

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-100243; File No. SR-NYSENAT-2024-16)

May 29, 2024

Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Connectivity Fee Schedule

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 May 17, 2024, NYSE National, Inc. (“NYSE National” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II 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 the Connectivity Fee Schedule (“Fee Schedule”) to make clarifying changes with respect to the wireless connections to third party data in co-location. 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

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend the Fee Schedule to make clarifying changes with respect to the wireless connections to third party data in co-location.

The Exchange currently provides Users⁴ with wireless connections to ten market data feeds or combinations of feeds from third-party markets (the “Existing Third Party Data”).⁵

The Exchange recently filed to provide wireless connection to MEMX Memoir Depth market data feed (“MEMX Data”), noting that the wireless connection to MEMX Data would lead to the data center pole.⁶ For all the Existing Third Party Data that leads to that pole,⁷ the monthly charge for wireless connections is subject to a 30-day testing period, during which the monthly charge per connection would be waived. Consistent with that fact, the Exchange proposes to amend the Fee Schedule to clarify that this provision is applicable to wireless connections to MEMX Data.

In addition, the Exchange proposes to make the following non-substantive changes to the

⁴ For purposes of the Exchange’s colocation services, a “User” means any market participant that requests to receive colocation services directly from the Exchange. See Securities Exchange Act Release No. 83351 (May 31, 2018), 83 FR 26314 at n.9 (June 6, 2018) (SR-NYSENAT-2018-07). As specified in the Fee Schedule, a User that incurs colocation fees for a particular colocation service pursuant thereto would not be subject to colocation fees for the same colocation service charged by the Exchange’s affiliates the New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., and NYSE Chicago, Inc. (together, the “Affiliate SROs”). Each Affiliate SRO has submitted substantially the same proposed rule change to propose the changes described herein. See SR-NYSE-2024-31, SR-NYSEAMER-2024-33, SR-NYSEARCA-2024-42, and SR-NYSECHX-2024-19.

⁵ See Securities Exchange Act Release No. 99810 (March 20, 2024), 89 FR 21050 (March 26, 2024) (SR-NYSENAT-2024-09).

⁶ See id.

⁷ See 83 FR 26314, supra note 3, at 26319-20.

Fee Schedule:

- Move the existing service for a wireless connection of NASDAQ BX-Totalview-ITCH data to place the wireless connections in alphabetical order.
- To conform to the corporate branding of Nasdaq, amend “NASDAQ” to “Nasdaq” and delete “OMX” and “Ultra” throughout the Fee Schedule.⁸
- To conform to Nasdaq’s usage of the term, amend “Totalview” to “TotalView” in the Existing Third Party Services.⁹

These changes are typographical in nature and are not intended to change the substance or meaning of the Fee Schedule.

The proposed changes would not apply differently to distinct types or sizes of market participants. Rather, they would apply to all Users equally. As is currently the case, the purchase of any colocation service is completely voluntary and the Fee Schedule is applied uniformly to all Users.

The Exchange does not believe that it would obtain any new customers due to the proposed change.

The proposed change is not otherwise intended to address any other issues relating to colocation services or related fees, and the Exchange is not aware of any problems that Users would have in complying with the proposed change.

Timing and Implementation

The proposed change to the Fee Schedule to clarify the provisions regarding the MEMX

⁸ See Securities Exchange Act Release No. 801917 (October 23, 2017), 82 FR 49879 (October 27, 2017) (SR-NASDAQ-2017-111). See also <https://www.nasdaq.com/solutions/nasdaq-canada>, and <https://www.nasdaq.com/solutions/nasdaq-ise>.

⁹ See <https://www.nasdaqtrader.com/Trader.aspx?id=DPUSdata>

Memoir Depth market feed would become operative when the wireless connection to MEMX Memoir Depth market data feed becomes operative. The Exchange expects that to be no later than the third quarter of 2024.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, 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 because it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange further believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,¹² because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed changes would remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest. With respect to the wireless connection to MEMX Memoir Depth data, the proposed change simply would clarify that the terms on which it is offered are the same as those of the Existing Third Party Data feeds that also connect to the data

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

¹² 15 U.S.C. 78f(b)(4).

center pole. With respect to the other changes, putting the existing services in alphabetical order and conforming the descriptions to Nasdaq's usage would make the Fee Schedule easier to read, understand, and administer, alleviating any possible market participant confusion.

The Exchange believes that its proposed rule change 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 rule change would clarify that the terms under which the wireless connection to the MEMX Memoir Depth data is offered are the same as those of the Existing Third Party Data feeds that also connect to the data center pole. With respect to the other changes, putting the existing services in alphabetical order and conforming the descriptions to Nasdaq's usage would make the Fee Schedule easier to read, understand, and administer, alleviating any possible market participant confusion. The proposed changes would not alter any of the fees charged.

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

The Exchange believes that the proposal will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of Section 6(b)(8) of the Act.¹³

The proposed change would not affect competition among national securities exchanges or among members of the Exchange. The proposed rule change is not designed to address any competitive issues but rather to enhance the clarity and transparency of the Fee Schedule and alleviate possible customer confusion that may arise. The proposed rule change would have no impact on pricing or existing services. Rather, the changes would clarify the Fee Schedule, making it easier to understand and alleviating any possible market participant confusion.

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

¹³ 15 U.S.C. 78f(b)(8).

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁴ and Rule 19b-4(f) thereunder.¹⁵ Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.¹⁶

A proposed rule change filed under Rule 19b-4(f)(6)¹⁷ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),¹⁸ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing.

The Commission agrees with the Exchange that waiver of the 30-day operative delay would be consistent with the protection of investors and the public interest because it would allow the Exchange to implement this proposed change immediately, ensuring that Users could

¹⁴ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁵ 17 CFR 240.19b-4(f)(6).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

¹⁷ 17 CFR 240.19b-4(f)(6).

¹⁸ 17 CFR 240.19b-4(f)(6)(iii).

benefit from the 30-day testing period for the existing service for a wireless connection of MEMX Memoir Depth data. Investors and the public interest would also benefit from the increased clarity and transparency the other amendments would provide to the Fee Schedule. The Commission therefore believes that waiver of the 30-day operative delay is appropriate.

At any time within 60 days of the filing of such 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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)¹⁹ of the Act to determine whether the proposed rule change 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-NYSENAT-2024-16 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.

¹⁹

15 U.S.C. 78s(b)(2)(B).

All submissions should refer to file number SR-NYSENAT-2024-16. 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-NYSENAT-2024-16 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.²⁰

Sherry R. Haywood,

Assistant Secretary.

²⁰ 17 CFR 200.30-3(a)(12).