current competitive environment by incentivizing submission of additional liquidity in Tapes A, B and C securities to a public exchange.

The Exchange proposes to implement the fee change effective December 1, 2025.

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. 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>3</sup>

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<sup>3</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (File No. 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>4</sup> Indeed, cash equity trading is currently dispersed across 17 exchanges,<sup>5</sup> numerous alternative trading systems,<sup>6</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>7</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>8</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. While it is not possible to know a firm’s reason for shifting order flow, the Exchange believes that one such reason is because of fee changes at any of the registered exchanges or non-exchange venues to which the firm routes order flow. Accordingly, competitive forces compel the Exchange to use exchange transaction fees and credits because market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable.

In response to this competitive environment, the Exchange has established incentives for

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<sup>4</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>5</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>6</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>7</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>8</sup> See *id.*

its member organizations who submit orders that add liquidity on the Exchange. The Exchange believes that the proposed change will incentivize submission of additional liquidity in Tape A, Tape B and Tape C securities to a public exchange, thereby promoting price discovery and transparency and enhancing order execution opportunities for member organizations.

#### Proposed Rule Change

The Exchange currently provides a credit of \$0.0018 per share to member organizations that send orders that add liquidity to the Exchange in Non-Displayed Limit Orders with a per share stock price of \$1.00 or more and that have Adding ADV in Non-Displayed Limit Orders that is at least 0.15% of Tapes A, B, and C CADV combined, excluding any liquidity added by a DMM. Further, member organizations that send orders that add liquidity to the Exchange in Non-Displayed Limit Orders and that have Adding ADV in Non-Displayed Limit Orders that is at least 0.15% of Tapes A, B and C CADV combined, excluding any liquidity added by a DMM, are provided a credit equal to 0.18% of the total dollar value of the transaction for securities with a per share stock price below \$1.00.

With this proposed rule change, the Exchange proposes to adopt an alternative requirement for member organizations to qualify for the Non Display Tier 1 credits. As proposed, member organizations that are also DMMs registered as a DMM in at least 500 Tape A issues would receive a credit of \$0.0018 per share in securities with a per share stock price of \$1.00 or more, or a credit equal to 0.18% of the total dollar value of the transaction for securities with a per share stock price below \$1.00.

The purpose of this proposed change is to incentivize member organizations that are also DMMs to register as a DMM in a greater number of Tape A issues and thereby, qualify for the Non Display Tier 1 credit. The Exchange believes that it is reasonable to offer credits based on the member organizations that are also DMMs in a certain number of securities. The Exchange notes that other marketplaces offer incremental credits to members that are lead market makers registered in a minimum number of securities and that add a specified percentage of displayed liquidity.<sup>9</sup> The Exchange further believes that eligibility for the credit for member organizations that are also DMMs in a certain number of securities is not unfairly discriminatory because member organizations that are not DMMs can still qualify for the credit by sending adding liquidity to the Exchange and meeting the ADV requirements for all Tapes set out in the Non Display Tier 1 pricing table.

The proposed changes are 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>10</sup> in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,<sup>11</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

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<sup>9</sup> For instance, Cboe BZX offers a higher tiered rebate based on a lower adding requirement if the member is enrolled in a minimum number of LMM securities. See Cboe BZX Equities Fee Schedule, available at [https://www.cboe.com/us/equities/membership/fee\\_schedule/bzx/](https://www.cboe.com/us/equities/membership/fee_schedule/bzx/).

<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(4) & (5).

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 investors and listed companies.”<sup>12</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>13</sup>

The Exchange believes that the proposal to offer the Non Display Tier 1 rebate to member organizations that are also DMMs registered as a DMM in at least 500 Tape A securities is a reasonable means to attract greater participation by member organizations that are also DMMs and to register as a DMM in a greater number of securities. The Exchange believes the proposed rule change is a reasonable means to 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 Exchange notes that the proposal would also foster liquidity provision and stability in the marketplace. The proposal would also reward DMM units, who have greater risks and heightened quoting and other obligations than other market participants. The proposed change is also a reasonable attempt to potentially attract additional DMM units to the Exchange by providing financial incentives to register as DMMs in a greater number of securities. Moreover, offering credits to member organizations that are also DMMs registered as a DMM in 500 Tape A symbols is a reasonable method to incentivize

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<sup>12</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>13</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).

greater participation by such member organizations, thereby contributing to depth and market quality on the Exchange. In light of the competitive environment in which the Exchange currently operates, the proposed rule change is a reasonable attempt to incentivize member organizations to increase their participation on the Exchange and provide meaningful added levels of liquidity in order to qualify for credits, thereby contributing to depth and market quality on the Exchange.

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

The Exchange believes the proposal equitably allocates fees and credits among market participants because all member organizations that are also DMMs may qualify for the Non Display Tier 1 credits on an equal basis.

The Exchange believes the proposal equitably allocates its fees among its market participants by fostering liquidity provision and stability in the marketplace. Moreover, the proposal is an equitable allocation of fees because it would reward DMM units for their increased risks and heightened quoting and other obligations. As such, it is equitable to offer qualifying member organizations that are also DMMs registered as a DMM a higher credit for Non-Displayed Limit Orders. The proposed rebate is also equitable because it would apply equally to any member organization that is also a DMM registered as a DMM in a minimum number of Tape A securities. The Exchange notes that at this time there are currently 3 member organizations that are also DMMs registered as a DMM in at least 500 Tape A issues that could qualify for the Non Display Tier 1 credits. The Exchange believes that the proposal would provide an equal incentive to any member organization that is a DMM to register as a DMM in a greater number of Tape A issues, and that the proposal constitutes an equitable allocation of fees because all similarly situated member organizations would be eligible for the same rebate. The Exchange notes that member organizations that are not a DMM registered in 500 Tape A issues can continue to qualify for Non Display Tier 1 credits pursuant to the current requirements.

#### The Proposal is Not Unfairly Discriminatory

The Exchange believes that the proposal is not unfairly discriminatory. In the prevailing competitive environment, member organizations are free to disfavor the Exchange's pricing if they believe that alternatives offer them better value. The Exchange believes that offering a rebate to member organizations that are also a DMM registered as a DMM in at least 500 Tape A issues would provide a further incentive for member organizations that are also a DMM to register as a DMM in a greater number of securities to earn the Non Display Tier 1 credits. The Exchange also believes that the requirement of registering as a DMM in at least 500 Tape A issues to qualify for the credit is not unfairly discriminatory because it would apply equally to all existing and prospective member organizations that are also a DMM that choose to register as a DMM in Tape A securities on the Exchange. The Exchange does not believe that it is unfairly discriminatory to offer incentives based on a prescribed threshold. The Exchange believes that the proposal would provide an equal incentive to any member organization that is also a DMM to register as a DMM in a greater number of Tape A issues, and that the proposal would not be unfairly discriminatory because the threshold-based incentive would be offered on equal terms to all similarly situated member organizations.

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange's statement regarding the burden on competition.

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>14</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

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<sup>14</sup> 15 U.S.C. 78f(b)(8).

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 integrated competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."<sup>15</sup>

*Intramarket Competition.* The proposed change is designed to attract additional order flow and new potential DMMs to the Exchange. The Exchange believes that the proposal to offer a financial incentive should incentivize member organizations that are also a DMM to register as a DMM in a greater number of Tape A issues. Greater participation on the Exchange would result in greater liquidity for the benefit of all market participants on the Exchange. The Non Display Tier 1 credits would be available to all similarly-situated market participants, and, as such, the proposed changes 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 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>15</sup> See 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>16</sup> and Rule 19b-4(f)(2) thereunder<sup>17</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-2025-41 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-2025-41. 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

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<sup>16</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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

of the filing 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-2025-41 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>18</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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