SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106261; File No. SR-TXSE-2026-024]

Self-Regulatory Organizations; Texas Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to permit a New Issue ETPs to Commence Trading at the Beginning of the Pre-Market Session

September 2, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on August 31, 2026, Texas Stock Exchange LLC (the "Exchange" or "TXSE") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I and II 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 amend Rule 11.022 to permit a New Issue ETP, as defined below, to commence trading at the beginning of the Pre-Market Session[3] unless its issuer elects to have the security participate in an IPO Auction. 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.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 See Rule 1.005(v).

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 amend Rule 11.022(d)(2)(E) to provide that a New Issue ETP will commence trading at the beginning of the Pre-Market Session unless its issuer elects to have the security participate in an IPO Auction. The Exchange also proposes: (i) to add a definition of "New Issue ETP" in Rule 11.022(a); and (ii) to make non-substantive conforming changes to Rule 11.022(d)(2)(E) by creating subsections (i) and (ii) to delineate the IPO Auction and Halt Auction price determinations. The proposal is modeled on Cboe BZX Exchange, Inc. ("BZX") functionality that permits a New Issue ETP to commence trading in the early trading session[4] and adopts the same policy default as The Nasdaq Stock Market LLC ("Nasdaq") for new ETPs: commencement of trading at the beginning of the pre-market session unless the issuer elects a delayed IPO-style process.[5]

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4 See Securities Exchange Act Release No. 104037 (September 24, 2025) 90 FR 46690 (September 29, 2025) (SR-CboeBZX-2025-130) (notice of filing and immediate effectiveness of proposed rule change to permit a New Issue ETP to elect to commence trading in the BZX Early Trading Session) (the "BZX Filing").

5 See Securities Exchange Act Release No. 103085 (May 20, 2025), 90 FR 22424 (May 27, 2025) (SR-Nasdaq-2025-011) (order approving optional Initial ETP Open process) (the "Nasdaq Approval Order").

Current functionality provides that a newly listed ETP will begin trading pursuant to an IPO Auction for ETPs under Rule 11.022(d). The Exchange is proposing to adopt new Rule 11.022(d)(2)(E)(i)(a) which provides that a New Issue ETP will commence trading at the beginning of the Pre-Market Session unless the issuer elects to have the security participate in an IPO Auction. For a New Issue ETP that commences trading in the Pre-Market Session, the TXSE Official Opening Price determined pursuant to Rule 11.022(b)(2)(B) will also constitute the TXSE Official IPO Opening Price.

The Exchange proposes to define the term "New Issue ETP" as "a security listed on the Exchange pursuant to Chapter 17 that is eligible to participate in an IPO Auction pursuant to Rule 11.022(d)."

Finally, the Exchange proposes to bifurcate Rule 11.022(d)(2)(E) into subsections (i) and (ii) to delineate more clearly the determination of the IPO Auction price and the Halt Auction price. Proposed Rule 11.022(d)(2)(E)(i) retains the existing IPO Auction price-determination standard, including the issuing-price tie breaker, and provides that the IPO Auction price will be the TXSE Official IPO Opening Price. Proposed Rule 11.022(d)(2)(E)(ii) retains the existing Halt Auction price-determination standard, including the Final Last Sale Eligible Trade tie breaker. These changes are non-substantive and reorganize existing rule text for clarity and readability.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[6] Specifically, the Exchange believes the proposed rule change is

6 15 U.S.C. 78f(b).

consistent with the objectives of Section 6(b)(5)[7] requirements that the rules of an exchange be 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 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 a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and national market system and will benefit investors by providing market participants with additional opportunities to source and access liquidity for their orders in new issue ETPs on the Exchange. The proposal responds to feedback from ETP issuers that earlier trading opportunities may be desirable for certain new issue ETPs. The Exchange believes that an issuer is best situated to decide whether its New Issue ETP should commence trading in the Pre-Market Session or through the IPO Auction. The proposal will not alter the operation of the Pre-Market Session; it will permit a New Issue ETP to begin trading at 8:00 a.m. ET in the same manner as other TXSE-Listed Securities eligible to trade during that session. The proposal also preserves the IPO Auction as an issuer-elected alternative for an issuer that prefers that process.

The Exchange believes that proposed rule change raises no novel issues because the proposed treatment is consistent with the Commission-approved functionality of Nasdaq and

[7] 15 U.S.C. 78f(b)(5).

BZX that permits new issue ETPs to commence trading in an early or pre-market session or to use an issuer-selected delayed opening process.[8]

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 Exchange does not believe that the proposed rule change will impose any burden on intra-market competition that is not necessary or appropriate because all New Issue ETPs will be subject to the same default commencement of trading in the Pre-Market Session and the same issuer election to use the IPO Auction. The Exchange also does not believe that the proposed rule change will impose any burden on intermarket competition; rather, it may promote competition by allowing TXSE to offer functionality comparable to that available on Nasdaq and BZX.

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

The Exchange 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)(iii)[9] of the Act and Rule 19b-4(f)(6)[10] thereunder in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant

8 See Nasdaq Approval Order, supra note 5, at 22427-30 and BZX Filing, supra note 4, at 3-4, 7-9.

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

10 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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.

burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. However, Rule 19b-4(f)(6)(iii),[11] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay. The Exchange states that waiver of the operative delay will allow it to promptly offer the option for a New Issue ETP to commence trading at the beginning of the Pre-Market Session. The Exchange states that proposal will permit investors to trade certain new issue ETPs earlier in the day, while preserving the IPO Auction as an issuer-elected alternative for an issuer that prefers that process. The Exchange also states that it believes that the proposal raises no new or novel regulatory issues.[12] For the foregoing reasons, the Commission finds that waiver of the operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the operative delay and designates the proposal operative upon filing.[13]

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. If the Commission takes such action, the

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[11] 17 CFR 240.19b-4(f)(6)(iii).

[12] See BZX Filing, supra note 4, at 7-9.

[13] For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Commission will institute proceedings 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 proposal 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 e-mail to rule-comments@sec.gov. Please include File No. SR-TXSE-2026-024 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 No. SR-TXSE-2026-024. This file number 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 (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-2026-024 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.[14]

Sherry R. Haywood,

Assistant Secretary.

[14] 17 CFR 200.30-3(a)(12), (59).