

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103787; File No. SR-NYSENAT-2025-20]

Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 7.31(d)(1)(A)

August 27, 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 August 22, 2025, NYSE National, Inc. (“NYSE National” or “Exchange”) filed with the Securities and Exchange Commission (“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 Rule 7.31(d)(1)(A) to permit the displayed quantity of a Reserve Order to also be entered in a mixed lot sized quantity. The proposed rule change is available on the Exchange’s website at 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

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 Rule 7.31(d)(1)(A) to permit the displayed quantity of a Reserve Order to also be entered in a mixed lot sized quantity. The proposed change would harmonize Reserve Order functionality with that of other markets that permit the displayed quantity to be either a round or mixed lot.

Background and Proposed Rule Change

Rule 7.31(d)(1) defines a Reserve Order as a Limit or Inside Limit Order with a quantity of the size displayed and with a reserve quantity of the size that is undisplayed. Rule 7.31(d)(1)(A) provides that on entry, the displayed quantity of a Reserve Order must be entered in round lots. The displayed portion of a Reserve Order is replenished when the displayed quantity is decremented to below a round lot.

Rule 7.5 defines a “round lot” as 100 shares, unless specified by a primary listing market to be fewer than 100 shares.⁴ Under Rule 7.5, any amount less than a round lot constitutes an

⁴ The Exchange notes that as part of the amendments to certain Regulation NMS (“Reg NMS”) rules in 2024, the Commission approved amendments to Reg NMS Rule 603(b) to amend the odd-lot and round lot definitions adopted in 2020 under the Market Data Infrastructure (“MDI”) Rules and accelerate the compliance date for the amended definitions. See Exchange Act Release No. 101070 (Sept. 18, 2024), 89 FR 81620, 81773 (Oct. 08, 2024) (File No. S7-30-22) (“Release No. 101070”); Exchange Act Release No. 90610 (Dec. 9, 2020), 86 FR 18596 (Apr. 9, 2021) (File No. S7-03-20). Rule 600(b)(93) under Regulation NMS defines a round lot and provides that for NMS stocks that have an average closing price on the primary listing exchange during the prior evaluation period of: (1) \$250.00 or less per share, a round lot is 100 shares; (2) \$250.01 to \$1,000.00 per share, a round lot is 40 shares; (3) \$1,000.01 to \$10,000.00 per share, a round lot is 10 shares; and (4) \$10,000.01 or more per share, a round lot is 1 share. See 17 CFR 242.600(b)(93). The round lot definition will be implemented on the first business day of November 2025. See Release No. 101070, 89 FR at 81666. The Exchange will be submitting an amendment to Rule 7.5 shortly to reflect the pending changes.

“odd lot,” and any amount greater than a round lot that is not a multiple of a round lot constitutes a “mixed lot.”

Other markets that have adopted a “reserve” order type permit submission of a reserve order with either a round or mixed lot sized displayed quantity.⁵

The Exchange proposes to amend Rule 7.31(d)(1)(A) to allow the displayed quantity of a Reserve Order to be entered in a mixed lot sized quantity in addition to a round lot quantity. The Exchange does not otherwise propose any changes to the Reserve Order functionality. As proposed, once a Reserve Order with a displayed quantity meeting the definition of a mixed or round lot is accepted, the Reserve Order functionality would operate in the same way as it does currently.

The Exchange believes that permitting the displayed quantity of a Reserve Order to be entered in a mixed lot sized quantity in addition to a round lot quantity would provide the same flexibility in designating the displayed quantity of a Reserve Order as currently exists on other marketplaces and is therefore not controversial and eligible for immediate effectiveness. The Exchange also believes that the proposal would incentivize the posting of more displayed liquidity on the Exchange and provide a corresponding opportunity for market participants to interact with that displayed liquidity.

The Exchange will announce the implementation date of the proposed change by Trader Update, which in no event would be later than December 31, 2025.

⁵ See, e.g., Investors Exchange Rule 11.190(b)(2).

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Exchange Act,⁶ in that 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.

Specifically, the Exchange believes that providing that the displayed quantity of a Reserve Order may be entered in a mixed lot size in addition to a round lot is consistent with the protection of investors and the public interest because it is designed to provide more flexibility and opportunities for member organizations to add displayed liquidity to the Exchange. The Exchange believes that the proposed rule change will attract additional displayed liquidity to the Exchange and, to the extent it is successful in doing so, will benefit all market participants, thereby supporting the purposes of the Act 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. In addition, as noted above, the proposal would not otherwise alter Reserve Order functionality. Moreover, the proposal to permit entry of a mixed lot sized displayed quantity for a Reserve Order is consistent with the rules of other equities exchanges that offer a reserve order,⁷ and thus the Exchange does not believe that the proposed rule change raises any new or novel issues not previously considered by the Commission.

⁶ 15 U.S.C. 78f(b)(5).

⁷ See note 5, supra.

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. On the contrary, the proposal is designed to enhance the Exchange's competitiveness by enabling it to offer reserve order functionality substantially similar to that offered by other equity exchanges. As discussed above, the proposal is designed to incentivize the entry of additional liquidity providing orders on the Exchange by offering the flexibility of using a mixed lot displayed quantity. The Exchange believes that the proposed rule change will enhance its ability to compete with other exchanges that already offer this flexibility and thereby attract more Reserve Orders to the Exchange, to the benefit of all market participants. The Exchange also does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. All member organizations will remain eligible to use the Reserve Order on an equal and non-discriminatory basis. Moreover, the proposal would provide potential benefits to all member organizations to the extent that there is more liquidity available on the Exchange as a result of the increased use of Reserve Orders.

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 Act⁸ and Rule 19b-4(f)(6) thereunder.⁹ Because the proposed rule change does not: (i)

⁸ 15 U.S.C. 78s(b)(3)(A)(iii).

⁹ 17 CFR 240.19b-4(f)(6).

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.¹⁰

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)¹¹ 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-2025-20 on the subject line.

¹⁰ 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.

¹¹ 15 U.S.C. 78s(b)(2)(B).

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-NYSENAT-2025-20. 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-NYSENAT-2025-20 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.¹²

Sherry R. Haywood,

Assistant Secretary.

¹² 17 CFR 200.30-3(a)(12).