SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105799; File No. SR-NYSE-2026-30]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 7.31. Orders and Modifiers

June 29, 2026.

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 June 16, 2026, New York Stock Exchange LLC ("NYSE" 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 Rule 7.31 (Orders and Modifiers) relating to Limit Orders and Discretionary Orders. 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

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 amendments to Rule 7.31 (Orders and Modifiers) to (1) provide for the operation of routable Limit Orders as Inside Limit Orders, unless otherwise specified, and (2) specify that all Discretionary Orders ("D Orders") will be non-routable. The Exchange also proposes conforming changes to Rules 7.31 and 7.35 in connection with the proposed change to D Orders.

Routable Limit Orders

Rule 7.31(a)(2) defines a Limit Order as an order to buy or sell a stated amount of a security at a specified price or better. Unless otherwise specified, the working price and the display price of a Limit Order equal the limit price of the order, it is eligible to be routed, and it is ranked Priority 2 - Display Orders.

Rule 7.31(a)(2)(A) currently provides that a marketable Limit Order to buy (sell) will trade with all sell (buy) orders on the Exchange Book priced at or below (above) the PBO (PBB) before routing to the PBO (PBB) and may route to prices higher (lower) than the PBO (PBB) only after trading with orders to sell (buy) on the Exchange Book at each price point. Once no longer marketable, the Limit Order will be ranked and displayed on the Exchange Book.

The Exchange proposes to amend its rules to provide that routable Limit Orders would no longer operate as described in current Rule 7.31(a)(2)(A), but would instead function like an Inside Limit Order as described in current Rule 7.31(a)(3). Rule 7.31(a)(3) defines an Inside

Limit Order as a Limit Order that is to be traded at the best price obtainable without trading through the NBBO. On arrival, a marketable Inside Limit Order to buy (sell) is assigned a working price of the NBO (NBB) and will trade with all sell (buy) orders on the Exchange Book priced at or below (above) the NBO (NBB) before routing to the NBO (NBB) on an Away Market. Once the NBO (NBB) is exhausted, the Inside Limit Order to buy (sell) will be displayed at its working price and be eligible to trade with incoming sell (buy) orders at that price. When the updated NBO (NBB) is displayed, the Inside Limit Order to buy (sell) will be assigned a new working price of the updated NBO (NBB) and will trade with all sell (buy) orders on the Exchange Book priced at or below the updated NBO (NBB) before routing to the updated NBO (NBB) on an Away Market. Such assessment will continue at each new NBO (NBB) until the order is filled, no longer marketable, or the limit price is reached. Once the order is no longer marketable, it will be ranked and displayed in the Exchange Book. An Inside Limit Order may not be designated as a Limit IOC Order but may be designated as a Limit Routable IOC Order. An Inside Limit Order to buy (sell) designated as a Limit Routable IOC Order will trade with sell (buy) orders on the Exchange Book priced at or below (above) the NBO (NBB) and the quantity not traded will be routed to the NBO (NBB). Any unfilled quantity not traded on the Exchange or an Away Market will be cancelled.

The purpose of the Inside Limit Order is to assess away market displayed interest on a price-by-price basis, thereby slowing down the routing of such order, rather than simultaneously routing an order to away markets at potentially multiple prices as a Limit Order would. For example, if the NBBO is $10.10 by $10.12, and the Exchange receives a Limit Order to buy with a limit price of $10.15, in addition to executing with the interest on the Exchange Book, the Exchange will route the balance of the order to all protected quotes, including quotes with an inferior price than the NBO (e.g., any protected offers priced at $10.13 or higher), up to the Limit Order price of $10.15. By contrast, an Inside Limit Order with a price of $10.15 would be matched with interest on the Exchange Book and routed only to away market interest priced at the NBO of $10.12. After routing to the $10.12 offer(s), Exchange systems will wait for the NBBO to update and then reevaluate the next best displayed offer price, and route to that single price point and continue such assessment at each price point until either the order has been filled, or there is no further interest available to satisfy the Limit Order price either at the Exchange or at away markets. The proposed change to have routable Limit Orders function as Inside Limit Orders, unless otherwise specified, would eliminate routing of Limit Orders as currently described in Rule 7.31(a)(2)(A) and would instead offer market participants opportunities to obtain improved executions by waiting for changes to the NBBO via Inside Limit Order functionality as described in Rule 7.31(a)(3).[4] The Exchange is not obligated to offer order routing as currently outlined in Rule 7.31(a)(2)(A) for Limit Orders and will no longer offer such optional routing, as proposed. Accordingly, to the extent market participants wish to have routable Limit Orders simultaneously routed to protected quotes on away markets at multiple price points, they remain free to seek such functionality on other trading venues, consistent with their regulatory obligations in the handling and executing of customer orders.

To effect the proposed change to routable Limit Orders, the Exchange proposes to amend Rule 7.31(a)(2)(A) so that the first sentence of the rule would provide that a marketable Limit Order will operate like an Inside Limit Order, as such order is described in Rule 7.31(a)(3), and

---

4 The Exchange notes that Inside Limit Order functionality as set forth in Rule 7.31(a)(3) has been available to market participants since 2022; the Commission has thus had the opportunity to consider this order type and any potential issues it raises. See Securities Exchange Act Release No. 94030 (January 24, 2022), 87 FR 4695 (January 28, 2022) (SR-NYSE-2022-05) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Rule 7.31 To Provide for Inside Limit Orders and Make Other Conforming Changes).

will be assigned a working price and display price as described in such Rule, unless otherwise specified. The Exchange proposes to delete the remainder of current Rule 7.31(a)(2)(A) because, as proposed, Limit Orders would either operate as described in Rule 7.31(a)(3) or as specified elsewhere in Exchange rules.

The proposed changes to Rule 7.31(a)(2)(A) are also intended to convey that the operation of Limit Orders that are non-routable will be as described elsewhere in Exchange rules. For example, Rule 7.31(e)(1) and the subparagraphs thereunder describe the operation of a Non-Routable Limit Order.[5] Because a Non-Routable Limit Order is not eligible to route, it will not, as proposed, operate as an Inside Limit Order and instead will continue to operate as specified in Rule 7.31(e)(1). Rule 7.31(e)(1)(A) specifies that a Non-Routable Limit Order will not be displayed at a price that would lock or cross the PBO (PBB) of an Away Market and that a Non-Routable Limit Order to buy (sell) will trade with orders to sell (buy) on the Exchange Book priced equal to or below (above) the PBO (PBB) of an Away Market. Rule 7.31(e)(1)(A)(ii) specifies how any untraded quantity of such order would be processed (e.g., how its working price and display price would be determined) if not designated to cancel as provided for in Rule 7.31(e)(1)(A)(i).

In addition, further to the proposed deletion of certain text in Rule 7.31(a)(2)(A) that describes the behavior of Limit Orders, the Exchange proposes to amend Rules 7.31(b)(2)(A) and 7.35(d)(4)(A)(i) to ensure that these rules clearly describe the behavior of Limit IOC Orders

---

5 See also, e.g., Rules 7.31(b)(2)(A) (describing the Limit IOC Order); 7.31(c) (describing the Limit-on-Open Order, Opening D Order, Issuer Direct Offering Order, Limit-on-Close Order, and Closing Imbalance Offset Order); 7.31(d)(2) (describing the Non-Displayed Limit Order); 7.31(d)(3) (describing the Mid-Point Liquidity Order); 7.31(d)(4) (describing Discretionary Orders, which may only be non-routable as proposed in this filing); 7.31(d)(5) (describing the Capital Commitment Order); 7.31(e)(2) (describing the ALO Order); 7.31(e)(3) (describing the Intermarket Sweep Order); 7.31(f)(1) (describing the Directed Order) 7.31(h) (describing Pegged Orders); 7.44 (describing the Retail Order and Retail Price Improvement Order).

and Limit Price D Orders, respectively. In Rule 7.31(b)(2)(A), the Exchange proposes to add text clarifying that a Limit IOC Order is a Limit Order to buy (sell) designated IOC, that is to be traded in whole or in part on the Exchange with all sell (buy) orders on the Exchange Book priced at or below (above) the PBO (PBB) as soon as such order is received. In Rule 7.35(d)(4)(A)(i) (in addition to the changes proposed below), the Exchange proposes to add text clarifying that a Limit Price D Order to buy (sell) would, on arrival, trade with sell (buy) orders on the Exchange Book up (down) to the lower (higher) of the PBO (PBB) or the limit price of the order. These proposed changes do not reflect any changes to these order types and are intended only to add clarity in these rules regarding how these order types currently function.

The following example illustrates how a routable Limit Order operates under current Exchange rules and how it would operate, as proposed:

Assume the offer on Away Market 1 is for 100 shares at $10.12 and the offer on Away Market 2 is for 100 shares at $10.15. Order 1 on the Exchange is a Limit Order to sell 100 shares at $10.11. Order 2, a Limit Order to buy 300 shares at $10.15, arrives at the Exchange.

Under current Exchange rules, Order 2 would trade with Order 1 for 100 shares at $10.11, then route to Away Market 1 to trade 100 shares at $10.12, then route to Away Market 2 to trade 100 shares at $10.15.

As proposed, with Order 2 now operating like an Inside Limit Order, Order 2 would still first trade with Order 1 for 100 shares at $10.11. Order 2 would then route to Away Market 1 to trade 100 shares at $10.12, but the remaining 100 shares of Order 2 would be displayed on the Exchange Book at $10.12 instead of routing to trade on Away Market 2 at $10.15.

Next, assume Away Market 1 updates its offer to 100 shares at $10.13. Order 2 would now route to Away Market 1 to trade 100 shares at $10.13, allowing it to execute at a better price than if it had routed to Away Market 2 to trade at $10.15 instead of waiting for an updated away offer.

D Orders

Rule 7.31(d)(4) defines a D Order as a Limit Order that may trade at an undisplayed discretionary price. A D Order must be designated Day and, currently, may be designated as routable or non-routable. A D Order is available only to Floor Brokers and is eligible to be traded in the Core Trading Session only.

The Exchange proposes to amend Rule 7.31(d)(4) to provide that D Orders may only be non-routable. Eliminating routable D Orders would remove optional functionality that is not currently utilized by Floor Brokers, thereby streamlining Exchange rules.

The Exchange also proposes the following conforming changes in Rules 7.31 and 7.35 to eliminate references to the routing of D Orders:

- In Rule 7.31(d)(4)(A)(i), which describes the Limit Price D Order, the Exchange proposes to delete text in the first and second sentences of the rule that refers to routing such orders. The Exchange also proposes to delete the last sentence of this rule, which describes the treatment of a Limit Price D Order that is partially routed to an Away Market on arrival.
- In Rule 7.31(d)(4)(A)(ii), which describes the Midpoint Price D Order, the Exchange proposes to delete the second sentence of the rule, which currently provides that a Midpoint Price D Order does not route on arrival.

- In Rule 7.35(f)(3)(A)(i), which describes order processing following the transition to continuous trading, the Exchange proposes to delete the parenthetical referencing routable D Orders.[6]

* * * * *

Because of the technology changes associated with the proposed changes, the Exchange proposes to announce the implementation date of these changes by Trader Update. Subject to approval of this proposed rule change, the Exchange anticipates that such changes will be implemented before the end of the fourth quarter of 2026.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[7] in general, and furthers the objectives of Section 6(b)(5) of the Act,[8] 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 mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change with respect to routable Limit Orders is designed to remove impediments to and perfect the mechanism of a free and open market because modifying routable Limit Orders to function like Inside Limit Orders would promote additional opportunities for market participants' orders to obtain better execution prices.

---

6 The Exchange also proposes a non-substantive change to delete an extraneous semicolon in Rule 7.35(f)(3)(A)(i).

7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(5).

Specifically, because the orders would be routed to the best displayed price, and any unfilled portion would not be routed to the next best price level until all quotes at the current best bid or offer are updated, routable Limit Orders would, by default, be afforded additional opportunities to obtain improved executions by waiting for changes to the NBBO. The Exchange believes that the proposed change to have routable Limit Orders instead function as Inside Limit Orders is designed to promote just and equitable principles of trade and 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, even though Limit Orders would no longer route as currently described in Rule 7.31(a)(2)(A). Although market participants directing Limit Orders to the Exchange may not receive as many executions or have their orders executed as quickly (or be able to meet certain regulatory obligations), as proposed, the Exchange believes they are likely to benefit from better-priced executions as a result of their orders waiting for changes to the NBBO before trading. As noted above, order routing as currently described in Rule 7.31(a)(2)(A) for Limit Orders is an optional functionality that the Exchange is not required to offer, and the proposed rule change would result in such functionality no longer being available on the Exchange. To the extent market participants wish to have routable Limit Orders simultaneously routed to protected quotes on away markets at multiple price points, they continue to have the option to seek such functionality on other trading venues, consistent with their regulatory obligations in the handling and executing of customer orders.

The Exchange also believes that the proposed change with respect to D Orders (and the related conforming changes) is designed to remove impediments to and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest because it would update the Exchange’s rules to remove functionality that has not been utilized by Floor

Brokers. As noted above, this proposed change would only eliminate optional functionality that Floor Brokers have not chosen to use.

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 intended to enhance trading opportunities for market participants by modifying routable Limit Orders to behave as Inside Limit Orders. To the extent the proposed change facilitates improved execution opportunities for market participants, it could promote competition among equities exchanges by making the Exchange a more attractive venue for order execution. The proposed change with respect to D Orders is intended to streamline Exchange rules by removing functionality that has been underutilized by Floor Brokers, rather than to address any competitive issue.

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 Act[9] 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 filed, or such shorter time as the Commission may designate, if consistent with the protection of

---

9 15 U.S.C. 78s(b)(3)(A)(iii).

10 17 CFR 240.19b-4(f)(6).

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.[11]

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)[12] 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-NYSE-2026-30 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.

---

11 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.

12 15 U.S.C. 78s(b)(2)(B).

All submissions should refer to file number SR-NYSE-2026-30. 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-NYSE-2026-30 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.[13]

Sherry R. Haywood,

Assistant Secretary.

[13] 17 CFR 200.30-3(a)(12).