

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 21		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2025 - * 27 Amendment No. (req. for Amendments *)	
Filing by NYSE Arca, Inc. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * <input checked="" type="checkbox"/>		Amendment * <input type="checkbox"/>		Withdrawal <input type="checkbox"/>	
Section 19(b)(2) * <input type="checkbox"/>		Section 19(b)(3)(A) * <input checked="" type="checkbox"/>		Section 19(b)(3)(B) * <input type="checkbox"/>	
Pilot <input type="checkbox"/>		Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	
		Rule			
		<input type="checkbox"/> 19b-4(f)(1)		<input type="checkbox"/> 19b-4(f)(4)	
		<input checked="" type="checkbox"/> 19b-4(f)(2)		<input type="checkbox"/> 19b-4(f)(5)	
		<input type="checkbox"/> 19b-4(f)(3)		<input type="checkbox"/> 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>		
Exhibit 2 Sent As Paper Document <input type="checkbox"/>			Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
<b>Description</b> Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>Proposal to amend the NYSE Arca Equities Fees and Charges</div>					
<b>Contact Information</b> Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action. First Name * Le-Anh Last Name * Bui Title * Senior Counsel, NYSE Group Inc. E-mail * Le-Anh.Bui@ice.com Telephone * (202) 661-8953 Fax (212) 656-8101					
<b>Signature</b> Pursuant to the requirements of the Securities Exchange of 1934, NYSE Arca, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date 03/31/2025 (Title *) By David De Gregorio Associate General Counsel (Name *) NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed. David De Gregorio Digitally signed by David De Gregorio Date: 2025.03.31 11:59:20 -04'00'					

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

**Form 19b-4 Information \***

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19b-4 - NYSE Arca Midpoint Ping Rou

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

Ex. 1 NYSE Arca Midpoint Ping Routi

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2- Notices, Written Comments, Transcripts, Other Communications**

Add Remove View

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

☐ Exhibit Sent As Paper Document

**Exhibit 3 - Form, Report, or Questionnaire**

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

☐ Exhibit Sent As Paper Document

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

Ex. 5 - NYSE Arca Midpoint Ping Rout

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

- (a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) proposes to amend the NYSE Arca Equities Fees and Charges (“Fee Schedule”) to adopt fees for orders routed pursuant to the Midpoint Ping routing strategy.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached as Exhibit 5.

- (b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Le-Anh Bui  
Senior Counsel  
NYSE Group, Inc.  
(202) 661-8953

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

- (a) Purpose

The Exchange proposes to amend the Fee Schedule to adopt fees for orders routed pursuant to the Midpoint Ping routing strategy, as defined in Rule 7.37-E(b)(9)(A). The Exchange proposes to implement the fee change effective March 31, 2025.

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

<sup>2</sup> 17 CFR 240.19b-4.

## Background

The Exchange operates in a highly competitive market. The Securities and Exchange Commission (“Commission”) has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, 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.”<sup>3</sup>

While Regulation NMS has enhanced competition, it has also fostered a “fragmented” market structure where trading in a single stock can occur across multiple trading centers. When multiple trading centers compete for order flow in the same stock, the Commission has recognized that “such competition can lead to the fragmentation of order flow in that stock.”<sup>4</sup> Indeed, cash equity trading is currently dispersed across 16 exchanges,<sup>5</sup> numerous alternative trading systems,<sup>6</sup> and broker-dealer internalizers and wholesalers, all competing for order flow. Based on publicly available information, no single exchange currently has more than 20% market share.<sup>7</sup> Therefore, no exchange possesses significant pricing power in the execution of cash equity order flow. More specifically, the Exchange currently has less than 12% market share of executed volume of equities trading in Tape A, B, and C securities combined.<sup>8</sup>

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can move order flow, or discontinue or reduce use of certain categories of products. While it is not possible to know a firm’s reason for shifting order flow, the Exchange believes that one such reason is because of fee changes at any of the registered exchanges or non-exchange venues to which a firm routes order flow. Accordingly, competitive forces constrain exchange transaction fees because market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable.

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<sup>3</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (File No. S7-10-04) (Final Rule) (“Regulation NMS”).

<sup>4</sup> See Securities Exchange Act Release No. 61358, 75 FR 3594, 3597 (January 21, 2010) (File No. S7-02-10) (Concept Release on Equity Market Structure).

<sup>5</sup> See Cboe U.S Equities Market Volume Summary, available at [https://markets.cboe.com/us/equities/market\\_share](https://markets.cboe.com/us/equities/market_share). See generally <https://www.sec.gov/fast-answers/divisionsmarketregmrexchangeshtml.html>.

<sup>6</sup> See FINRA ATS Transparency Data, available at <https://otctransparency.finra.org/otctransparency/AtsIssueData>. A list of alternative trading systems registered with the Commission is available at <https://www.sec.gov/foia/docs/atlist.htm>.

<sup>7</sup> See Cboe Global Markets U.S. Equities Market Volume Summary, available at [http://markets.cboe.com/us/equities/market\\_share/](http://markets.cboe.com/us/equities/market_share/).

<sup>8</sup> See *id.*

### Proposed Rule Change

The Exchange has amended its rules to provide for the optional Midpoint Ping routing strategy, which is available for MPL-IOC Orders.<sup>9</sup> An MPL-IOC Order designated with the Midpoint Ping routing strategy would first check the NYSE Arca Book for available shares. Any remaining quantity of the order would then route as an MPL-IOC Order to one or more other NYSE Group equity exchanges sequentially, in accordance with the Exchange's routing table (as described in Rule 7.37-E(b)(9) and published on the Exchange's website). At each routing destination, the order would check the book for available shares, and any further unexecuted quantity would then route to the next destination on the routing table, as applicable. Any shares that remain unexecuted after the order has been routed to each destination on the routing table (to the extent that there were shares remaining to be routed) will be cancelled.

In connection with the upcoming availability of the Midpoint Ping routing strategy on March 31, 2025,<sup>10</sup> the Exchange proposes to amend the Fee Schedule to adopt a routing fee that will apply to orders routed pursuant to the Midpoint Ping routing strategy. Under Section VI, Other Standard Rates - Routing (Per Share Price \$1.00 or Above), the Exchange proposes a new bullet providing as follows:<sup>11</sup>

- \$0.0030 per share for securities priced at or above \$1.00 or 0.30% of Dollar Value for securities priced below \$1.00, for orders routed pursuant to the Midpoint Ping routing strategy (as described in Rule 7.37-E(b)(9)(A)).

The Exchange believes that this routing functionality would offer ETP Holders the opportunity to access midpoint liquidity on other trading venues (and, specifically, on the Exchange's affiliated equity exchanges). This routing functionality is completely optional, and ETP Holders can readily select from among various providers of routing services, including other exchanges and non-exchange venues. ETP Holders that choose not to utilize this routing strategy would continue to be able to trade on the Exchange as they currently do.

#### (b) Statutory Basis

<sup>9</sup> See Rule 7.37-E(b)(9)(A); see also Securities Exchange Act Release No. 102566 (March 11, 2025), 90 FR 12423 (March 17, 2025) (SR-NYSEARCA-2025-22).

<sup>10</sup> See <https://www.nyse.com/trader-update/history#110000947845>.

<sup>11</sup> The Exchange also proposes certain non-substantive conforming changes. The Exchange proposes to delete the parenthetical from the title of Section VI providing that the fees set forth in this section apply only to securities with a per share price \$1.00 or above. The Exchange next proposes to add text in the first bullet under Section VI to specify that the fee for Directed Orders routed to OneChronos LLC applies to orders in securities priced at or above \$1.00. These proposed changes would facilitate the addition of the proposed fee for orders routed pursuant to the Midpoint Ping routing strategy to the Fee Schedule and ensure that the Fee Schedule continues to accurately reflect the fee applicable to Directed Orders routed to OneChronos LLC.

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) and (5) 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.

As discussed above, the Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, 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.”<sup>14</sup> While Regulation NMS has enhanced competition, it has also fostered a “fragmented” market structure where trading in a single stock can occur across multiple trading centers. When multiple trading centers compete for order flow in the same stock, the Commission has recognized that “such competition can lead to the fragmentation of order flow in that stock.”<sup>15</sup>

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 discontinue or reduce use of certain categories of products, in response to fee changes. Accordingly, changes to exchange transaction fees can have a direct effect on the ability of an exchange to compete for order flow.

The Midpoint Ping routing strategy is intended to provide ETP Holders with the option to, after interacting with interest on the NYSE Arca Book, route remaining quantities of MPL-IOC Orders to other NYSE Group equity exchanges. This routing functionality is provided by the Exchange on a voluntary basis, and no rule or regulation requires that the Exchange offer it. Nor does any rule or regulation require market participants to route orders in this manner. As noted above, the Exchange operates in a highly competitive market in which market participants can readily select between various providers of routing services with different product offerings and different pricing. The Exchange believes the proposed fees are reasonable, as they are within the range of other routing fees the Exchange currently charges.

The Exchange believes its proposal equitably allocates its fees among market participants. The Exchange believes that the proposal represents an equitable allocation of fees because it would apply uniformly to all ETP Holders, in that all ETP Holders will have the ability to utilize the Midpoint Ping routing strategy, and each such member

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

<sup>13</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>14</sup> See supra note 3.

<sup>15</sup> See supra note 4.

organization would be charged the proposed fee when utilizing the functionality. Without having a view of ETP Holders' activity on other exchanges and off-exchange venues, the Exchange has no way of knowing whether this proposed rule change would serve as a disincentive to utilize the order type. However, the Exchange believes that a number of ETP Holders would seek to utilize the functionality, which would facilitate access to midpoint liquidity on other trading venues.

The Exchange reiterates that the routing functionality offered by the Exchange is completely optional and that the Exchange operates in a highly competitive market in which market participants can readily select between various providers of routing services with different product offerings and different pricing. The Exchange believes that the proposed fee structure for orders routed pursuant to the Midpoint Ping routing strategy is a fair and equitable approach to pricing.

The Exchange believes that the proposal is not unfairly discriminatory. The Exchange believes it is not unfairly discriminatory as the proposal to charge a fee would be assessed on an equal basis to all ETP Holders that use the Midpoint Ping routing strategy. Moreover, this proposed rule change neither targets, nor will it have a disparate impact on, any particular category of market participant. The Exchange believes that this proposal does not permit unfair discrimination because the changes described in this proposal would be applied to all similarly situated ETP Holders. Accordingly, no member organization already operating on the Exchange would be disadvantaged by the proposed allocation of fees. The Exchange further believes that the proposed rule change would not permit unfair discrimination among ETP Holders because the Midpoint Ping routing strategy would remain available to all ETP Holders on an equal basis, and each such participant would be charged the same fee for using the functionality.

Finally, the submission of orders to the Exchange is optional for ETP Holders in that they could choose whether to submit orders to the Exchange and, if they do, the extent of its activity in this regard. 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 the foregoing reasons, the Exchange believes that the proposal is consistent with the Act.

#### 4. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act,<sup>16</sup> the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering integrated competition among orders, which promotes "more efficient pricing of

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<sup>16</sup>

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

individual stocks for all types of orders, large and small.”<sup>17</sup> The Exchange does not believe that the proposed fee change represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange’s competitors. ETP Holders may opt to disfavor the Exchange’s pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed change will impair the ability of ETP Holders or competing venues to maintain their competitive standing in the financial markets.

*Intramarket Competition.* The Exchange believes the proposed amendment to its Fee Schedule would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Midpoint Ping routing strategy is available to all ETP Holders, and all ETP Holders that use the functionality to route their orders would be charged the proposed fee. This routing functionality is provided by the Exchange on a voluntary basis, and no rule or regulation requires that the Exchange offer it. ETP Holders have the choice whether or not to use the Midpoint Ping routing strategy, and those that choose not to utilize it will not be impacted by the proposed rule change. The Exchange also does not believe the proposed rule change would impact intramarket competition, as the proposed fee would apply equally to all ETP Holders that choose to utilize the Midpoint Ping routing strategy, and therefore the proposed change would not impose a disparate burden on competition among market participants on the Exchange.

*Intermarket Competition.* The Exchange operates in a highly competitive market in which market participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. As noted above, the Exchange’s market share of intraday trading (i.e., excluding auctions) is currently less than 12%. In such an environment, the Exchange must continually adjust its fees and rebates to remain competitive with other exchanges and with off-exchange venues. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, the Exchange does not believe its proposed fee change can impose any burden on intermarket competition.

5. 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.

6. Extension of Time Period for Commission Action

Not applicable.

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<sup>17</sup>

See supra note 3.



7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>18</sup> and subparagraph (f)(2) of Rule 19b-4<sup>19</sup> because it establishes a due, fee, or other charge imposed by the Exchange. 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) of the Act to determine whether the proposed rule change should be approved or disapproved.<sup>20</sup>

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of the Proposed Rule Change for Publication in the Federal Register

Exhibit 5 – Text of the Proposed Rule Change

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<sup>18</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>19</sup> 17 CFR 240.19b-4(f)(2).

<sup>20</sup> 15 U.S.C. 78s(b)(2)(B).

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-NYSEARCA-2025-27)

[Date]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the NYSE Arca Equities Fees and Charges

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 March 31, 2025, NYSE Arca, Inc. (“NYSE Arca” 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 NYSE Arca Equities Fees and Charges (“Fee Schedule”) to adopt fees for orders routed pursuant to the Midpoint Ping routing strategy. 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.

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

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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.

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 adopt fees for orders routed pursuant to the Midpoint Ping routing strategy, as defined in Rule 7.37-E(b)(9)(A). The Exchange proposes to implement the fee change effective March 31, 2025.

Background

The Exchange operates in a highly competitive market. The Securities and Exchange Commission (“Commission”) has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, 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.”<sup>4</sup>

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<sup>4</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (File No. S7-10-04) (Final Rule) (“Regulation NMS”).

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Indeed, cash equity trading is currently dispersed across 16 exchanges,<sup>6</sup> numerous alternative trading systems,<sup>7</sup> and broker-dealer internalizers and wholesalers, all competing for order flow. Based on publicly available information, no single exchange currently has more than 20% market share.<sup>8</sup> Therefore, no exchange possesses significant pricing power in the execution of cash equity order flow. More specifically, the Exchange currently has less than 12% market share of executed volume of equities trading in Tape A, B, and C securities combined.<sup>9</sup>

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can move order flow, or discontinue or reduce use of certain categories of products. While it is not possible to know a firm's reason for shifting order flow, the Exchange believes that one such reason is because of fee changes at any of the registered exchanges or non-exchange venues to which a firm routes order flow. Accordingly, competitive forces constrain exchange transaction fees because market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable.

### Proposed Rule Change

The Exchange has amended its rules to provide for the optional Midpoint Ping routing strategy, which is available for MPL-IOC Orders.<sup>10</sup> An MPL-IOC Order designated with the

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<sup>6</sup> See Cboe U.S Equities Market Volume Summary, available at [https://markets.cboe.com/us/equities/market\\_share/](https://markets.cboe.com/us/equities/market_share/). See generally <https://www.sec.gov/fast-answers/divisionsmarketregmrexchangesshtml.html>.

<sup>7</sup> See FINRA ATS Transparency Data, available at <https://otctransparency.finra.org/otctransparency/AtsIssueData>. A list of alternative trading systems registered with the Commission is available at <https://www.sec.gov/foia/docs/atlist.htm>.

<sup>8</sup> See Cboe Global Markets U.S. Equities Market Volume Summary, available at [https://markets.cboe.com/us/equities/market\\_share/](https://markets.cboe.com/us/equities/market_share/).

<sup>9</sup> See *id.*

<sup>10</sup> See Rule 7.37-E(b)(9)(A); see also Securities Exchange Act Release No. 102566 (March 11, 2025), 90 FR 12423 (March 17, 2025) (SR-NYSEARCA-2025-22).

Midpoint Ping routing strategy would first check the NYSE Arca Book for available shares. Any remaining quantity of the order would then route as an MPL-IOC Order to one or more other NYSE Group equity exchanges sequentially, in accordance with the Exchange's routing table (as described in Rule 7.37-E(b)(9) and published on the Exchange's website). At each routing destination, the order would check the book for available shares, and any further unexecuted quantity would then route to the next destination on the routing table, as applicable. Any shares that remain unexecuted after the order has been routed to each destination on the routing table (to the extent that there were shares remaining to be routed) will be cancelled.

In connection with the upcoming availability of the Midpoint Ping routing strategy on March 31, 2025,<sup>11</sup> the Exchange proposes to amend the Fee Schedule to adopt a routing fee that will apply to orders routed pursuant to the Midpoint Ping routing strategy. Under Section VI, Other Standard Rates - Routing (Per Share Price \$1.00 or Above), the Exchange proposes a new bullet providing as follows:<sup>12</sup>

- \$0.0030 per share for securities priced at or above \$1.00 or 0.30% of Dollar Value for securities priced below \$1.00, for orders routed pursuant to the Midpoint Ping routing strategy (as described in Rule 7.37-E(b)(9)(A)).

The Exchange believes that this routing functionality would offer ETP Holders the opportunity to access midpoint liquidity on other trading venues (and, specifically, on the

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<sup>11</sup> See <https://www.nyse.com/trader-update/history#110000947845>.

<sup>12</sup> The Exchange also proposes certain non-substantive conforming changes. The Exchange proposes to delete the parenthetical from the title of Section VI providing that the fees set forth in this section apply only to securities with a per share price \$1.00 or above. The Exchange next proposes to add text in the first bullet under Section VI to specify that the fee for Directed Orders routed to OneChronos LLC applies to orders in securities priced at or above \$1.00. These proposed changes would facilitate the addition of the proposed fee for orders routed pursuant to the Midpoint Ping routing strategy to the Fee Schedule and ensure that the Fee Schedule continues to accurately reflect the fee applicable to Directed Orders routed to OneChronos LLC.

Exchange's affiliated equity exchanges). This routing functionality is completely optional, and ETP Holders can readily select from among various providers of routing services, including other exchanges and non-exchange venues. ETP Holders that choose not to utilize this routing strategy would continue to be able to trade on the Exchange as they currently do.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>13</sup> in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,<sup>14</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.

As discussed above, the Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, 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.”<sup>15</sup> While Regulation NMS has enhanced competition, it has also fostered a “fragmented” market structure where trading in a single stock can occur across multiple trading centers. When multiple trading centers compete for order flow in the same stock, the Commission has recognized that “such competition can lead to the fragmentation of

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

<sup>14</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>15</sup> See supra note 4.

order flow in that stock.”<sup>16</sup>

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 discontinue or reduce use of certain categories of products, in response to fee changes. Accordingly, changes to exchange transaction fees can have a direct effect on the ability of an exchange to compete for order flow.

The Midpoint Ping routing strategy is intended to provide ETP Holders with the option to, after interacting with interest on the NYSE Arca Book, route remaining quantities of MPL-IOC Orders to other NYSE Group equity exchanges. This routing functionality is provided by the Exchange on a voluntary basis, and no rule or regulation requires that the Exchange offer it. Nor does any rule or regulation require market participants to route orders in this manner. As noted above, the Exchange operates in a highly competitive market in which market participants can readily select between various providers of routing services with different product offerings and different pricing. The Exchange believes the proposed fees are reasonable, as they are within the range of other routing fees the Exchange currently charges.

The Exchange believes its proposal equitably allocates its fees among market participants. The Exchange believes that the proposal represents an equitable allocation of fees because it would apply uniformly to all ETP Holders, in that all ETP Holders will have the ability to utilize the Midpoint Ping routing strategy, and each such member organization would be charged the proposed fee when utilizing the functionality. Without having a view of ETP Holders’ activity on other exchanges and off-exchange venues, the Exchange has no way of knowing whether this proposed rule change would serve as a disincentive to utilize the order

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<sup>16</sup> See supra note 5.

type. However, the Exchange believes that a number of ETP Holders would seek to utilize the functionality, which would facilitate access to midpoint liquidity on other trading venues.

The Exchange reiterates that the routing functionality offered by the Exchange is completely optional and that the Exchange operates in a highly competitive market in which market participants can readily select between various providers of routing services with different product offerings and different pricing. The Exchange believes that the proposed fee structure for orders routed pursuant to the Midpoint Ping routing strategy is a fair and equitable approach to pricing.

The Exchange believes that the proposal is not unfairly discriminatory. The Exchange believes it is not unfairly discriminatory as the proposal to charge a fee would be assessed on an equal basis to all ETP Holders that use the Midpoint Ping routing strategy. Moreover, this proposed rule change neither targets, nor will it have a disparate impact on, any particular category of market participant. The Exchange believes that this proposal does not permit unfair discrimination because the changes described in this proposal would be applied to all similarly situated ETP Holders. Accordingly, no member organization already operating on the Exchange would be disadvantaged by the proposed allocation of fees. The Exchange further believes that the proposed rule change would not permit unfair discrimination among ETP Holders because the Midpoint Ping routing strategy would remain available to all ETP Holders on an equal basis, and each such participant would be charged the same fee for using the functionality.

Finally, the submission of orders to the Exchange is optional for ETP Holders in that they could choose whether to submit orders to the Exchange and, if they do, the extent of its activity in this regard. 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 the foregoing 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>17</sup> the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering integrated competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."<sup>18</sup> The Exchange does not believe that the proposed fee change represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. ETP Holders may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed change will impair the ability of ETP Holders or competing venues to maintain their competitive standing in the financial markets.

*Intramarket Competition.* The Exchange believes the proposed amendment to its Fee Schedule would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Midpoint Ping routing strategy is available to all ETP Holders, and all ETP Holders that use the functionality to route their orders would be charged the proposed fee. This routing functionality is provided by the Exchange on a voluntary basis, and no rule or regulation requires that the Exchange offer it. ETP Holders have the choice whether or not to use the Midpoint Ping routing strategy, and those that choose not to utilize it

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<sup>17</sup> 15 U.S.C. 78f(b)(8).

<sup>18</sup> See supra note 4.

will not be impacted by the proposed rule change. The Exchange also does not believe the proposed rule change would impact intramarket competition, as the proposed fee would apply equally to all ETP Holders that choose to utilize the Midpoint Ping routing strategy, and therefore the proposed change would not impose a disparate burden on competition among market participants on the Exchange.

*Intermarket Competition.* The Exchange operates in a highly competitive market in which market participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. As noted above, the Exchange's market share of intraday trading (i.e., excluding auctions) is currently less than 12%. In such an environment, the Exchange must continually adjust its fees and rebates to remain competitive with other exchanges and with off-exchange venues. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, the Exchange does not believe its proposed fee change can impose any burden on intermarket competition.

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>19</sup> and Rule 19b-4(f)(2) thereunder<sup>20</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

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<sup>19</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>20</sup> 17 CFR 240.19b-4.

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-NYSEARCA-2025-27 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-NYSEARCA-2025-27. 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-NYSEARCA-2025-27 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>21</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

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<sup>21</sup> 17 CFR 200.30-3(a)(12).

Additions underscored  
Deletions [bracketed]

**NYSE Arca Equities**

**FEES AND CHARGES**

**Effective Date: March [3] 31, 2025**

**NYSE ARCA MARKETPLACE: TRADE RELATED FEES AND CREDITS<sup>1</sup>**  
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**EXCHANGE TRANSACTIONS**

**ETP HOLDERS AND MARKET MAKERS<sup>2</sup>**

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**VI. Other Standard Rates - Routing [(Per Share Price \$1.00 or Above)]**

- \$0.0015 per share for securities priced at or above \$1.00, for Directed Orders routed to OneChronos LLC.
- \$0.0030 per share for securities priced at or above \$1.00 or 0.30% of Dollar Value for securities priced below \$1.00, for orders routed pursuant to the Midpoint Ping routing strategy (as described in Rule 7.37-E(b)(9)(A)).

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