



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105227; File No. SR-LTSE-2026-08]

Self-Regulatory Organizations: Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend LTSE Fee Schedule to Modify Transaction Fees

April 14, 2026.

Pursuant to Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 31, 2026, Long-Term Stock Exchange, Inc. (“LTSE” 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 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 is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the LTSE Fee Schedule to modify transaction fees applicable to securities priced below \$1.00. The Exchange proposes to implement the changes to the fee schedule pursuant to this proposal on April 1, 2026.

The text of the proposed rule change is available at the Exchange’s website at <https://longtermstockexchange.com/> and at the principal office of the Exchange.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects 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 to amend its Schedule of Fees to reduce the transaction fee for removing liquidity in securities priced below \$1.00 via a new program called the Sub-Dollar Incentive Program ("SDIP"). Currently, LTSE charges a fee of 0.20% of TDV for removing both displayed and non-displayed liquidity in securities priced below \$1.00.³ The Exchange now proposes to reduce this fee to 0.00% of TDV.

Through SDIP, the Exchange seeks to incentivize interaction in these lower-priced securities to improve price discovery, remove friction while creating and exiting trading positions, and increase overall execution volume. By eliminating taker fees in these securities, the Exchange will reduce transaction costs for liquidity takers, encouraging greater order flow and increased interaction with displayed liquidity.

Increased interaction with displayed liquidity is expected to incentivize market participants to compete more aggressively to provide liquidity in these securities. The Exchange believes that this increased competition among liquidity providers will result in tighter bid-ask spreads, increased depth of book, and improved price discovery.

Importantly, the Exchange is not proposing to change its existing liquidity provider rebates in securities priced below \$1.00. By maintaining the incentives available to liquidity providers while eliminating fees for liquidity takers, the Exchange seeks to promote a more

³ See the Exchange's Schedule of Fees available on its website at: [https://cdn.prod.website-files.com/6462417e8db99f8baa06952c/69a703be63c2891f46cae82a_LTSE%20Fee%20Schedule_February%2C%201%202026%20\(Formatting%20updated%202.2.2026\).docx.pdf](https://cdn.prod.website-files.com/6462417e8db99f8baa06952c/69a703be63c2891f46cae82a_LTSE%20Fee%20Schedule_February%2C%201%202026%20(Formatting%20updated%202.2.2026).docx.pdf)

balanced and efficient market structure in which both liquidity provision and liquidity interaction are encouraged.

The Exchange believes that this approach strengthens overall market quality by promoting fair and efficient execution. Investors, particularly retail investors and institutional market participants, benefit from more competitive pricing, lower execution costs, and reduced market impact. These benefits are consistent with the Exchange's broader objective of fostering a robust and competitive exchange eco-system.

The Exchange also notes that it operates in a highly competitive environment in which market participants can readily direct order flow to competing venues. The proposed change is designed to enhance the Exchange's competitiveness in lower-priced securities by reducing transaction costs and encouraging increased participation.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(4) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among all of its Members and issuers and other persons using its facilities; Section 6(b)(5) of the Act,⁶ which requires, among other things, that the rules of the Exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and to protect investors and the public interest and are not designed to permit unfair discrimination between customers, issuers, brokers or dealers. The Exchange also believes that the proposed rule change is reasonable, fair and equitable, and non-discriminatory.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C.78f(b)(4).

⁶ 15 U.S.C.78f(b)(5).

Section 6(b)(4) requires that exchange fees be reasonable and equitably allocated. The Exchange believes the proposed fee change is reasonable because it reduces transaction costs for liquidity takers in securities priced below \$1.00, thereby encouraging increased order flow and execution activity. By removing taker fees in these securities, the Exchange reduces friction associated with entering and exiting trading positions, which is expected to increase overall volume.

The Exchange further believes that the proposal is an equitable allocation of fees because it applies uniformly to all Members trading securities priced below \$1.00 and does not impose disparate fees among similarly situated participants. In addition, the Exchange believes the proposed fee structure is reasonable because it maintains existing incentives for liquidity providers while eliminating costs for liquidity takers. This balanced approach is designed to enhance overall market quality by encouraging both the provision of liquidity and interaction with that liquidity.

Section 6(b)(5) requires that exchange rules promote just and equitable principles of trade, remove impediments to a free and open market, and protect investors and the public interest. The Exchange believes the proposed rule change removes impediments to and perfects the mechanism of a free and open market by reducing transaction costs in lower-priced securities and encouraging increased interaction with displayed liquidity. By lowering barriers to trading, the proposal is expected to increase participation, improve execution quality, and enhance price discovery.

The Exchange further believes that the proposal promotes just and equitable principles of trade by fostering competition among liquidity providers. As liquidity takers are incentivized to interact more frequently with displayed quotes, liquidity providers are expected to compete more aggressively on price and size, resulting in tighter spreads and increased display depth.

The Exchange believes that these outcomes directly benefit investors by improving execution quality, reducing trading costs, and minimizing market impact. The proposal is not

unfairly discriminatory because it applies equally to all Members and market participants trading securities priced below \$1.00.

B. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act,⁷ the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange operates in a highly competitive environment in which it must continually adjust its pricing to attract order flow. The proposed reduction in taker fees is designed to enhance the Exchange's competitiveness for trading in lower priced securities.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

This proposed rule change establishes dues, fees or other charges among its members and, as such, may take effect upon filing with the Commission pursuant to Section 19(b)(3)(A)(ii) of the Act⁸ and paragraph (f)(2) of Rule 19b-4 thereunder.⁹ Accordingly, the proposed rule change would take effect upon filing with the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further the purposes of the Act. If the Commission takes such action, the Commission

⁷ 15 U.S.C. 78f(b)(8).

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).

shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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-LTSE-2026-08 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-LTSE-2026-08. 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 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-LTSE-2026-08 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.¹⁰

Sherry R. Haywood,

Assistant Secretary.

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¹⁰ 17 CFR 200.30-3(a)(12).