

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103548; File Nos. SR-NYSE-2025-12, SR-NYSEAMER-2025-21, SR-NYSEARCA-2025-29, SR-NYSETEX-2025-03, SR-NYSENAT-2025-07]

## **Self-Regulatory Organizations; New York Stock Exchange LLC; NYSE American LLC; NYSE Arca, Inc.; NYSE Texas, Inc.; NYSE National, Inc.; Notice of Filing of Amendments and Order Granting Accelerated Approval of Proposed Rule Changes, Each as Modified by the Amendment, to Expand the Virtual Control Circuit Service in the Connectivity Fee Schedule**

July 25, 2025

### **I. Introduction**

On April 7, 2025, New York Stock Exchange LLC (“NYSE”), NYSE American LLC (“NYSE American”), NYSE Arca, Inc. (“NYSE Arca”), NYSE Texas, Inc. (“NYSE Texas”), and NYSE National, Inc. (“NYSE National”) (each an “Exchange,” collectively, “Exchanges”) each filed with the Securities and Exchange Commission (“Commission”), 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> a proposal to amend its connectivity fee schedule to add and establish fees for connectivity from the Mahwah Data Center to one or more trading floors. On April 16, 2025, NYSE American filed Amendment No. 1 to its proposed rule change.<sup>3</sup> The proposed rule changes were published for comment in the Federal Register on April 28, 2025.<sup>4</sup> On June 11, 2025, pursuant to Section

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

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

<sup>3</sup> Amendment No. 1 to NYSE American’s proposed rule change more closely conformed the text of Exhibit 1 of the proposed rule change to the filed Form 19b-4.

<sup>4</sup> See Securities Exchange Act Release Nos. 102898 (April 22, 2025), 90 FR 17635 (SR-NYSE-2025-12); 102897 (April 22, 2025), 90 FR 17658 (SR-NYSEAMER-2025-21); 102899 (April 22, 2025), 90 FR 17640

19(b)(2) of the Act,<sup>5</sup> the Commission designated a longer period within which to approve the proposed rule changes, disapprove the proposed rule changes, or institute proceedings to determine whether to disapprove the proposed rule changes.<sup>6</sup> The Commission has not received any comments on the proposed rule changes. On June 26, 2025, NYSE, NYSE Arca, NYSE Texas and NYSE National each filed Amendment No. 1 to its proposed rule change, and NYSE American filed Amendment No. 2 to its proposed rule change (each an “Amendment” and collectively, “Amendments”).<sup>7</sup> The Amendments superseded each Exchange’s prior filing in its entirety.<sup>8</sup> This order provides notice of the filings of Amendment No. 1 to NYSE, NYSE Arca, NYSE Texas and NYSE National’s proposed rule changes, and notice of the filing of Amendment No. 2 to NYSE American’s proposed rule change, and grants approval of the

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(SR-NYSEARCA-2025-29); 102902 (April 22, 2025), 90 FR 17665 (SR-NYSETEX-2025-03); 102900 (April 22, 2025), 90 FR 17675 (SR-NYSENAT-2025-07).

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> See Securities Exchange Act Release No. 103224, 90 FR 25698 (June 17, 2025) (designating July 27, 2025, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change).

<sup>7</sup> Amendment No. 1 to the proposed rule changes for NYSE, NYSE Arca, NYSE Texas and NYSE National, and Amendment No. 2 to NYSE American’s proposed rule change are identical in substance. For ease of reference, this order provides page citations to SR-NYSE-2025-12 Amendment No. 1, which is available on the Commission’s website at: <https://www.sec.gov/comments/sr-nyse-2025-12/srnyse202512-617407-1811334.pdf> (“Amendment No. 1”).

<sup>8</sup> The Amendments revise the proposals to provide additional explanation for why the Exchanges believe the proposed service is reasonable. Specifically, the Exchanges, in the Amendments, provide additional support for the assertion that telecommunication service providers (“Telecoms”) provide a substantially similar substitute for the Exchanges’ proposed service, including a description of the path the Telecoms and Exchanges take to the Exchanges’ trading floors. The Exchanges also clarify that the pathways offered by the proposed connections and the Telecom circuits are not normalized within the Exchange buildings. The Amendment for each filing is available on the Commission’s website at: <https://www.sec.gov/comments/sr-nyse-2025-12/srnyse202512-617407-1811334.pdf> (SR-NYSE-2025-12); <https://www.sec.gov/comments/sr-nyseamer-2025-21/srnyseamer202521-617427-1811354.pdf> (SR-NYSEAMER-2025-21); <https://www.sec.gov/comments/sr-nysearca-2025-29/srnysearca202529-617428-1811374.pdf> (SR-NYSEARCA-2025-29); <https://www.sec.gov/comments/sr-nysetex-2025-03/srnysetex202503-617467-1811414.pdf> (SR-NYSETEX-2025-03); <https://www.sec.gov/comments/sr-nysenat-2025-07/srnysenat202507-617447-1811394.pdf> (SR-NYSENAT-2025-07).

proposed rule changes, each as modified by Amendment No. 1 or Amendment No. 2, as applicable, on an accelerated basis.

## II. Description of the Proposed Rule Changes, as Modified by the Amendments

### A. Background

The Exchanges currently offer a virtual control circuit (“VCC”) service<sup>9</sup> that is a unicast connection through which two Users can establish a connection between two points over dedicated bandwidth.<sup>10</sup> The Exchanges offer VCC connections between two Users in the Mahwah Data Center (“MDC”).<sup>11</sup> The Exchanges, in 2024, amended this service to also offer VCCs between the MDC and the U.S. FIDS remote access centers; specifically, the Exchanges offer a connection between a User in the MDC and either the same User outside the MDC at a remote access center or a third party outside the MDC at a remote access center.<sup>12</sup> Fees for VCC services are based on the bandwidth requirements chosen by the User per VCC connections.<sup>13</sup> Connectivity to VCCs requires permission from both parties before the Exchanges will establish the connection.<sup>14</sup>

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<sup>9</sup> See Securities Exchange Act Release No. 80311 (March 24, 2017), 82 FR 15741 (March 30, 2017) (SR-NYSE-2016-45); 80309 (March 24, 2017), 82 FR 15725 (March 30, 2017) (SR-NYSEMKT-2016-63); 80310 (March 24, 2017), 82 FR 15763 (March 30, 2017) (SR-NYSEARCA-2016-89); 83351 (May 31, 2018), 83 FR 26314 (June 6, 2018) (SR-NYSENAT-2018-07); 87408 (October 28, 2019), 84 FR 58778 (November 1, 2019) (SR-NYSECHX-2019-12) (adding the VCC service and related fees).

<sup>10</sup> See Amendment No. 1, supra note 7, at 4.

<sup>11</sup> Id. The Exchanges state that through its Fixed Income and Data Services (“FIDS”) business, Intercontinental Exchange, Inc. (“ICE”) operates the MDC and that the Exchanges are indirect subsidiaries of ICE. See id., at 4 n.5.

<sup>12</sup> Id. See also Securities Exchange Act Release Nos. 101582 (November 12, 2024), 89 FR 90812 (November 18, 2024) (SR-NYSE-2024-69); 101575 (November 12, 2024), 89 FR 90770 (November 18, 2024) (SR-NYSEAMER-2024-64); 101576 (November 12, 2024), 89 FR 90775 (November 18, 2024) (SR-NYSEARCA-2024-91); 102902 (November 12, 2024), 89 FR 90893 (November 18, 2024) (SR-NYSECHX-2024-31); 101578 (November 12, 2024), 89 FR 90794 (November 18, 2024) (SR-NYSENAT-2024-28) (adding VCC services between the MDC and the U.S. remote access centers to the connectivity fee schedule).

<sup>13</sup> Id. at 5.

<sup>14</sup> Id.

The Exchanges propose to further expand this service to offer connectivity from the MDC to the NYSE, NYSE American, and NYSE Arca trading floors (each a “Trading Floor,” collectively, “Trading Floors”).<sup>15</sup> These connections may be between a User at the MDC and itself on a Trading Floor, or between a User at the MDC and a third party on a Trading Floor (“Trading Floor Connections”).<sup>16</sup> As with the existing VCCs, the Trading Floor Connections would be unicast connections over dedicated bandwidth over the IGN network.<sup>17</sup> The Trading Floor Connections can be in the form of a VCC between the MDC and a single Trading Floor (“Trading Floor VCC”) or a virtual routing and forwarding service between the MDC and one or more Trading Floors (“Trading Floor VRF”).<sup>18</sup>

As with the current VCC service, the monthly charge for a Trading Floor VCC or VRF connection would be based on the size of the bandwidth connection the User requests.<sup>19</sup> The Exchanges propose to charge the same fee for the Trading Floor Connections as the Exchanges currently charge for VCCs.<sup>20</sup> The per connection fees for one Trading Floor VCC and one

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<sup>15</sup> As noted by the Exchanges, “Trading Floor” is used as defined in, as applicable, NYSE Rule 6A (Trading Floor), NYSE American Scope of Terms (17), and NYSE Arca Rule 1 (Definitions), Floor, Trading Floor and Options Trading Floor. NYSE National and NYSE Texas do not have trading floors. Id. at 4 n.3.

<sup>16</sup> Id. at 4. The connection would run between the MDC and the User’s or third party’s equipment physically located on one or more of the Trading Floors.

<sup>17</sup> See id.

<sup>18</sup> The Exchanges state that because both Trading Floor VCCs and Trading Floor VRFs use the IGN network, both sets of connections are substantially the same in latency and reliability. A User would choose between them based on factors including technical preference and consistency. As an example, the Exchanges state that a User might prefer a Trading Floor VRF if it was setting up a link between the MDC and two Trading Floors but might prefer to use a Trading Floor VCC if it was already using VCCs. Id. at 4.

<sup>19</sup> Id. at 5.

<sup>20</sup> Id. The Exchanges state that all Trading Floor Connections must be authorized by both parties before FIDS will establish the connection.

Trading Floor VRF connection would be identical to each other and to the current fees for a VCC connection.<sup>21</sup>

The Exchanges state that Users would determine how the Trading Floor Connections are used and that neither the Exchanges nor FIDS have visibility into Users' Trading Floor Connections.<sup>22</sup> The Exchanges state that the Trading Floor Connections are not used for latency-sensitive trading data, but for trading-related data or communications like email or chat with a User's back office.<sup>23</sup> Specifically, potential uses could include receiving and transmitting trading-related information, including trading data and clearing information (e.g., an options market maker<sup>24</sup> on a Trading Floor using a computer with a firm's options market data to provide verbal bids/offers in response to floor broker requests for quotes) and providing access to back office services to individuals physically located on a Trading Floor.<sup>25</sup> Each Exchange represents that a User's Trading Floor Connection will not be through the Exchange's execution systems and that a Trading Floor Connection will not provide direct access or order entry to the Exchange's execution systems.<sup>26</sup> The Exchanges also state that establishing a Trading Floor Connection would not give FIDS or an Exchange the right to use the relevant Exchange's systems.<sup>27</sup>

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<sup>21</sup> Id. The Exchanges note that although the proposed fees for the Trading Floor VCC and the Trading Floor VRF are identical, a User's monthly fee could vary based which form of connection the User chooses. For example, if a User chooses to purchase VCCs or a combination of VCCs and a VRF, it would be charged separately for each connection. If the User chose one VRF to connect to multiple Trading Floors, it would be charged for one connection. The Exchanges propose to amend the connectivity fee schedule to clarify the potential impact of the choice of the connection on the fees. Id.

<sup>22</sup> Id.

<sup>23</sup> Id. at 8.

<sup>24</sup> Id. at 5 n.8 and accompanying text.

<sup>25</sup> Id. at 5.

<sup>26</sup> Id.

<sup>27</sup> Id.

The Exchanges further represent that all NYSE, NYSE American, and NYSE Arca equities and options members and member organizations, including NYSE floor brokers and Designated Market Makers, and floor brokers, options market makers, and specialists on the NYSE American and NYSE Arca Trading Floors remain subject to NYSE, NYSE American, and NYSE Arca rules regarding activities on the Trading Floors.<sup>28</sup> The Exchanges state that all NYSE, NYSE American or NYSE Arca rules would continue to apply, including any rules regarding limitations on the use of electronic communications from or to the Trading Floor.<sup>29</sup> The Exchanges represent that the proposed connections from the MDC to the Trading Floors do not contravene or limit the rules or the ability of the NYSE, NYSE American, or NYSE Arca to surveil for compliance with such rules.<sup>30</sup> These rules include NYSE Rules 36 (Communications Between Exchange and Member Offices), 98 (Operation of a DMM Unit), and 104 (Dealings and Responsibilities of DMMs).<sup>31</sup>

### III. Discussion and Commission Findings

The Commission has historically applied a “market-based” test in its assessment of market data fees, which has also been applied in the context of connectivity fees, such as those proposed here.<sup>32</sup> Under that test, the Commission considers “whether the exchange was subject to significant competitive forces in setting the terms of its proposal . . . , including the level of

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<sup>28</sup> Id. at 5.

<sup>29</sup> Id.

<sup>30</sup> Id.

<sup>31</sup> Id.

<sup>32</sup> See Securities Exchange Act Release No. 90209 (October 15, 2020), 85 FR 67044 (October 21, 2020) (File Nos. SR-NYSE-2020-05, SR-NYSEAMER-2020-05, SR-NYSEARCA-2020-08, SR-NYSECHX-2020-02, SR-NYSENAT-2020-03, SR-NYSE-2020-11, SR-NYSEAMER-2020-10, SR-NYSEARCA-2020-15, SR-NYSECHX-2020-05, SR-NYSENAT-2020-08) (Notice of Filings of Partial Amendment No. 3 and Order Granting Accelerated Approval to Proposed Rule Changes, Each as Modified by Partial Amendment No. 3, To Establish a Wireless Fee Schedule Setting Forth Available Wireless Bandwidth Connections and

any fees.”<sup>33</sup> If an exchange meets this burden, the Commission will find that its proposal is consistent with the Act unless “there is a substantial countervailing basis to find that the terms” of the proposal violate the Act or the rules thereunder.<sup>34</sup> If an exchange cannot demonstrate that it was subject to significant competitive forces, it must “provide a substantial basis, other than competitive forces, . . . demonstrating that the terms of the proposal are equitable, fair, reasonable, and not unreasonably discriminatory.”<sup>35</sup>

The Commission finds that the proposed rule changes, each as modified by Amendment No. 1 or Amendment No. 2, as applicable, are consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>36</sup> In particular, the Commission finds that each of the proposed rule changes is consistent with Section 6(b)(4) of the Act<sup>37</sup> which requires that a national securities exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons

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Wireless Market Data Connections) (“Wireless Order”).

See also Securities Exchange Act Release Nos. 85459 (March 29, 2019), 84 FR 13363, 13367 (April 4, 2019) (File Nos. SR-BOX-2018-24; SR-BOX-2018-37; and SR-BOX-2019-04) (Order Disapproving Proposed Rule Changes To Amend the Fee Schedule on the BOX Market LLC Options Facility To Establish BOX Connectivity Fees for Participants and Non-Participants Who Connect to the BOX Network); and 88493 (March 27, 2020) 85 FR 18617 (April 2, 2020) (File Nos. SR-BOX-2018-24; SR-BOX-2018-37; and SR-BOX-2019-04) (Order Affirming Action by Delegated Authority and Disapproving Proposed Rule Changes Related to Connectivity and Port Fee) (“BOX Order”).

<sup>33</sup> Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74781 (December 9, 2008) (“2008 ArcaBook Approval Order”).

<sup>34</sup> Id. See also In the Matter of the Application of SIFMA, Securities Exchange Act Release No. 84432, 22 (October 16, 2018), available at <https://www.sec.gov/litigation/opinions/2018/34-84432.pdf> (“SIFMA Decision”), vacated on other grounds, NASDAQ Stock Mkt., LLC v. SEC, 961 F.3d 421 (D.C. Cir. 2020).

<sup>35</sup> 2008 ArcaBook Approval Order, supra note 33, at 74781. See also SIFMA Decision, supra note 34, at 22. See also BOX Order, supra note 32, at 18622-24 (noting that the exchange had failed to demonstrate significant competitive forces, and therefore did not establish a basis on which to conclude that the proposed fees were equitable and reasonable.)

<sup>36</sup> In approving the proposed rule changes, each as modified by Amendment No. 1 or Amendment No. 2, as applicable, the Commission notes that it has considered the proposed rules’ impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>37</sup> 15 U.S.C. 78f(b)(4).

using its facilities; Section 6(b)(5) of the Act,<sup>38</sup> which requires that the rules of a national securities exchange be designed, among other things, to prevent fraudulent and manipulative acts and practices, 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, in general, to protect investors and the public interest, and not be designed to permit unfair discrimination between customers, issuers, brokers or dealers; and Section 6(b)(8) of the Act,<sup>39</sup> which requires that the rules of a national securities exchange do not impose any burden on competition that is not necessary or appropriate in furtherance of the Act.

The Exchanges state that the Trading Floor Connections are offered on terms that are reasonable and do not impose a burden on competition that is not necessary or appropriate because they are offered in a competitive environment where substantially similar substitutes are available.<sup>40</sup> The Exchanges state that the Trading Floor Connections compete with circuits offered by Telecoms.<sup>41</sup> These Telecom circuits, like the Trading Floor Connections, can also provide connectivity between the MDC and the Trading Floors.<sup>42</sup> The Exchanges state that sixteen Telecoms currently have installed their equipment in the Exchanges' two meet-me-rooms at the MDC.<sup>43</sup> The Exchanges state that there are also Telecoms currently located in the same

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<sup>38</sup> 15 U.S.C. 78f(b)(5).

<sup>39</sup> 15 U.S.C. 78f(b)(8).

<sup>40</sup> See Amendment No. 1, supra note 7, at 7-10. The Exchanges further state that the Trading Floor Connections are offered on terms that are equitable and not unfairly discriminatory because they are voluntary and available to all market participants on an equal basis. They also believe that the proposal to offer two forms of Trading Floor Connections (VCCs and VRFs) is equitable, not unfairly discriminatory and would not impose a burden on competition that is not necessary or appropriate because both forms of connectivity are over the IGN network and therefore are substantially the same in latency and reliability. See id., at 11-12.

<sup>41</sup> Id. at 7.

<sup>42</sup> See id. at 8.

<sup>43</sup> Id. at 7-8. The Exchanges filed to add meet-me-room services and associated fees in 2023. See Securities



buildings as the Trading Floors.<sup>44</sup> The Telecoms would connect to a Trading Floor entity's equipment in the same building as the Trading Floor, in an area that the Exchanges state is "essentially a meet-me-room."<sup>45</sup> The Exchanges state that once the Trading Floor Connections and the Telecom circuits reach the Trading Floor buildings, the connections would extend to the Trading Floor itself through the Exchanges' network and infrastructure.<sup>46</sup>

The Exchanges state that the Telecoms are not at a competitive disadvantage created by the Exchanges with respect to the Telecoms' connectivity inside the MDC and the Trading Floor buildings. Specifically, the Exchanges state that Trading Floor Connections do not have a competitive advantage over the Telecom circuits in terms of the pathways that the connections would take to reach the Trading Floors.<sup>47</sup> With respect to the MDC, the Exchanges state that the Trading Floor Connections do not have a distance or latency advantage over the Telecoms' circuits.<sup>48</sup> FIDS has normalized (a) the distance between the meet-me-rooms and the colocation halls and (b) the distance between the rooms where the FIDS circuits and the Trading Floor Connections exit the MDC and the colocation halls.<sup>49</sup> As a result, according to the Exchanges, a

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Exchange Act Release Nos. 97998 (July 26, 2023), 88 FR 50238 (August 1, 2023) (SR-NYSE-2023-27); 97999 (July 26, 2023), 88 FR 50190 (August 1, 2023) (SR-NYSEAMER-2023-36); 98000 (July 26, 2023), 88 FR 50244 (August 1, 2023) (SR-NYSEARCA-2023-47); 98001 (July 26, 2023), 88 FR 50196 (August 1, 2023) (SR-NYSECHX-2023-14); 98002 (July 26, 2023), 88 FR 50232 (August 1, 2023) (SR-NYSENAT-2023-12).

<sup>44</sup> Id. at 8.

<sup>45</sup> Id.

<sup>46</sup> Id. The Exchanges represent that "[t]he path the traffic takes from when it enters the building of the Trading Floor to the Trading Floor—its pathway—is the same irrespective of whether the service is a Telecom circuit or a TF Connection." Id.

<sup>47</sup> Id.

<sup>48</sup> Id. at 9. The Exchanges state with respect to the MDC that they are not aware of any differences under their control that give the Exchanges a latency advantage. Id.

<sup>49</sup> Id.

User choosing whether to use the Trading Floor Connections or Telecom circuits does not face any difference in the distances or latency within the MDC.<sup>50</sup>

With respect to the Trading Floor buildings, the Exchanges state that the Trading Floor Connections do not have any bandwidth or substantial distance advantage over the Telecoms' circuits within the buildings of the Trading Floors.<sup>51</sup> The Exchanges state that once the Trading Floor Connections and the Telecom circuits connections reach the Trading Floor buildings, the pathways that both types of connections would take to reach the Trading Floor are the same (i.e., extending to the Trading Floor itself through the Exchanges' network and infrastructure).<sup>52</sup> The Exchanges also state that Telecoms can offer circuits with a variety of latency and bandwidth specifications, some of which may exceed the specifications of the Trading Floor Connections.<sup>53</sup>

The Exchanges also state that they have no competitive advantage over Telecom circuits with respect to fees they charge the Telecoms for access to the meet-me-rooms at the MDC.<sup>54</sup> The Exchanges believe that the amount of the meet-me-room fees they can charge Telecoms are constrained, and they do not have a competitive advantage over any third-party competitor by virtue of owning and operating the MDC meet-me-rooms.<sup>55</sup> The Exchanges state that they are

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<sup>50</sup> Id.

<sup>51</sup> Id.

<sup>52</sup> Id. at 8. The Exchanges acknowledge that the pathways of the Trading Floor Connections and the Telecom circuits are not normalized within Exchanges' buildings (i.e., the length of the connections may "slightly" differ) but state that the connections do not need to be normalized because Users would not use them for latency-sensitive purposes (e.g., transmitting data to the matching engine). Id. Instead, the Exchanges state that they would be used for purposes such as communicating with the back office. Id. The Exchanges note that Users would choose to purchase connections based on factors such as bandwidth, price, termination point, technical preference and consistency. Id.

<sup>53</sup> Id. The Exchanges note that the specifications of FIDS's competitors' circuits are not public. The Exchanges understand that any information FIDS has about its competitors was obtained through anecdotal communications, by observing customers' purchasing choices in the competitive market, and from its own experience as a purchaser of circuits from telecommunications providers to build FIDS's own networks. Id. at 9 n.19.

<sup>54</sup> See supra note 43.

<sup>55</sup> See Amendment No. 1, supra note 7, at 9-10.

incentivized to set fees to operate in the meet-me-room at a reasonable rate because reasonable fees will incentivize Telecoms to participate in the meet-me-rooms.<sup>56</sup> The Exchanges state that these Telecoms would compete with each other by pricing circuits at competitive rates, which will draw Users to the MDC and that the Exchanges benefit from the Telecoms selling circuits to Users because these Users increase the customer base to which the Exchanges can sell their colocations services, including cabinets, power, ports, and connectivity to third-party data feeds.<sup>57</sup> The Exchanges also state that more Users would lead, in many cases, to greater participation on the Exchanges.<sup>58</sup> The Exchanges state that the incentive to attract Telecoms to the MDC meet-me-rooms constrains the Exchanges' meet-me-room fees such that the Exchanges do not have an advantage in terms of costs when compared to third parties that enter through the meet-me-room to provide competing services.<sup>59</sup> In fact, according to each Exchange, setting meet-me-room fees too high would negatively impact the Exchange's ability to sell its services to Users at the MDC.<sup>60</sup> With respect to the Telecoms' presence in the Trading Floor buildings, the Exchanges represent that the Telecoms do not pay a fee to connect to the Trading Floor entity's equipment in the same room as the Trading Floor.<sup>61</sup> The Exchanges also represent that the Trading Floor entities do not pay fees to any of the Exchanges for the connection.<sup>62</sup>

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<sup>56</sup> Id. at 9.

<sup>57</sup> Id.

<sup>58</sup> Id.

<sup>59</sup> Id. at 10.

<sup>60</sup> Id. The Exchanges also state that they are at a competitive disadvantage compared to the Telecoms because the Exchanges are required to file their services and pricing with the Commission pursuant to Section 19(b) of the Exchange Act.

<sup>61</sup> Id. at 9.

<sup>62</sup> Id.

The Exchanges state that the Trading Floor Connections would be offered at the same price as the VCCs currently offered by the Exchanges, and if Users found the fees too high, they have the option to choose alternative options offered by the Telecoms.<sup>63</sup> The Exchanges also state that they have no incentive to undercut fees that the Telecoms offer or might offer for competing services because the Telecoms might reassess whether it make sense to participate in the Exchanges' meet-me-rooms, which could negatively impact User participation in colocation and on the Exchanges.<sup>64</sup>

The Exchanges have demonstrated that they are subject to significant competitive forces in setting the terms on which they offer Trading Floor Connections, in particular because substantially similar substitutes are available.<sup>65</sup> As stated earlier, the Exchanges state that Telecoms are available at both the MDC and the Trading Floor buildings.<sup>66</sup> The Exchanges have demonstrated that they do not have a competitive advantage compared to the Telecoms with respect to the Trading Floor Connections. Based on the record, the Commission believes that there are sufficiently comparable alternatives to the Trading Floor Connections. Thus, the Exchanges are subject to significant competitive forces that constrain the terms on which the Trading Floor Connections are offered, and the Commission approves the proposals, as amended, because there is no substantial countervailing basis to find that the terms of the proposals, as amended, violate the Act or rules thereunder.<sup>67</sup>

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<sup>63</sup> Id. at 10.

<sup>64</sup> Id.

<sup>65</sup> See ArcaBook Approval Order, supra note 33, at 74785; SIFMA Decision, supra note 76, at 43-44 (citation omitted) ("We recognize that products need not be identical to be substitutable.").

<sup>66</sup> See supra notes 43-44 and accompanying text.

<sup>67</sup> See Wireless Order, supra note 32.

The Trading Floor Connections are not offered on terms that are unfairly discriminatory or would impose a burden on competition not necessary or appropriate in furtherance of the Act. In particular, the proposed services are available to all market participants equally, and the Exchanges have sufficiently demonstrated that they do not have a competitive advantage compared to the Telecoms.

Based on this, the Commission finds the proposed rule changes, as modified by Amendment No. 1 or Amendment No. 2, as applicable, to be consistent with Section 6(b)(4) of the Act,<sup>68</sup> which requires that the rules of a national securities exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities and Section 6(b)(8), which prohibits any national securities exchange from imposing any burden on competition not necessary or appropriate in furtherance of the Act. Further, because the Trading Floor Connections are designed to offer market participants an additional option for Users to transmit information related to trading and clearing to entities and individuals on the Trading Floors, including market makers and floor brokers, and competitors may offer a similar level of services for the reasons discussed above, the Commission finds the proposals, as amended, to be consistent with the Section 6(b)(5) of the Act, which requires that the rules of a national securities 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 in general, to protect investors and the public interest, and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.<sup>69</sup>

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<sup>68</sup> 15 U.S.C. 78f(b)(4).

<sup>69</sup> 15 U.S.C. 78f(b)(5).

For the foregoing reasons, the Commission finds that the proposed rule changes of NYSE, NYSE Arca, NYSE Texas and NYSE National, each as modified by Amendment No. 1, and the proposed rule change of NYSE American, as modified by Amendment No. 2, are consistent with the Act.

#### IV. Solicitation of Comments on the Amendments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether Amendment No. 1 or Amendment No. 2, as applicable, to the proposed rule changes is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Numbers SR-NYSE-2025-12, SR-NYSEAMER-2025-21, SR-NYSEARCA-2025-29, SR-NYSETEX-2025-03, SR-NYSENAT-2025-07 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 Numbers SR-NYSE-2025-12, SR-NYSEAMER-2025-21, SR-NYSEARCA-2025-29, SR-NYSETEX-2025-03, SR-NYSENAT-2025-07. These file numbers should be included on the subject line if e-mail 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and

copying at the principal office of the Exchanges. 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 Numbers SR-NYSE-2025-12, SR-NYSEAMER-2025-21, SR-NYSEARCA-2025-29, SR-NYSETEX-2025-03, SR-NYSENAT-2025-07 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

V. Accelerated Approval of Proposed Rule Changes, as Modified by the Amendments

The Commission finds good cause to approve the proposed rule changes of NYSE, NYSE Arca, NYSE Texas and NYSE National, each as modified by Amendment No. 1, and the proposed rule change of NYSE American, as modified by Amendment No. 2, prior to the 30th day after the date of publication of notice of the Amendments in the Federal Register. The Amendments revise the proposals to provide additional explanation for why the Exchanges believe the proposed service is reasonable. Specifically, the Exchanges, in the Amendments, provide additional support for the assertion that Telecoms provide a substantially similar substitute for the Exchanges' proposed service. The Commission believes that the Amendments provide additional support for why the proposals are consistent with the Act, thereby facilitating the Commission's ability to make the findings set forth above to approve the proposals.

Accordingly, pursuant to Section 19(b)(2) of the Act,<sup>70</sup> the Commission finds good cause to approve the proposed rule changes of NYSE, NYSE Arca, NYSE Texas and NYSE National, each as modified by Amendment No. 1, and the proposed rule change of NYSE American, as modified by Amendment No. 2, on an accelerated basis.

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<sup>70</sup> 15 U.S.C. 78s(b)(2).

VI. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,<sup>71</sup> that the proposed rule changes (SR-NYSE-2025-12; SR-NYSEAMER-2025-21; SR-NYSEARCA-2025-29; SR-NYSETEX-2025-03; SR-NYSENAT-2025-07), as amended, be, and hereby are approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>72</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>71</sup> See id.

<sup>72</sup> 17 CFR 200.30-3(a)(12).