

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103454; File No. SR-NYSETEX-2025-20]

## **Self-Regulatory Organizations; NYSE Texas, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Fee Schedule of NYSE Texas, Inc. to Harmonize the Manner in Which the Exchange Charges for Ports that Provide Connectivity to the Exchange**

July 14, 2025.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on July 1, 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, II, and III 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 Fee Schedule of NYSE Texas, Inc. (the “Fee Schedule”) to harmonize the manner in which the Exchange charges for ports that provide connectivity to the Exchange with its affiliate, NYSE Arca, Inc. (“NYSE Arca”), and adopt a fee for ports for drop copies. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

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 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 harmonize the manner in which the Exchange charges for ports that provide connectivity to the Exchange with its affiliate, NYSE Arca, and adopt a fee for ports for drop copies.<sup>4</sup> The Exchange proposes to implement the proposed fee changes effective July 1, 2025.

The Exchange currently makes ports available that provide connectivity to the Exchange’s trading systems (i.e., ports for the entry of orders and/or quotes (“order/quote entry ports”)) and charges \$455 per port per month.<sup>5</sup> The proposed rule change would modify the Fee Schedule to harmonize the Exchange's rules with respect to how fees for order/quote entry ports

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<sup>4</sup> Participant Firms receive confirmations of their orders and receive execution reports via the order/quote entry port that is used to enter an order or a quote. A “drop copy” contains redundant information that a firm chooses to have “dropped” to another destination (e.g., to allow the firm’s back office and/or compliance department, or another firm – typically the firm’s clearing broker – to have immediate access to the information). Such drop copies can only be sent via a drop copy port. Drop copy ports cannot be used to enter orders and/or quotes.

<sup>5</sup> The Exchange does not charge port fees to Participant Firms that connect to the Exchange through Brokerplex. The Exchange proposes to retain this exclusion in the Fee Schedule and would continue to not charge Participant Firms for connecting to the Exchange through Brokerplex.

are charged with the rules of the Exchange's affiliate, NYSE Arca.<sup>6</sup> As proposed, the modified rule text on the Fee Schedule would provide that the fee for order/quote entry ports would not apply to ports in the backup datacenter that are not utilized during the relevant billing month, and no fee would apply to order/quote entry ports in the backup datacenter that are utilized when the primary datacenter is unavailable. The proposed rule change would further provide that if an order/quote entry port in the backup datacenter is utilized when the primary datacenter is available, then the fee would apply. Finally, the proposed rule text would provide that the monthly fee for an order/quote entry port would be prorated to the number of trading days in a billing month, including any scheduled early closing days, that the port is connected to the Exchange.<sup>7</sup>

Additionally, the Exchange proposes to implement a fee for drop copy ports,<sup>8</sup> for which the Exchange does not currently charge a fee. As proposed, the Exchange would make ports available for drop copies and charge \$455 per port per month.<sup>9</sup> As proposed, the Fee Schedule would specify that only one fee per drop copy port would apply, even if Participant Firms receive drop copies from multiple order/quote entry ports, except that no fee would apply to ports in the backup datacenter if configured such that it is duplicative of another drop copy port of the same user. In addition, as is the case with order/quote entry ports, fees for drop copy ports

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<sup>6</sup> See NYSE Arca Schedule of Fees, Connectivity Fees, at [https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE\\_Arca\\_Marketplace\\_Fees.pdf](https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Marketplace_Fees.pdf).

<sup>7</sup> NYSE Arca similarly prorates fees for order/quote entry ports utilized by its members. See NYSE Arca Schedule of Fees, Connectivity Fees, at [https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE\\_Arca\\_Marketplace\\_Fees.pdf](https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Marketplace_Fees.pdf).

<sup>8</sup> See note 4, *supra*.

<sup>9</sup> The Exchange proposes to add language to the Fee Schedule to differentiate between drop copy ports and order/quote entry ports. This aspect of the proposed rule change also conforms to the rule text of NYSE Arca, which also provides its members with a drop copy port. See NYSE Arca Schedule of Fees, Connectivity Fees at [https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE\\_Arca\\_Marketplace\\_Fees.pdf](https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Marketplace_Fees.pdf).

would not be charged to Participants that connect to the Exchange using Brokerplex.<sup>10</sup> And similar to order/quote entry ports, the monthly fee for a drop copy port would also be prorated to the number of trading days in a billing month, including any scheduled early closing days, that the port is connected to the Exchange.<sup>11</sup>

The Exchange believes that standardizing the port fees, whether a port is used for order/quote entry or for drop copies, would streamline the Exchange's rules and reduce complexity for Participant Firms. The proposed change would also encourage users to become more efficient with their usage of the ports thereby resulting in a corresponding increase in the efficiency that the Exchange would be able to realize with respect to managing its own infrastructure.

The proposed changes are not otherwise intended to address any other issues, and the Exchange is not aware of any problems that member organizations would have in complying with the proposed change.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>12</sup> in general, and furthers the objectives of Sections 6(b)(4) of the Act,<sup>13</sup> in particular, because it 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.

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<sup>10</sup> See note 5, *supra*.

<sup>11</sup> NYSE Arca similarly prorates fees for drop copy ports utilized by its members. See NYSE Arca Schedule of Fees, Connectivity Fees, at [https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE\\_Arca\\_Marketplace\\_Fees.pdf](https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Marketplace_Fees.pdf).

<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(4).

The Exchange believes that the proposal to amend the Fee Schedule to harmonize the manner in which the Exchange charges for order/quote entry ports with NYSE Arca is reasonable and constitutes an equitable allocation of fees because all similarly situated Participant Firms would be impacted by the proposed rule change and all such members would continue to be subject to the current fee. The Exchange believes that the proposal to harmonize the Exchange's rules with respect to how the fee for order/quote entry ports is charged with the rules of the Exchange's affiliate is reasonable as it would streamline the Exchange's rules and reduce complexity for Participant Firms. The proposed change is also reasonable because the proposed per port rates would encourage users to become more efficient with, and reduce the number of ports used, thereby resulting in a corresponding increase in the efficiency that the Exchange would be able to realize with respect to managing its own infrastructure. The Exchange believes it is fair, equitable and not unfairly discriminatory to charge flat fees for ports.

The Exchange believes that the proposed fee for drop copy ports is reasonable because it will result in a fee being charged for the use of technology and infrastructure provided by the Exchange. The Exchange also believes that it is reasonable that only one fee per drop copy port would apply, even if a port receives drop copies from multiple order/quote entry ports, because the purpose of drop copies is such that a trading unit's or a firm's entire order and execution activity is captured. The Exchange believes that the proposed new fee for drop copy ports is equitable and not unfairly discriminatory because it will apply on an equal basis to all users of drop copy ports and to all drop copy ports on the Exchange. In this regard, all Participant Firms will be able to request drop copy ports, as is the case with order/quote entry ports.

The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act<sup>14</sup> in that the proposed rule change is 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 is not designed to permit unfair discrimination between customers, issuers, brokers and dealers. In particular, the Exchange believes that the Exchange's pro-rating of port fees is consistent with Section 6(b)(5) of the Act since it would apply equally to all Participant Firms that connect to the Exchange and all Participant Firms would continue to receive the benefit of being charged only for the connectivity utilized during any trading month. As noted above, NYSE Arca similarly prorates fees for order/quote entry ports and for drop copy utilized by its members.

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange's statement regarding the burden on competition. For these reasons, the Exchange believes that the proposal is consistent with the Act.

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

In accordance with Section 6(b)(8) of the Act,<sup>15</sup> the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act in that it is designed to harmonize the Exchange's rules with respect to how fees for order/quote entry ports and drop copy ports are charged with the rules of the Exchange's affiliate, NYSE Arca. The Exchange believes that the proposal would encourage Participant Firms to become more efficient with their use of ports. In this regard, the Exchange believes that the proposal would not impose any

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<sup>14</sup> 15 U.S.C. 78f(b)(5).

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

burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because the Exchange believes that any reduction in the number of ports would result in a decrease in the infrastructure that the Exchange is required to support for connectivity to its trading system. This would also provide incentive for users to become more efficient with their use of ports and could therefore result in such users becoming more competitive due to decreased costs.

Finally, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually monitor its fees and services to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own pricing and the services they offer in response, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. As a result of all of these considerations, the Exchange does not believe that the proposed changes will impair the ability of Participant Firms or competing order execution venues to maintain their competitive standing in the financial markets.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>16</sup> and Rule 19b-4(f)(2) thereunder<sup>17</sup> the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing. 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.

### 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](mailto:rule-comments@sec.gov). Please include file number SR-NYSETEX-2025-20 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.

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<sup>16</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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



All submissions should refer to file number SR-NYSETEX-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 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-2025-20 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.<sup>18</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>18</sup> 17 CFR 200.30-3(a)(12).