

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105924; File No. SR-TXSE-2026-011]

Self-Regulatory Organizations; Texas Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adopt the Initial Schedule of Fees and Rebates Applicable to Members of the Exchange and Adopt a Monthly Membership Fee

July 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 7, 2026, Texas Stock Exchange LLC (the “Exchange” or “TXSE”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III 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 is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to adopt the initial schedule of fees and rebates applicable to Members of the Exchange pursuant to Exchange Rule 15.110 (Authority to Prescribe Dues, Fees, Assessments and Other Charges) and adopt a monthly membership fee on the Texas Stock Exchange LLC (the “Exchange” or “TXSE”). The Exchange proposes to implement the rule change upon commencement of its operations as a national securities exchange.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

The text of the proposed rule change is available on the Commission's website (<https://www.sec.gov/rules/sro.shtml>) at the Exchange's website (<https://www.txse.com/regulations/rules-filings>), 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 Exchange 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 these 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to adopt a fee schedule (the "Fee Schedule") applicable to the use of the Exchange. The Exchange will commence operations as a national securities exchange on July 10, 2025, and will implement the Fee Schedule as of that date.

The Exchange first notes that upon commencement of operations as a national securities exchange, it will operate in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange will be only one of numerous equities venues to which market participants may direct their order flow. Based on publicly available information, no single registered equities exchange currently has more than approximately 16% of total monthly market share.³ Thus, in such a low-concentrated and highly

³ Market share percentage calculated as of June 25, 2026; see Cboe Global Markets, U.S. Equities Market Volume Summary, available at: https://www.cboe.com/us/equities/market_share/.

competitive market, no single equities exchange possesses significant pricing power in the execution of order flow and the Exchange currently represents a small percentage of the overall market.

Transaction Fees

Below is a description of the fees and rebates that the Exchange intends to impose under the initial proposed Fee Schedule, which will be applicable to transactions executed in all trading sessions. The Exchange does not initially propose to assess volume-based fees or rebates. Accordingly, all fees and rebates described below are applicable to all Members, regardless of the overall volume of a Member's trading activities on the Exchange.

The Exchange proposes to adopt a pricing strategy that incentivizes adding displayed liquidity on the Exchange in order to encourage and facilitate price discovery and price formation, which the Exchange believes benefits all Members and investors. Details of this pricing strategy are laid out below:

1. Standard Fee for Removing Displayed Liquidity

The Exchange proposes a fee of \$0.0030 per share for executions of orders that (i) are displayed on the TXSE Book⁴ and (ii) remove liquidity from the Exchange ("Remove Liquidity"), in securities priced at or above \$1.00 per share or 0.15% of the total dollar value ("TDV") for securities priced under \$1.00.⁵

2. Standard Rebate for Adding Displayed Liquidity

⁴ "TXSE Book" means the System's electronic file of orders. See Exchange Rule 1.005(ff). The "System" shall mean the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking and execution. See Exchange Rule 1.1005(ff).

⁵ This pricing is referred to as "Remove displayed liquidity" on the proposed Fee Schedule.

The Exchange proposes to provide a rebate of \$0.0031 per share for executions of orders that: (i) are displayed on the TXSE Book and (ii) add liquidity to the Exchange (“Added Displayed Liquidity”), in all securities traded on the Exchange priced at or above \$1.00 per share or 0.15% of the TDV for securities priced under \$1.00.⁶

3. Standard Fee for adding or removing Non-Displayed Liquidity

The Exchange proposes a fee of \$0.0002 per share for executions of orders that (i) are not displayed on the TXSE Book and (ii) add or remove liquidity from the Exchange, in securities priced at or above \$1.00 per share or 0.05% of the total dollar value (“TDV”) for securities priced under \$1.00.⁷

Annual Membership Fee

The Exchange is proposing to establish a monthly membership fee for Members of the Exchange of \$200 (“Monthly Membership Fee”) that will be assessed beginning January 1, 2027. The Monthly Membership Fee is proposed to be assessed to each active Member on the first day of each month. For example, the Monthly Membership Fee for January 2027 will be assessed to all active Members at the close of business on January 1, 2027, the first business day of the month. However, if a Member is pending a voluntary termination of rights as a Member pursuant to TXSE Rule 2.008 prior to the time any Monthly Membership Fee will be assessed and the Member does not utilize the facilities of the Exchange while such voluntary termination of rights is pending, then the Member will not be obligated to pay the Monthly Membership Fee, as such Member will not be considered to have an “active” Membership. The Exchange believes

⁶ The pricing is referred to by the Exchange as “Add displayed liquidity” on the proposed Fee Schedule.

⁷ This pricing is referred to by the Exchange “Add non-displayed liquidity” and “Remove non-displayed liquidity” on the proposed Fee Schedule to represent the execution of an order that adds non-displayed liquidity.

this to be appropriate because there are several pre-conditions and then a 30-day waiting period before a voluntary resignation shall take effect pursuant to TXSE Rule 2.008. As proposed, the Monthly Membership Fee will not be prorated, which the Exchange believes is reasonable based on the frequency that the fee is assessed (i.e., monthly instead of applying to a longer period) and the relatively low proposed fee of \$200. The Exchange does not presently contemplate proposing any application fees, trading rights or trading permit fees, market participant identifier (“MPID”) fees or so-called “headcount” fees.

Other Changes

The Exchange also proposes to add two additional sections to the proposed Fee Schedule entitled "Definitions" and "Additional Fees." The proposed Definitions section would set forth defined terms used throughout the Fee Schedule to promote clarity and facilitate market participants' understanding of the Exchange's pricing. The proposed Additional Fees section would state that Chapter 15 of the Exchange Rules contains other dues, fees, assessments, and provisions governing the collection of Exchange fees. For completeness and ease of reference, the proposed Fee Schedule would include a high-level summary of certain sections described in Chapter 15. The summary is intended solely as a convenience for market participants to facilitate review of the Exchange's pricing and fee structure and would not modify, replace, or supersede the applicable provisions of Chapter 15, which would continue to govern the assessment and collection of such fees.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the requirements of the Exchange Act. The Exchange believes that the proposed fees and rebates are consistent

with the objectives of Section 6(b)(5) of the Act⁸ in that they are designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and national market system, and, in general, to protect investors and the public interest, and, particularly, are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes that the proposed rule change is consistent with the provisions of Section 6(b)(4) of the Act,⁹ in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

Upon its commencement of operations as a national securities exchange, the Exchange will operate in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The Exchange believes that the proposed Fee Schedule reflects a simple and competitive pricing structure designed to incentivize market participants to add aggressively priced displayed liquidity and direct their order flow to the Exchange, which the Exchange believes would promote price discovery and price formation and deepen liquidity that is subject to the Exchange's transparency, regulation, and oversight as an exchange, thereby enhancing market quality to the benefit of all Members and investors. The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS,

⁸ 15 U.S.C. 78f(b)(6).

⁹ 15 U.S.C. 78f(b)(4).

while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues, and also recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹⁰

Transactions Fees

The Exchange believes that charging a fee to the liquidity remover, and providing a rebate to the liquidity adder, is reasonable, equitable and not unfairly discriminatory because it incentivizes liquidity provision on the Exchange. The Exchange also notes that several other exchanges charge fees for removing liquidity and provide rebates for adding liquidity, and that this aspect of the Exchange’s proposed Fee Schedule does not raise any new or novel issues that have not previously been considered by the Commission in connection with the fees and rebates of other exchanges. The Exchange notes that unlike other exchanges, TXSE is not proposing any volume based tiers or rebates and rather is proposing a simple flat fee for each of the categories listed below.

The Exchange also believes that it is reasonable, equitable and not unfairly discriminatory to provide a rebate for executions resulting from adding displayed liquidity compared to a fee for executions of adding non-displayed liquidity as this structure is designed to incentivize Members to send the Exchange displayable orders, thereby contributing to price discovery and price formation, consistent with the overall goal of enhancing market quality. Moreover, the Exchange notes that there are precedents for exchanges to provide rebates that

¹⁰ Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

distinguish between displayed and non-displayed volume to incentivize displayed orders and facilitate price discovery.

Standard Fee for removing Liquidity

The Exchange believes that it is appropriate, reasonable, and consistent with the Act to charge a standard fee of \$0.0030 per share for executions of orders that remove liquidity from the TXSE Book in securities priced at or above \$1.00 per share or 0.15% of the TDV for securities priced under \$1.00 because it is comparable to the transaction fee charged by another exchange to remove liquidity.¹¹ The Exchange further believes that this fee is equitably allocated and not unfairly discriminatory because it applies equally to all Members and, when coupled with higher rebates for adding displayed liquidity, as described below, is designed to facilitate increased activity on the Exchange to the benefit of all Members by providing more trading opportunities and promoting price discovery.

Standard Rebate for adding Displayed Liquidity

The Exchange believes that it is appropriate, reasonable, and consistent with the Act to provide a standard rebate of \$0.0031 per share for executions of orders that: (i) are displayed on the TXSE Book and (ii) add liquidity to the Exchange, in all securities traded on the Exchange priced at or above \$1.00 per share or 0.15% of the TDV for securities priced under \$1.00 because this rebate is consistent with transaction rebates provided by other exchanges.¹² The Exchange further believes that this rebate structure is equitably allocated and not unfairly discriminatory because it applies equally to all Members.

¹¹ For example, the MEMX Fee Schedule assess fees to remove liquidity for securities at or above \$1.00 that range from \$0.0029 - \$0.0030 per share (fees for securities below \$1.00 the fees are 0.28% of total dollar value); see <https://info.memxtrading.com/equities-trading-resources/us-equities-fee-schedule/>.

¹² The MEMX Fee Schedule reflects rebates for “adding” displayed liquidity that range from \$0.0015 to \$0.0037 for shares executed at or above \$1.00, with 0.15% of total dollar value for shares executed below \$1.00, see <https://info.memxtrading.com/equities-trading-resources/us-equities-fee-schedule/>.

Standard Fee for adding and removing Non-Displayed Liquidity

The Exchange believes that it is appropriate, reasonable, and consistent with the Act to provide a standard fee of \$0.0002 per share for executions of orders that: (i) are not displayed on the TXSE Book and (ii) either add or remove liquidity to the Exchange, in all securities traded on the Exchange priced at or above \$1.00 per share or 0.05% of the TDV for securities priced under \$1.00 because this fee is consistent with transaction fees provided by other exchanges.¹³ The Exchange further believes that this fee structure is equitably allocated and not unfairly discriminatory because it applies equally to all Members .

Membership Fee

The Exchange believes that there is value in becoming a Member of the Exchange and that the proposed Monthly Membership Fee is reasonable. The Monthly Membership Fee is lower than¹⁴ or identical to¹⁵ the membership fees imposed by several other national securities exchanges that charge such fees. Moreover, insofar as the Exchange does not charge—nor does it presently contemplate charging—application fees, trading rights fees, trading permit fees, or fees for multiple MPIDs, the comparative price of membership is less or significantly less than comparative prices at other exchanges. The Exchange also does not charge—nor does it presently contemplate charging—so-called “headcount fees,” e.g., fees charged for each Form U-

¹³ The IEX Fee Schedule reflects a fee for “adding” non-displayed liquidity of \$0.0010 for shares executed at or above \$1.00, with 0.05% of total dollar value for shares executed below \$1.00, see https://www.iex.io/resources/trading/fee-schedule?utm_source=chatgpt.com#transaction-fees.

¹⁴ For example, NYSE Arca, Inc. charges Equity Trading Permit Holders an annual fee of \$15,000 (see NYSE Arca Equities Fees and Charges, effective July 1, 2025, available at: https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Marketplace_Fees.pdf); Long Term Stock Exchange, Inc. charges an annual membership fee of \$10,000; (see Long Term Stock Exchange, Inc. fee schedule, available at: <https://ltse.com/trading/fee-schedules>).

¹⁵ See MEMX LLC membership fees, available at: <https://info.memxtrading.com/membership-fees/>.

4 filed for registration of a representative or a principal or the transfer or re-licensing of such personnel, further highlighting the reasonableness of the proposed Monthly Membership Fee.

The Exchange believes that the proposed Monthly Membership Fee is not unfairly discriminatory because it would be assessed equally across all Members or market participants that seek to become Members, and because no market participant is required to become a member of the Exchange. Instead, many market participants are expected to wait until the Exchange consistently achieves a certain percentage of market share before they would join as Members of the Exchange.

Accordingly, the vigorous competition among national securities exchanges provides many alternatives for market participants to voluntarily decide whether membership to the Exchange is appropriate and worthwhile, and no broker-dealer is required to become a member of the Exchange. Specifically, neither the trade-through requirements under Regulation NMS nor broker-dealers' best execution obligations require a broker-dealer to become a member of every exchange. The Exchange acknowledges that competitive forces may require certain broker dealers to be members of all equities exchanges. However, the Exchange believes that the proposed fee of \$200 as a Monthly Membership Fee is reasonable, equitably allocated, and not unfairly discriminatory, even for a broker-dealer that deemed it necessary to join the Exchange for business purposes, as those business reasons should presumably result in revenue capable of covering the proposed fee.

The Exchange further believes that the proposed fees would be an equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities, and are not unfairly discriminatory. As the Commission noted in its Concept Release Concerning Self-Regulation:

The Commission to date has not issued detailed rules specifying proper funding levels of [self-regulatory organization (“SRO”)] regulatory programs, or how costs should be allocated among the various SRO constituencies. Rather, the Commission has examined the SROs to determine whether they are complying with their statutory responsibilities. This approach was developed in response to the diverse characteristics and roles of the various SROs and the markets they operate. The mechanics of SRO funding, including the amount of revenue that is spent on regulation and how that amount is allocated among various regulatory operations, is related to the type of market that an SRO is operating. Thus, each SRO and its financial structure is, to a certain extent, unique. While this uniqueness can result in different levels of SRO funding across markets, it also is a reflection of one of the primary underpinnings of the National Market System. Specifically, by fostering an environment in which diverse markets with diverse business models compete within a unified National Market System, investors and market participants benefit.¹⁶

Additional Changes

Lastly, the Exchange believes the additional changes are reasonable, equitable and not unfairly discriminatory. In particular, the Exchange believes that the proposed changes will provide greater clarity to market participants when looking at either the Fee Schedule or Chapter 15 of the TXSE Rulebook. This proposed change does not propose any substantive changes fees charged by the Exchange. Therefore, the Exchange does not believe that the proposed change raises any new or novel issues not already considered by the Commission. In conclusion, the Exchange submits that its proposed fee structure satisfies the requirements of Sections 6(b)(4) and 6(b)(5) of the Act for the reasons discussed above in that it provides for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities, does not permit unfair discrimination between customers, issuers, brokers, or dealers, and 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, particularly as the proposal

¹⁶ Securities Exchange Act Release No. 34-50700 (November 22, 2004), 69 FR 71255, 71267-68 (December 8, 2004) (File No. S7-40-04).

neither targets nor will it have a disparate impact on any particular category of market participant. As described more fully below in the Exchange's statement regarding the burden on competition, the Exchange believes that it is subject to significant competitive forces, and that its proposed fee and rebate structure is an appropriate effort to address such forces. Finally, effective regulation is central to the proper functioning of the securities markets. Recognizing the importance of such efforts, Congress decided to require national securities exchanges to register with the Commission as self-regulatory organizations to carry out the purposes of the Act. The Exchange therefore believes that it is critical to ensure that regulation is appropriately funded. The Monthly Membership Fee is expected to provide a source of funding towards the Exchange's costs related to onboarding Members and providing ongoing support.

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

Section 6(b)(8) of the Act¹⁷ requires that the Exchange's rules not impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Exchange Act. The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Rather, as discussed above, the Exchange believes that the proposed change would encourage the submission of additional order flow to a public exchange, thereby promoting market depth, execution incentives, and enhanced execution opportunities, as well as price discovery and transparency for all Members. As a result, the Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering competition among

¹⁷ 15 U.S.C. 78f(b)(8).

orders, which promotes “more efficient pricing of individual stocks for all types of orders, large and small.”¹⁸

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the Exchange believes that the proposed pricing structure will increase competition and is intended to draw volume to the Exchange as it commences operations. The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or reduce use of certain categories of products in response to new or different pricing structures being introduced into the market. Accordingly, competitive forces constrain the Exchange’s transaction fees and rebates, and market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable. Although this pricing is intended to attract liquidity to the Exchange, most other exchanges in operation today already offer multiple incentives to their participants, including tiered pricing that provides higher rebates or discounted executions, and other exchanges will be able to modify such incentives in order to compete with the Exchange. Accordingly, with respect to a participant deciding to either submit an order to add liquidity or seeking to remove liquidity, there are multiple exchanges that will continue to be competitively priced for such orders when compared to the Exchange’s pricing. Further, while pricing incentives can cause shifts of liquidity between trading centers, market participants make determinations on where to provide liquidity or route orders to take liquidity based on factors other than pricing, including execution quality, technology, functionality, and other considerations. Consequently, the Exchange believes that the degree to which its fees and rebates

¹⁸ Regulation NMS Adopting Release at 37499.

could impose any burden on competition is extremely limited and does not believe that such fees would burden competition of Members or competing venues in a manner that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange 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 because the proposed fees and rebates apply equally to all Members. The proposed pricing structure is intended to encourage market participants to add displayed and non-displayed liquidity to the Exchange by providing rebates that are comparable to those offered by other exchanges as well as to provide a competitive rate charged for removing liquidity, which the Exchange believes will help to encourage Members to send orders to the Exchange to the benefit of all Exchange participants. As the proposed rates are equally applicable to all market participants, the Exchange does not believe there is any burden on intramarket competition.

Lastly, the Exchange believes that the proposed membership fees would not impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed membership fees will be lower than the cost of membership on other exchanges,¹⁹ and therefore, may stimulate intramarket competition by attracting additional market participants to become Members on the Exchange, or at least should not deter interested participants from joining the Exchange. In addition, membership fees are subject to competition from other exchanges. Accordingly, if the changes proposed herein are unattractive to market participants, it is likely the Exchange will see a decline in membership as a result. The proposed fee change will not impact intermarket competition because it will apply to all Members equally. The Exchange operates in a highly competitive market in which market

¹⁹ See supra notes 14 and 15.

participants can determine whether or not to join the Exchange based on the value received compared to the cost of joining and maintaining membership on the Exchange.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Exchange Act²⁰ and Rule 19b-4(f)(2) thereunder,²¹ because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further 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:

²⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

²¹ 17 CFR 240.19b-4(f)(2).

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-TXSE-2026-011 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-TXSE-2026-011. 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-TXSE-2026-011 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.²²

Sherry R. Haywood,

Assistant Secretary.

²² 17 CFR 200.30-3(a)(12).