

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103018; File No. SR-NYSETEX-2025-06]

Self-Regulatory Organizations; NYSE Texas, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt New Rule 11.30

May 9, 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 May 2, 2025, the NYSE Texas, Inc. (“NYSE Texas” 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 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 adopt new Rule 11.30 relating to the prevention of the misuse of material, non-public information. 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

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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

The Exchange proposes to adopt new Rule 11.30, Prevention of the Misuse of Material, Non-Public Information. Proposed Rule 11.30 is based on Rule 11.3 of its affiliate, NYSE Arca, Inc. ("NYSE Arca"). Proposed Rule 11.30 is identical to NYSE Arca Rule 11.3 except for minor grammatical changes and non-substantive changes to substitute "Participant" where NYSE Arca rules reference an ETP Holder, OTP Holder, and/or OTP Firm and to replace internal references to NYSE Arca rules with references to NYSE Texas rules.

Proposed Rule 11.30(a) would provide that every Participant must establish, maintain and enforce written policies and procedures reasonably designed, taking into consideration the nature of such Participant's business, to prevent the misuse of material, non-public information by such Participant or persons associated with such Participant. In addition, Participants for whom the Exchange is the Designated Examining Authority ("DEA") that are required, pursuant to Article 7, Rule 4, to file SEC form X-17A-5, with the Exchange on an annual or more frequent basis must file contemporaneously with the submission for the calendar year end ITSFEA compliance acknowledgments stating that the procedures mandated by this Rule have been established, enforced and maintained. Any Participant or Associated Person who becomes aware of a possible misuse of material, non-public information must promptly notify the Exchange's Regulatory staff.

Proposed Rule 11.30(b) would provide that any Participant who fails to file a compliance acknowledgment form in a timely manner shall be subject to a late filing charge of \$500.00 for each occurrence. Repeated or aggravated failure to file may be referred to Enforcement for appropriate disciplinary action.

Proposed Commentary .01 to Rule 11.30 would provide that, for purposes of this Rule, conduct constituting the misuse of material, non-public information includes, but is not limited to, the following:

- Trading in any securities issued by a corporation, partnership, Trust Issued Receipts, or Funds, as defined in NYSE Arca Rule 5.3-O(g),⁴ or a trust or similar entities, or in any related securities or related options or other derivative securities, or in any related non-U.S. currency, non-U.S. currency options, futures or options on futures on such currency, or in any related commodity, related commodity futures or options on commodity futures or in any related commodity derivatives, or any other derivatives based on such currency while in possession of material, non-public information concerning that issuer; or
- Trading in a security or related options or other derivative securities, or in any related non-U.S. currency, non-U.S. currency options, futures or options on futures on such currency, or in any related commodity, related commodity futures or options on commodity futures or in any related commodity derivatives, or any other derivatives based on such currency while in possession of material, non-public information concerning imminent transactions in the above; or

⁴ The Exchange does not trade options and does not have or intend to adopt a rule comparable to NYSE Arca Rule 5.3-O(g). Accordingly, the Exchange proposes to reference the requirements of NYSE Arca Rule 5.3-O(g) relating to Funds in proposed Commentary .01.

- Disclosing to another person or entity any material, non-public information involving a corporation, partnership, Trust Issued Receipts, or Funds⁵ or a trust or similar entities whose shares are publicly traded or an imminent transaction in an underlying security or related securities or in the underlying non-U.S. currency, or any related non-U.S. currency options, futures or options on futures on such currency, or in any related commodity, related commodity futures or options on commodity futures or in any related commodity derivatives, or any other derivatives based on such currency for the purpose of facilitating the possible misuse of such material, non-public information.

Proposed Commentary .02 would provide that the terms “Associated Person” and “person associated with a Participant” mean anyone who directly is engaged in the Participant’s trading-related activities, including General partners, officers, directors, managers (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with a Participant, or any employee of the Participant. In addition, for the purposes of this Rule, the term “employee” includes every person who is compensated directly or indirectly by the Participant for the solicitation or handling of business in securities, including individuals trading securities for the account of the Participant, whether such securities are dealt in on an exchange or are dealt over-the-counter.

Proposed Commentary .03 would state that Rule 11.30 provides that each Participant for which the Exchange is the DEA should establish, maintain, and enforce written policies and procedures similar to the following, as applicable:

⁵ See id.

- All Associated Persons must be advised in writing of the prohibition against the misuse of material, non-public information; and
- All Associated Persons of the Participant must sign attestations affirming their awareness of, and agreement to abide by the aforementioned prohibitions. These signed attestations must be maintained for at least three years, the first two years in an easily accessible place; and
- Each Participant must receive and retain copies of trade confirmations and monthly account statements for each account in which an Associated Person: has a direct or indirect financial interest or makes investment decisions. The activity in such brokerage accounts should be reviewed at least quarterly by the Participant for the express purpose of detecting the possible misuse of material, non-public information; and
- All Associated Persons must disclose to the Participant whether they, or any person in whose account they have a direct or indirect financial interest, or make investment decisions, are an officer, director or 10% shareholder in a company whose shares are publicly traded. Any transaction in the stock (or option thereon) of such company shall be reviewed to determine whether the transaction may have involved a misuse of material, non-public information.

Proposed Commentary .03 would also provide that maintenance of these policies and procedures may not, in all cases, satisfy the requirements and intent of Rule 11.30, and the adequacy of each Participant's policies and procedures will depend upon the nature of each Participant's business.

Proposed Commentary .04 would provide that Participants acting as a registered Market

Maker in products listed under Exchange Rules 5 and 8,⁶ and their affiliates, shall also establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse of any material, non-public information with respect to such products, any components of the related products, any physical asset or commodity underlying the product, applicable currencies, underlying indexes, related futures or options on futures, and any related derivative instruments.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934,⁷ in general, and furthers the objectives of Section 6(b)(5),⁸ 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 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.

The proposed change is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and protect investors and the public interest because it sets forth rules intended to protect against the misuse of material, non-public information by Participants on the Exchange, including by requiring every Participant

⁶ The Exchange recently filed proposed rule changes to provide for the operation of Market Makers and to permit the listing and trading of certain Exchange Traded Products on the Exchange. See Securities Exchange Act Release Nos. 102874 (April 16, 2025), 90 FR 16896 (April 22, 2025) (SR-NYSETEX-2025-05) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 1.1, Reinstate Article 16, Rules 1 Through 4 and Relocate Them); 102957 (April 29, 2025) (SR-NYSECHX-2025-04) (Notice of Filing of Amendment No. 1, and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, to Amend Exchange Rules 1.1, 5, 7.18, 8 and Exchange Article 22, Rules 24-27).

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the misuse of material, non-public information by a Participant or persons associated with a Participant, thereby promoting confidence in the public markets. The Exchange believes that the proposed rule would also remove impediments to, and perfect the mechanism of, a free and open market because it is substantively identical to an existing rule of its affiliate, NYSE Arca, which rule has been previously approved by the Commission. The proposed rule change would therefore promote consistency across the rules of affiliated exchanges, as well as continuity for the benefit of market participants that operate on multiple exchanges.

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 not designed to address any competitive issue and would benefit all market participants in implementing rules intended to prevent the misuse of material, non-public information.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act⁹ and Rule 19b-4(f)(6) thereunder.¹⁰ 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

⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁰ 17 CFR 240.19b-4(f)(6).

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)(iii) of the Act¹¹ and Rule 19b-4(f)(6)(iii) thereunder.¹²

A proposed rule change filed under Rule 19b-4(f)(6)¹³ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁴ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange believes that waiver of the 30-day operative delay would allow the Exchange to implement the proposed change promptly and in conjunction with the implementation of rules relating to the operation of Market Makers on the Exchange and rules that would permit the listing and trading of certain Exchange Traded Products on the Exchange.¹⁵ The Commission believes that waiver of the operative delay would be consistent with the protection of investors and the public interest because the proposal raises no novel issues and would permit the Exchange to more quickly implement a rule intended to protect investors and the public interest by instituting protections against the misuse of material, non-public information. Accordingly, the Commission hereby waives the 30-day operative delay and

¹¹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹² 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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 fulfilled this requirement.

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ 17 CFR 240.19b-4(f)(6)(iii).

¹⁵ See note 6, supra.

designates the proposed rule change as operative upon filing.¹⁶

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. If the Commission takes such action, the Commission 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-NYSETEX-2025-06 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-NYSETEX-2025-06. 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

¹⁶ For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-NYSETEX-2025-06 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.¹⁷

Stephanie J. Fouse,

Assistant Secretary.

¹⁷ 17 CFR 200.30-3(a)(12), (59).