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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
Form 19b-4

File No. \* SR 2026 - \* 17

Amendment No. (req. for Amendments \*)

Filing by New York Stock Exchange LLC

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"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010  
Section 806(e)(1) \*

Section 806(e)(2) \*

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934  
Section 3C(b)(2) \*

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

Proposal to adopt Rule 7.50 and amendments to Rules 1.1, 7.36, 7.37 and 7.41

**Contact Information**

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 \* Pamela Last Name \* Sawhney

Title \* Director, Associate General Counsel

E-mail \* Pamela.Sawhney@nyse.com

Telephone \* (212) 656-2690 Fax (212) 656-8101

**Signature**

Pursuant to the requirements of the Securities Exchange of 1934, New York Stock Exchange LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 04/09/2026

(Title \*)

By Patrick Troy (Name \*)

Senior Director, Associate General Counsel

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.

Patrick Troy Digitally signed by Patrick Troy Date: 2026.04.09 16:31:33 -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 EFFS website.

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

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NYSE - 19b-4 - April 9 (FINAL for filing)

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 \***

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Ex. 1 NYSE Tokenized Securities FIN

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**

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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**

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NYSE Ex. 5 Tokenized Securities - Ap

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> New York Stock Exchange LLC (“NYSE” or the “Exchange”) proposes to adopt Rule 7.50 and amendments to Rules 1.1, 7.36, 7.37 and 7.41 to enable the trading of securities on the Exchange in tokenized form during the pendency of a pilot program to be operated by the Depository Trust Company (“DTC”) pursuant to the terms of a December 11, 2025 Securities and Exchange Commission (“Commission”) Staff no-action letter.

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 significant indirect effect, on the application of 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:

Pamela Sawhney  
Director, Associate General Counsel  
NYSE Group, Inc.  
(212) 656-2690

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

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

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

#### (a) Purpose

The Exchange proposes to adopt Rule 7.50 (Tokenized Securities) and amend Rule 1.1 (Definitions), Rule 7.36 (Order Ranking and Display), Rule 7.37 (Order Execution and Routing), and Rule 7.41 (Clearance and Settlement) to enable the trading of securities on the Exchange in tokenized form during the pendency of a pilot program to be operated by DTC pursuant to the terms of a December 11, 2025 Commission Staff no-action letter<sup>3</sup> (“DTC Pilot Program”). As described below, the proposed rule change is based on the rules of The Nasdaq Stock Market LLC (“Nasdaq”).

#### Background and Proposed Rule Change

The proposed rule change would establish that Exchange member organizations that are eligible to participate in the DTC Pilot Program (“DTC Eligible Participants”)<sup>4</sup> may trade tokenized versions of those equity securities and exchange traded products on the Exchange that are eligible for tokenization as part of the DTC Pilot Program (“DTC Eligible Securities”), pursuant to the terms of the No-Action Letter. Pursuant to the proposed changes, DTC Eligible Securities would be able to trade on the Exchange within the current national market system, using DTC to clear and settle trades in token form, per order handling instructions that DTC Eligible Participants may select upon entering their orders for DTC Eligible Securities on the Exchange.<sup>5</sup>

The Exchange’s rules do not currently permit the trading of tokenized securities on the Exchange and, unless the Exchange adopts the proposed rules, the Exchange would lack a clear framework for DTC Eligible Participants to designate, at order entry, that a DTC Eligible Security be cleared and settled in tokenized form pursuant to the DTC Pilot Program.<sup>6</sup>

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<sup>3</sup> See No-Action Letter Request Related to The Depository Trust Company’s Development of the DTCC Tokenization Services, dated December 11, 2025, available at <https://www.sec.gov/files/tm/no-action/dtc-nal121125.pdf> (the “No-Action Letter”).

<sup>4</sup> “DTC Eligible Participant” would be defined in proposed rule 7.37(c)(10) as “a member organization that is eligible to participate in the Depository Trust Company’s (‘DTC’) three-year tokenization pilot program, pursuant to its terms and those of the Securities and Exchange Commission Staff no-action letter, dated December 11, 2025 (the ‘No-Action Letter’).”

<sup>5</sup> The Exchange is assessing various methods of tokenization and trading of tokenized securities. If the Exchange plans to adopt any particular alternative to the DTC approach, then it will file rule proposals with the Commission before doing so.

<sup>6</sup> Nasdaq recently amended its rules to enable the trading of securities in tokenized form during the

The Exchange accordingly proposes to amend its rules to enable the trading of DTC Eligible Securities in tokenized form on the Exchange during the pendency of the DTC Pilot Program, subject to the same conditions and restrictions as the Nasdaq rule change approved by the Commission. The Exchange believes that the existing regulatory structure mandated by Congress applies to tokenized securities, regardless of whether such securities have certain unique properties like the ability to be settled on a blockchain, much like it did when the Commission allowed securities to be decimalized and electronified and when exchange traded funds and other novel securities were initially approved. The Exchange believes that no significant exemptions or parallel market structure constructs are needed for tokenized securities to trade alongside other securities, and that the markets can accommodate tokenization while continuing to provide the benefits and protections of the national market system.<sup>7</sup>

To tackle the challenge of trading tokenized equities, the Exchange offers a simple proposal that accommodates an approach to tokenization that DTC is pursuing in the DTC Pilot Program. The Exchange believes that this approach will leverage existing structures, players, and rules in a way that is beneficial to investors and in the markets' best interests.

The proposed rules provide that the term “tokenized” refers to digital representations of paper securities that utilize digital ledger or blockchain technology, as opposed to “traditional” securities, which are also digital representations of paper securities, but do not utilize blockchain technology. As long as DTC Eligible Securities are fungible with, have the same CUSIP number and trading symbol as, and afford their holders the same rights and privileges as traditional securities of an equivalent class, the Exchange will trade DTC Eligible Securities in tokenized form together with traditional securities on the same order book and according to the same execution priority rules. A tokenized DTC Eligible Security would be deemed to provide the same rights and privileges as a traditional security if, among other things, it conveys an equity interest in an underlying company, a right to receive any dividends that the company issues to

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pendency of the DTC Pilot Program. See Securities Exchange Act Release No. 105047 (March 18, 2026), 91 FR 13900 (March 23, 2026) (SR-NASDAQ-2025-072) (Order Approving Proposed Rule Change, as Modified by Amendment No. 2, to Amend the Exchange's Rules to Enable the Trading of Securities on the Exchange in Tokenized Form) (“Nasdaq Approval Order”). See also Securities Exchange Act Release No. 104693 (Jan. 27, 2026), 91 FR 4138 (Jan. 30, 2026) (SR-NASDAQ-2025-072) (Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 2, To Amend the Exchange's Rules To Enable the Trading of Securities on the Exchange in Tokenized Form) (“Nasdaq Amendment No. 2”).

<sup>7</sup> Section 11A of the Act states that “[t]he linking of all markets for qualified securities ... will foster efficiency, enhance competition, increase the information available to brokers, dealers, and investors, facilitate the offsetting of investors’ orders, and contribute to best execution of such orders” such that Congress directed the Commission to “use its authority under this chapter to facilitate the establishment of a national market system for securities.” 15 U.S.C. 78k-1(a). Permitting the trading of tokenized securities on the Exchange will further these policy objectives.

its shareholders, a right to exercise any voting rights that shareholders are due, and a right to receive a share of the residual assets of the company upon liquidation. The Exchange will not treat tokenized instruments as equivalent to their traditional counterparts if they do not convey such rights or share the same CUSIP and trading symbol; instead, the Exchange will treat these instruments as distinct (e.g., derivative securities or American Depositary Receipts).<sup>8</sup>

As noted above, the Exchange proposes to trade DTC Eligible Securities within the confines of existing securities laws and rules. All existing Exchange rules that currently apply to non-tokenized securities will continue to apply, without modification, except as set forth below.

To effectuate these changes, the Exchange proposes to adopt Rule 7.50 and amendments to Rules 1.1, 7.36, 7.37 and 7.41, as follows.

#### Rule 1.1

The Exchange proposes to amend the definition of “Security” in Rule 1.1(w) to add a clause similar to that in Equity 1, Nasdaq Section 1 providing that the definition of security encompasses securities that are either listed on the Exchange or traded on the Exchange pursuant to unlisted trading privileges. As amended, Rule 1.1(w) would provide as follows (proposed additions underlined):

The terms ‘security’ and ‘securities’ mean any security as defined in Section 3(a)(10) under the Securities Exchange Act of 1934, as amended, that is either listed on the Exchange or traded on the Exchange pursuant to unlisted trading privileges; provided, however, that for purposes of Rule 7E, such terms mean any NMS stock.

#### Rule 7.50

The Exchange proposes a new Rule 7.50 under Section 6 of Rule 7P titled “Tokenized Securities.”<sup>9</sup> As proposed, Rule 7.50 would provide that a security may be traded on the Exchange in either traditional form (a digital representation of ownership and rights, but without utilizing a distributed ledger technology (defined as “blockchain” technology) or, for the duration and under the terms of the DTC Pilot Program, in tokenized form (a digital representation of ownership and rights which utilizes blockchain technology). Proposed Rule 7.50 would further provide that DTC Eligible Participants may trade DTC Eligible Securities

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<sup>8</sup> This rule proposal does not address whether and how the Exchange may choose to trade these non-fungible tokenized instruments in the future pursuant to a proposed Rule change.

<sup>9</sup> Section 6, currently titled “Reserved,” would have its title changed to “Tokenized Securities.”

in tokenized form on the Exchange during the duration of, and pursuant to the terms of, the DTC Pilot Program.

In addition, proposed Rule 7.50 would provide that the Exchange would publish Trader Updates periodically to identify a current list of those DTC Eligible Securities that may trade in tokenized form on the Exchange.

Under proposed Rule 7.50, a share of a tokenized DTC Eligible Security will be tradable on the Exchange together with, and with the same execution priority as, its traditional counterpart, but only if the tokenized security is fungible with, shares the same CUSIP number and trading symbol, and affords its shareholders the same rights and privileges as does a share of an equivalent class of the traditional security. The proposed language is substantially the same as language that Nasdaq added to Equity 1, Nasdaq Section 1 (except for references to the Exchange's membership, cross-references to Exchange rules and grammatical differences).

#### Rule 7.36

The Exchange proposes to amend Rule 7.36, which governs order ranking and display, to add a new Commentary .01 providing that the mere fact that an order contains tokenized securities or indicates a preference of a DTC Eligible Participant to clear and settle DTC Eligible Securities in tokenized form will not affect the priority in which the Exchange executes that order. The language of proposed Rule 7.36.01 is substantially the same as Equity 4, Nasdaq Rule 4757 (except for cross-references to Exchange rules and grammatical differences).

#### Rule 7.37

The Exchange proposes to amend Rule 7.37, which governs routing, to add a new subsection (c)(10) that would provide that when the Exchange routes orders in DTC Eligible Securities that DTC Eligible Participants have designated for clearing and settlement in tokenized form in accordance with proposed Rule 7.41, Commentary 01, the Exchange will communicate this tokenization instruction to DTC upon receiving an execution for an order that was routed to another trading venue. The proposed language in Rule 7.37(c)(10) is substantially the same as Equity 4, Nasdaq Rule 4758 (except for cross-references to Exchange rules, grammatical differences, the addition of defined terms, and the addition of the definition of "DTC Eligible Participant," which the Exchange proposes to define in Rule 7.37(c)(10) and Nasdaq has defined in Equity 4, Nasdaq Rule 4756).

#### Rule 7.41

The Exchange proposes to add a new Commentary .01 to Rule 7.41, which governs clearance and settlement, describing how a DTC Eligible Participant can

communicate its desire to clear and settle a DTC Eligible Security in tokenized form.

Proposed Commentary .01 to Rule 7.41 would provide that a DTC Eligible Participant (as defined in Rule 7.37(c)(10)) that wishes for its order in a DTC Eligible Security to clear and settle in tokenized form as part of the DTC Pilot Program must notate its preference upon entry of the order in the Exchange systems by selecting a tokenization flag that the Exchange designates for this purpose, in accordance with the Exchange's procedures. When a DTC Eligible Participant enters an order for a DTC Eligible Security with the tokenization flag selected, the Exchange will communicate the DTC Eligible Participant's tokenization preference to DTC on a post-trade basis. The flag will indicate the DTC Eligible Participant's preference as to what form the security will take (i.e., token or traditional) and may also include other information or instructions that DTC may require the DTC Eligible Participant to enter, in accordance with DTC's rules, policies, and procedures, and the terms of the No-Action Letter, to effectuate the flag, such as the DTC Eligible Participant's selection of a blockchain and a digital wallet address for a tokenized DTC Eligible Security (the Exchange will issue a Trader Update prior to requiring a DTC Eligible Participant to enter any such information or instructions to the flag, other than its tokenization preference). DTC will then carry out the DTC Eligible Participant's tokenization preference, as set forth in the flag, as well as any instructions attendant thereto to the extent that the flag or instruction is executable in accordance with DTC's rules, policies, and procedures, and the terms of the No-Action Letter. Proposed Rule 7.41.01 is substantially the same as Equity 4, Nasdaq Rule 4756 (except for references to the Exchange's membership, cross-references to Exchange rules, grammatical differences, and the movement of the definition of DTC Eligible Participant to proposed Rule 7.37(c)(10)).

Proposed Commentary .01 to Rule 7.41 further provides that Exchange systems will not determine whether a member organization is a DTC Eligible Participant or whether a security is a DTC Eligible Security at the time of order entry and selection of the tokenization flag. The Exchange also will not determine whether DTC is able to execute a tokenization order for other reasons, including because the DTC Eligible Participant wishes to mint the token to a blockchain that is not compatible with the DTC Pilot Program or to a digital wallet that is not registered with DTC.<sup>10</sup> Thus, if at the time of order entry, a member organization is not a

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<sup>10</sup> According to the No-Action Letter, any DTC participant would be permitted — at the DTC participant's election — to participate in the DTC pilot tokenization services, with certain exceptions for participants for which DTC has U.S. tax withholding or reporting obligations, or a Treasury International Capital reporting obligation. See No-Action Letter, supra note 3.

Additionally, the No-Action Letter states that DTC will not execute a tokenization instruction if a DTC Eligible Participant cannot pass DTC's risk management and compliance controls. See id. If a transaction would result in a participant breaching its Net Debit Cap (as defined in the No-

DTC Eligible Participant, the security selected for tokenization is not a DTC Eligible Security, or there are other reasons why DTC cannot execute a tokenization preference or instruction, the order will be settled in traditional (non-tokenized) form, in accordance with DTC's rules, policies, and procedures. It is the sole responsibility of member organizations to determine for themselves whether they are DTC Eligible Participants, whether the securities subject to an order are DTC Eligible Securities, whether the blockchains and wallets to which they wish to mint tokens are compatible with the DTC Pilot Program, and whether the tokenization instruction is otherwise consistent with the terms of that program and the No-Action Letter.<sup>11</sup>

### General Considerations

Other than as described above, from an Exchange system and matching engine perspective, the Exchange's trading procedures and behavior will be the same regardless of whether a DTC Eligible Participant opts to trade tokenized or traditional shares of a DTC Eligible Security.<sup>12</sup> Among other things, the following aspects of the Exchange's current trading system and procedures will not change when trading tokenized securities:

- All Exchange order types and modifiers will be available for use with tokenized securities;
- All Exchange routing strategies will be available for orders in tokenized securities;
- Orders in tokenized securities may participate in all of the Exchange's trading sessions, including Core Open Auctions and Closing Auctions (as defined in Rule 7.35), subject to generally applicable eligibility criteria;
- Member organizations may utilize their existing connectivity to enter orders in tokenized securities;
- The Exchange's fee schedule will not vary based upon whether shares that member organizations execute are tokenized or traditional in nature;
- Market data feeds will not differentiate between tokenized and traditional securities;
- The Exchange will comply with any Commission requirements to report tokenization data to the Consolidated Audit Trail;
- Market surveillance of tokenized and traditional securities will rely upon the same underlying data, which will continue to be accessible by the Exchange and the Financial Industry Regulatory Authority ("FINRA");

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Action Letter), then the control would not allow that transaction to process until it could do so without breaching the cap. See id.

<sup>11</sup> If the Exchange develops the functionality that would allow it to check for eligibility at order entry, it will submit a rule proposal to effectuate that functionality at the appropriate time.

<sup>12</sup> The Exchange's pricing structure and rates will not vary depending upon whether a transaction involves a share of a tokenized security. See also supra note 6.

- Trades in tokenized securities handled by DTC will continue to settle on a T+1 basis;
- The Exchange’s clearly erroneous and risk management measures will cover tokenized securities; and
- Trading of tokenized securities under this proposal is not expected to alter the existing proxy distribution process.<sup>13</sup>

This proposal to offer trading in tokenized securities will become effective once the requisite infrastructure and post-trade settlement services have been established by DTC. The Exchange understands that DTC is working to develop the necessary infrastructure, services, and procedures to facilitate such tokenization and the related post-trade settlement infrastructure and services.<sup>14</sup> On December 11, 2025, the No-Action Letter was issued, which enables DTC to begin providing services that support the Exchange’s proposal as soon as this development is complete.

Securities that are DTC Eligible Securities – meaning that they are eligible for tokenization and de-tokenization as part of the DTC tokenization pilot program – will be limited to the following, for purposes of this proposal: (i) securities in the Russell 1000 Index at the time the service launches as well as any additions to the index thereafter and notwithstanding the subsequent removal of any securities from the index; and (ii) exchange traded funds that track major indices. These categories of DTC Eligible Securities will be the only tokenized equities that are available to trade on the Exchange under this proposal.

The Exchange will alert its member organizations in a Trader Update at least 30 calendar days before the Exchange begins trading DTC Eligible Securities in tokenized form on its market.

DTC states that it will provide tokenization services on a pilot basis, as described above, for a period of three years after launch, after which time DTC will sunset the service.<sup>15</sup> Thus, the Exchange will revisit this rule proposal when it knows what, if anything, will replace the service after it sunsets.

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<sup>13</sup> According to DTC, a DTC Eligible Participant may need to issue a de-tokenization instruction or DTC may need to force conversion of the Tokenized Entitlement into a Book-Entry Entitlement in order to receive a distribution or replacement security or to issue instructions in relation to the corporate action. In such situations, DTC would, to the extent feasible, provide the relevant participants with advance notice of the need to provide such instruction or DTC’s need to take such action. See n. 3, supra. “Tokenized Entitlement” and “Book-Entry Entitlement” are used as defined in the No-Action Letter. See id. at 2-3.

<sup>14</sup> See id.

<sup>15</sup> See DTCC, No-Action Letter and DTC Tokenization Service FAQ, at 1, available at <https://www.dtcc.com/-/media/Files/Downloads/digital-assets/dtc-tokenization-service-faq.pdf>.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>16</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>17</sup> in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest by strengthening the Exchange's ability to oversee and police its marketplace.

The Exchange believes that the proposed rule change is consistent with the Act because it would enable the trading of tokenized securities within the existing framework of the national market system, without requiring wholesale exemptions from investor protections. The proposed amendments are narrowly tailored to accommodate the DTC Pilot Program while preserving the integrity, efficiency, and investor protections of the Exchange's existing trading rules. The Exchange believes that all existing Commission and Exchange rules that currently apply to non-tokenized securities will continue to apply, without modification, to the trading of tokenized securities, except as expressly provided herein. The Exchange also believes that the proposed rule change is not designed to permit unfair discrimination between customers, brokers and dealers, consistent with Section 6(b)(5) of the Act.<sup>18</sup> The proposal is not designed to permit unfair discrimination between brokers and dealers because the proposed changes will apply equally to all similarly situated member organizations seeking to trade tokenized securities on the Exchange.

The Exchange further believes the proposed rule change furthers the objectives of Section 6(b)(5) of the Act in that it is designed to prevent fraudulent and manipulative acts and practices. The proposed rule change ensures that tokenized securities may only be traded on the Exchange if they are fungible with, share the same CUSIP number and trading symbol as, and afford their holders the same rights and privileges as, traditional securities of an equivalent class. By tethering tokenized securities to their traditional counterparts in this manner, the proposal eliminates the potential for price dislocation, manipulation, and investor confusion that could arise from the trading of tokenized instruments outside the national market system. In addition, all Exchange rules, including rules governing clearly erroneous transactions, short sales, risk management, and market surveillance will apply equally to tokenized and traditional securities. Market surveillance of tokenized and traditional securities will rely upon the same

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<sup>16</sup> 15 U.S.C. 78f(b).

<sup>17</sup> 15 U.S.C. 78f(b)(5).

<sup>18</sup> 15 U.S.C. 78f(b)(5).

underlying data, which will continue to be accessible by the Exchange and FINRA. Trades in tokenized securities handled by DTC will continue to settle on a T+1 basis. The Exchange's clearly erroneous and risk management measures will cover tokenized securities.

The Exchange also believes the proposed rule change furthers the objectives of Section 6(b)(5) of the Act in that it is designed to promote just and equitable principles of trade and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Commission has previously approved rules of another national securities exchange — Nasdaq — enabling the trading of tokenized securities. The Exchange's proposal to adopt comparable rules to allow DTC Eligible Participants to trade DTC Eligible Securities in tokenized form on the Exchange, subject to the same conditions and restrictions as approved for Nasdaq, promotes a fair, consistent, and interoperable national market system framework for tokenized securities trading. Member organizations will be able to access tokenized securities trading across multiple exchanges on equivalent terms, promoting competition and efficient price discovery. The Exchange will comply with any Commission requirements to report tokenization data to the Consolidated Audit Trail, further supporting the integrity and transparency of the national market system.

In addition, the Exchange believes that the proposed rule change is not designed to permit unfair discrimination between customers, brokers and dealers, consistent with Section 6(b)(5) of the Act<sup>19</sup> because the proposed changes will apply equally to all similarly situated member organizations seeking to trade tokenized securities on the Exchange. All DTC Eligible Participants will be subject to the same conditions for tokenized trading, including the requirement to select a tokenization flag at order entry, and all DTC Eligible Securities will be subject to the same fungibility, CUSIP, and rights requirements. The Exchange will not impose conditions on tokenized trading that favor any particular member organization or class of securities over any other.

Finally, the Exchange believes the proposed rule change is designed to foster cooperation and coordination with persons engaged in facilitating transactions in securities, consistent with Section 6(b)(5) of the Act. The Exchange's proposal is expressly designed to work in coordination with the DTC Pilot Program, pursuant to the No-Action Letter. The proposed rules establish a clear and workable framework for the Exchange, DTC, and Exchange member organizations to cooperate in enabling the clearing and settlement of tokenized securities through the existing post-trade infrastructure. This cooperative approach, leveraging DTC's established role as the nation's central securities depository, ensures that

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<sup>19</sup> 15 U.S.C. 78f(b)(5).

tokenized securities trading occurs within a safe, regulated, and transparent framework that protects investors and promotes the public interest.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would enable the trading of tokenized securities on the Exchange in a manner that is consistent with the approved rules of another national securities exchange for the same purpose. Facilitating access to tokenized securities across multiple exchanges promotes competition and is in the interest of investors and the investing public. The proposed rule change does not impose any barriers to entry for member organizations and does not create any competitive disadvantages between and among market participants. The Exchange believes the proposed rule changes, taken together, will strengthen the Exchange's ability to carry out its role and responsibilities as a self-regulatory organization in connection with the trading of tokenized securities. As such, the Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange believes that its proposal will be particularly attractive because it will provide for the trading of tokenized DTC Eligible Securities in a manner that is familiar to market participants and investors and which is consistent with existing laws and rules. Under this proposal, the extent to which member organizations will need to modify their back-end systems and practices to accommodate tokenized securities trading should be minimal; those systems may simply need to account for the availability of the new flag and be set up to provide any information that the flag requires to the Exchange. The Exchange notes that member organizations on the Exchange will remain free to trade, clear and settle securities in traditional form, including both DTC Eligible Securities and other securities.

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.

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

The Exchange believes that the proposal qualifies for immediate effectiveness upon filing as a “non-controversial” rule change in accordance with Section 19(b)(3)(A) of the Act<sup>20</sup> and Rule 19b-4(f)(6) thereunder.<sup>21</sup>

The Exchange asserts that the proposed rule change (i) will not significantly affect the protection of investors or the public interest, (ii) will not impose any significant burden on competition, and (iii) by its terms, will not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest. In addition, the Exchange provided the Commission with 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, or such shorter time as the Commission may designate.

Nasdaq recently amended its rules to enable the trading of securities in tokenized form during the pendency of the DTC Pilot Program to be operated by DTC pursuant to the terms of the No-Action Letter.<sup>22</sup> According to Nasdaq’s filing, the impetus for the rule change came from the emergence of securities tokenization as a new technology with potential applications for the securities markets and Nasdaq’s view that such trading must occur within the existing regulatory framework of the national market system.<sup>23</sup>

The Exchange believes that the proposed rule change is non-controversial and eligible to become effective immediately because it would enable the trading of tokenized securities within the existing framework of the national market system based on the approved rules of another Exchange. Moreover, the proposed change would promote the maintenance of a fair and orderly market and the protection of investors and the public interest. The proposed amendments are narrowly tailored to accommodate the DTC Pilot Program while preserving the integrity, efficiency, and investor protections of the Exchange’s existing trading rules. The Exchange also believes that the proposed rule change would not significantly affect the protection of investors or the public interest or impose any significant burden on competition because the changes are based on the approved rules of another national securities exchange that the Exchange proposes to adopt in substantially similar form. The differences between the proposed rules and Nasdaq’s rules described above are minor and not inconsistent with the shared purpose of

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<sup>20</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>21</sup> 17 CFR 240.19b-4(f)(6).

<sup>22</sup> See Nasdaq Approval Order and Nasdaq Amendment No. 2, supra note 6.

<sup>23</sup> See Nasdaq Amendment No. 2, supra note 6.

enabling the trading of tokenized securities across multiple exchanges, which promotes competition and is in the interest of investors and the investing public.<sup>24</sup>

For all the foregoing reasons, this rule filing qualifies for immediate effectiveness as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4.<sup>25</sup> 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.

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

The proposed rule change is based on Equity 1, Nasdaq Section 1 and Equity 4, Nasdaq Rules 4756, 4757, and 4758. Except for the changes noted above reflecting the Exchange’s rule structure and terminology, the proposed rules and the Nasdaq counterpart rules are substantially the same.

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

Not applicable.

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

Not applicable.

11. Exhibits

Exhibit 1      Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5      Text of Proposed Rule Change.

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<sup>24</sup> These differences include references to Exchange member organizations, grammatical differences, ordering of the rules, and conforming cross-references to Exchange rules.

<sup>25</sup> 17 CFR 240.19b-4(f)(6).

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-NYSE-2026-17)

[Date]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt Rule 7.50 and Amendments to Rules 1.1, 7.36, 7.37 and 7.41

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 April 9, 2026, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, 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 adopt Rule 7.50 and amendments to Rules 1.1, 7.36, 7.37 and 7.41 to enable the trading of securities on the Exchange in tokenized form during the pendency of a pilot program to be operated by the Depository Trust Company (“DTC”) pursuant to the terms of a December 11, 2025 Securities and Exchange Commission (“Commission”) Staff no-action letter. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com) and at the principal office of the Exchange.

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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 adopt Rule 7.50 (Tokenized Securities) and amend Rule 1.1 (Definitions), Rule 7.36 (Order Ranking and Display), Rule 7.37 (Order Execution and Routing), and Rule 7.41 (Clearance and Settlement) to enable the trading of securities on the Exchange in tokenized form during the pendency of a pilot program to be operated by DTC pursuant to the terms of a December 11, 2025 Commission Staff no-action letter<sup>4</sup> (“DTC Pilot Program”). As described below, the proposed rule change is based on the rules of The Nasdaq Stock Market LLC (“Nasdaq”).

#### Background and Proposed Rule Change

The proposed rule change would establish that Exchange member organizations that are eligible to participate in the DTC Pilot Program (“DTC Eligible Participants”)<sup>5</sup> may trade

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<sup>4</sup> See No-Action Letter Request Related to The Depository Trust Company’s Development of the DTCC Tokenization Services, dated December 11, 2025, available at <https://www.sec.gov/files/tm/no-action/dtc-nal121125.pdf> (the “No-Action Letter”).

<sup>5</sup> “DTC Eligible Participant” would be defined in proposed rule 7.37(c)(10) as “a member organization that is eligible to participate in the Depository Trust Company’s (‘DTC’) three-year tokenization pilot program, pursuant to its terms and those of the Securities and Exchange Commission Staff no-action letter, dated December 11, 2025 (the ‘No-Action Letter’).”

tokenized versions of those equity securities and exchange traded products on the Exchange that are eligible for tokenization as part of the DTC Pilot Program (“DTC Eligible Securities”), pursuant to the terms of the No-Action Letter. Pursuant to the proposed changes, DTC Eligible Securities would be able to trade on the Exchange within the current national market system, using DTC to clear and settle trades in token form, per order handling instructions that DTC Eligible Participants may select upon entering their orders for DTC Eligible Securities on the Exchange.<sup>6</sup>

The Exchange’s rules do not currently permit the trading of tokenized securities on the Exchange and, unless the Exchange adopts the proposed rules, the Exchange would lack a clear framework for DTC Eligible Participants to designate, at order entry, that a DTC Eligible Security be cleared and settled in tokenized form pursuant to the DTC Pilot Program.<sup>7</sup>

The Exchange accordingly proposes to amend its rules to enable the trading of DTC Eligible Securities in tokenized form on the Exchange during the pendency of the DTC Pilot Program, subject to the same conditions and restrictions as the Nasdaq rule change approved by the Commission. The Exchange believes that the existing regulatory structure mandated by Congress applies to tokenized securities, regardless of whether such securities have certain unique properties like the ability to be settled on a blockchain, much like it did when the

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<sup>6</sup> The Exchange is assessing various methods of tokenization and trading of tokenized securities. If the Exchange plans to adopt any particular alternative to the DTC approach, then it will file rule proposals with the Commission before doing so.

<sup>7</sup> Nasdaq recently amended its rules to enable the trading of securities in tokenized form during the pendency of the DTC Pilot Program. See Securities Exchange Act Release No. 105047 (March 18, 2026), 91 FR 13900 (March 23, 2026) (SR-NASDAQ-2025-072) (Order Approving Proposed Rule Change, as Modified by Amendment No. 2, to Amend the Exchange's Rules to Enable the Trading of Securities on the Exchange in Tokenized Form) (“Nasdaq Approval Order”). See also Securities Exchange Act Release No. 104693 (Jan. 27, 2026), 91 FR 4138 (Jan. 30, 2026) (SR-NASDAQ-2025-072) (Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 2, To Amend the Exchange's Rules To Enable the Trading of Securities on the Exchange in Tokenized Form) (“Nasdaq Amendment No. 2”).

Commission allowed securities to be decimalized and electrified and when exchange traded funds and other novel securities were initially approved. The Exchange believes that no significant exemptions or parallel market structure constructs are needed for tokenized securities to trade alongside other securities, and that the markets can accommodate tokenization while continuing to provide the benefits and protections of the national market system.<sup>8</sup>

To tackle the challenge of trading tokenized equities, the Exchange offers a simple proposal that accommodates an approach to tokenization that DTC is pursuing in the DTC Pilot Program. The Exchange believes that this approach will leverage existing structures, players, and rules in a way that is beneficial to investors and in the markets' best interests.

The proposed rules provide that the term "tokenized" refers to digital representations of paper securities that utilize digital ledger or blockchain technology, as opposed to "traditional" securities, which are also digital representations of paper securities, but do not utilize blockchain technology. As long as DTC Eligible Securities are fungible with, have the same CUSIP number and trading symbol as, and afford their holders the same rights and privileges as traditional securities of an equivalent class, the Exchange will trade DTC Eligible Securities in tokenized form together with traditional securities on the same order book and according to the same execution priority rules. A tokenized DTC Eligible Security would be deemed to provide the same rights and privileges as a traditional security if, among other things, it conveys an equity interest in an underlying company, a right to receive any dividends that the company issues to its shareholders, a right to exercise any voting rights that shareholders are due, and a right to receive

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<sup>8</sup> Section 11A of the Act states that "[t]he linking of all markets for qualified securities ... will foster efficiency, enhance competition, increase the information available to brokers, dealers, and investors, facilitate the offsetting of investors' orders, and contribute to best execution of such orders" such that Congress directed the Commission to "use its authority under this chapter to facilitate the establishment of a national market system for securities." 15 U.S.C. 78k-1(a). Permitting the trading of tokenized securities on the Exchange will further these policy objectives.

a share of the residual assets of the company upon liquidation. The Exchange will not treat tokenized instruments as equivalent to their traditional counterparts if they do not convey such rights or share the same CUSIP and trading symbol; instead, the Exchange will treat these instruments as distinct (e.g., derivative securities or American Depositary Receipts).<sup>9</sup>

As noted above, the Exchange proposes to trade DTC Eligible Securities within the confines of existing securities laws and rules. All existing Exchange rules that currently apply to non-tokenized securities will continue to apply, without modification, except as set forth below.

To effectuate these changes, the Exchange proposes to adopt Rule 7.50 and amendments to Rules 1.1, 7.36, 7.37 and 7.41, as follows.

#### Rule 1.1

The Exchange proposes to amend the definition of “Security” in Rule 1.1(w) to add a clause similar to that in Equity 1, Nasdaq Section 1 providing that the definition of security encompasses securities that are either listed on the Exchange or traded on the Exchange pursuant to unlisted trading privileges. As amended, Rule 1.1(w) would provide as follows (proposed additions underlined):

The terms ‘security’ and ‘securities’ mean any security as defined in Section 3(a)(10) under the Securities Exchange Act of 1934, as amended, that is either listed on the Exchange or traded on the Exchange pursuant to unlisted trading privileges; provided, however, that for purposes of Rule 7E, such terms mean any NMS stock.

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<sup>9</sup> This rule proposal does not address whether and how the Exchange may choose to trade these non-fungible tokenized instruments in the future pursuant to a proposed Rule change.

### Rule 7.50

The Exchange proposes a new Rule 7.50 under Section 6 of Rule 7P titled “Tokenized Securities.”<sup>10</sup> As proposed, Rule 7.50 would provide that a security may be traded on the Exchange in either traditional form (a digital representation of ownership and rights, but without utilizing a distributed ledger technology (defined as “blockchain” technology) or, for the duration and under the terms of the DTC Pilot Program, in tokenized form (a digital representation of ownership and rights which utilizes blockchain technology). Proposed Rule 7.50 would further provide that DTC Eligible Participants may trade DTC Eligible Securities in tokenized form on the Exchange during the duration of, and pursuant to the terms of, the DTC Pilot Program.

In addition, proposed Rule 7.50 would provide that the Exchange would publish Trader Updates periodically to identify a current list of those DTC Eligible Securities that may trade in tokenized form on the Exchange.

Under proposed Rule 7.50, a share of a tokenized DTC Eligible Security will be tradable on the Exchange together with, and with the same execution priority as, its traditional counterpart, but only if the tokenized security is fungible with, shares the same CUSIP number and trading symbol, and affords its shareholders the same rights and privileges as does a share of an equivalent class of the traditional security. The proposed language is substantially the same as language that Nasdaq added to Equity 1, Nasdaq Section 1 (except for references to the Exchange’s membership, cross-references to Exchange rules and grammatical differences).

### Rule 7.36

The Exchange proposes to amend Rule 7.36, which governs order ranking and display, to

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<sup>10</sup> Section 6, currently titled “Reserved,” would have its title changed to “Tokenized Securities.”

add a new Commentary .01 providing that the mere fact that an order contains tokenized securities or indicates a preference of a DTC Eligible Participant to clear and settle DTC Eligible Securities in tokenized form will not affect the priority in which the Exchange executes that order. The language of proposed Rule 7.36.01 is substantially the same as Equity 4, Nasdaq Rule 4757 (except for cross-references to Exchange rules and grammatical differences).

#### Rule 7.37

The Exchange proposes to amend Rule 7.37, which governs routing, to add a new subsection (c)(10) that would provide that when the Exchange routes orders in DTC Eligible Securities that DTC Eligible Participants have designated for clearing and settlement in tokenized form in accordance with proposed Rule 7.41, Commentary 01, the Exchange will communicate this tokenization instruction to DTC upon receiving an execution for an order that was routed to another trading venue. The proposed language in Rule 7.37(c)(10) is substantially the same as Equity 4, Nasdaq Rule 4758 (except for cross-references to Exchange rules, grammatical differences, the addition of defined terms, and the addition of the definition of “DTC Eligible Participant,” which the Exchange proposes to define in Rule 7.37(c)(10) and Nasdaq has defined in Equity 4, Nasdaq Rule 4756).

#### Rule 7.41

The Exchange proposes to add a new Commentary .01 to Rule 7.41, which governs clearance and settlement, describing how a DTC Eligible Participant can communicate its desire to clear and settle a DTC Eligible Security in tokenized form.

Proposed Commentary .01 to Rule 7.41 would provide that a DTC Eligible Participant (as defined in Rule 7.37(c)(10)) that wishes for its order in a DTC Eligible Security to clear and settle in tokenized form as part of the DTC Pilot Program must notate its preference upon entry

of the order in the Exchange systems by selecting a tokenization flag that the Exchange designates for this purpose, in accordance with the Exchange's procedures. When a DTC Eligible Participant enters an order for a DTC Eligible Security with the tokenization flag selected, the Exchange will communicate the DTC Eligible Participant's tokenization preference to DTC on a post-trade basis. The flag will indicate the DTC Eligible Participant's preference as to what form the security will take (i.e., token or traditional) and may also include other information or instructions that DTC may require the DTC Eligible Participant to enter, in accordance with DTC's rules, policies, and procedures, and the terms of the No-Action Letter, to effectuate the flag, such as the DTC Eligible Participant's selection of a blockchain and a digital wallet address for a tokenized DTC Eligible Security (the Exchange will issue a Trader Update prior to requiring a DTC Eligible Participant to enter any such information or instructions to the flag, other than its tokenization preference). DTC will then carry out the DTC Eligible Participant's tokenization preference, as set forth in the flag, as well as any instructions attendant thereto to the extent that the flag or instruction is executable in accordance with DTC's rules, policies, and procedures, and the terms of the No-Action Letter. Proposed Rule 7.41.01 is substantially the same as Equity 4, Nasdaq Rule 4756 (except for references to the Exchange's membership, cross-references to Exchange rules, grammatical differences, and the movement of the definition of DTC Eligible Participant to proposed Rule 7.37(c)(10)).

Proposed Commentary .01 to Rule 7.41 further provides that Exchange systems will not determine whether a member organization is a DTC Eligible Participant or whether a security is a DTC Eligible Security at the time of order entry and selection of the tokenization flag. The Exchange also will not determine whether DTC is able to execute a tokenization order for other reasons, including because the DTC Eligible Participant wishes to mint the token to a blockchain

that is not compatible with the DTC Pilot Program or to a digital wallet that is not registered with DTC.<sup>11</sup> Thus, if at the time of order entry, a member organization is not a DTC Eligible Participant, the security selected for tokenization is not a DTC Eligible Security, or there are other reasons why DTC cannot execute a tokenization preference or instruction, the order will be settled in traditional (non-tokenized) form, in accordance with DTC's rules, policies, and procedures. It is the sole responsibility of member organizations to determine for themselves whether they are DTC Eligible Participants, whether the securities subject to an order are DTC Eligible Securities, whether the blockchains and wallets to which they wish to mint tokens are compatible with the DTC Pilot Program, and whether the tokenization instruction is otherwise consistent with the terms of that program and the No-Action Letter.<sup>12</sup>

#### General Considerations

Other than as described above, from an Exchange system and matching engine perspective, the Exchange's trading procedures and behavior will be the same regardless of whether a DTC Eligible Participant opts to trade tokenized or traditional shares of a DTC Eligible Security.<sup>13</sup> Among other things, the following aspects of the Exchange's current trading system and procedures will not change when trading tokenized securities:

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<sup>11</sup> According to the No-Action Letter, any DTC participant would be permitted — at the DTC participant's election — to participate in the DTC pilot tokenization services, with certain exceptions for participants for which DTC has U.S. tax withholding or reporting obligations, or a Treasury International Capital reporting obligation. See No-Action Letter, supra note 4.

Additionally, the No-Action Letter states that DTC will not execute a tokenization instruction if a DTC Eligible Participant cannot pass DTC's risk management and compliance controls. See id. If a transaction would result in a participant breaching its Net Debit Cap (as defined in the No-Action Letter), then the control would not allow that transaction to process until it could do so without breaching the cap. See id.

<sup>12</sup> If the Exchange develops the functionality that would allow it to check for eligibility at order entry, it will submit a rule proposal to effectuate that functionality at the appropriate time.

<sup>13</sup> The Exchange's pricing structure and rates will not vary depending upon whether a transaction involves a share of a tokenized security. See also supra note 7.

- All Exchange order types and modifiers will be available for use with tokenized securities;
- All Exchange routing strategies will be available for orders in tokenized securities;
- Orders in tokenized securities may participate in all of the Exchange’s trading sessions, including Core Open Auctions and Closing Auctions (as defined in Rule 7.35), subject to generally applicable eligibility criteria;
- Member organizations may utilize their existing connectivity to enter orders in tokenized securities;
- The Exchange’s fee schedule will not vary based upon whether shares that member organizations execute are tokenized or traditional in nature;
- Market data feeds will not differentiate between tokenized and traditional securities;
- The Exchange will comply with any Commission requirements to report tokenization data to the Consolidated Audit Trail;
- Market surveillance of tokenized and traditional securities will rely upon the same underlying data, which will continue to be accessible by the Exchange and the Financial Industry Regulatory Authority (“FINRA”);
- Trades in tokenized securities handled by DTC will continue to settle on a T+1 basis;
- The Exchange’s clearly erroneous and risk management measures will cover tokenized securities; and
- Trading of tokenized securities under this proposal is not expected to alter the existing proxy distribution process.<sup>14</sup>

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<sup>14</sup> According to DTC, a DTC Eligible Participant may need to issue a de-tokenization instruction or DTC may need to force conversion of the Tokenized Entitlement into a Book-Entry Entitlement in order to receive a distribution or replacement security or to issue instructions in relation to the corporate action. In such

This proposal to offer trading in tokenized securities will become effective once the requisite infrastructure and post-trade settlement services have been established by DTC. The Exchange understands that DTC is working to develop the necessary infrastructure, services, and procedures to facilitate such tokenization and the related post-trade settlement infrastructure and services.<sup>15</sup> On December 11, 2025, the No-Action Letter was issued, which enables DTC to begin providing services that support the Exchange’s proposal as soon as this development is complete.

Securities that are DTC Eligible Securities – meaning that they are eligible for tokenization and de-tokenization as part of the DTC tokenization pilot program – will be limited to the following, for purposes of this proposal: (i) securities in the Russell 1000 Index at the time the service launches as well as any additions to the index thereafter and notwithstanding the subsequent removal of any securities from the index; and (ii) exchange traded funds that track major indices. These categories of DTC Eligible Securities will be the only tokenized equities that are available to trade on the Exchange under this proposal.

The Exchange will alert its member organizations in a Trader Update at least 30 calendar days before the Exchange begins trading DTC Eligible Securities in tokenized form on its market.

DTC states that it will provide tokenization services on a pilot basis, as described above, for a period of three years after launch, after which time DTC will sunset the service.<sup>16</sup> Thus, the

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situations, DTC would, to the extent feasible, provide the relevant participants with advance notice of the need to provide such instruction or DTC’s need to take such action. See n. 4, supra. “Tokenized Entitlement” and “Book-Entry Entitlement” are used as defined in the No-Action Letter. See id. at 2-3.

<sup>15</sup> See id.

<sup>16</sup> See DTCC, No-Action Letter and DTC Tokenization Service FAQ, at 1, available at <https://www.dtcc.com/-/media/Files/Downloads/digital-assets/dtc-tokenization-service-faq.pdf>.

Exchange will revisit this rule proposal when it knows what, if anything, will replace the service after it sunsets.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>17</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>18</sup> in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest by strengthening the Exchange's ability to oversee and police its marketplace.

The Exchange believes that the proposed rule change is consistent with the Act because it would enable the trading of tokenized securities within the existing framework of the national market system, without requiring wholesale exemptions from investor protections. The proposed amendments are narrowly tailored to accommodate the DTC Pilot Program while preserving the integrity, efficiency, and investor protections of the Exchange's existing trading rules. The Exchange believes that all existing Commission and Exchange rules that currently apply to non-tokenized securities will continue to apply, without modification, to the trading of tokenized securities, except as expressly provided herein. The Exchange also believes that the proposed rule change is not designed to permit unfair discrimination between customers, brokers and dealers, consistent with Section 6(b)(5) of the Act.<sup>19</sup> The proposal is not designed to permit unfair discrimination between brokers and dealers because the proposed changes will apply

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

<sup>18</sup> 15 U.S.C. 78f(b)(5).

<sup>19</sup> 15 U.S.C. 78f(b)(5).

equally to all similarly situated member organizations seeking to trade tokenized securities on the Exchange.

The Exchange further believes the proposed rule change furthers the objectives of Section 6(b)(5) of the Act in that it is designed to prevent fraudulent and manipulative acts and practices. The proposed rule change ensures that tokenized securities may only be traded on the Exchange if they are fungible with, share the same CUSIP number and trading symbol as, and afford their holders the same rights and privileges as, traditional securities of an equivalent class. By tethering tokenized securities to their traditional counterparts in this manner, the proposal eliminates the potential for price dislocation, manipulation, and investor confusion that could arise from the trading of tokenized instruments outside the national market system. In addition, all Exchange rules, including rules governing clearly erroneous transactions, short sales, risk management, and market surveillance will apply equally to tokenized and traditional securities. Market surveillance of tokenized and traditional securities will rely upon the same underlying data, which will continue to be accessible by the Exchange and FINRA. Trades in tokenized securities handled by DTC will continue to settle on a T+1 basis. The Exchange's clearly erroneous and risk management measures will cover tokenized securities.

The Exchange also believes the proposed rule change furthers the objectives of Section 6(b)(5) of the Act in that it is designed to promote just and equitable principles of trade and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Commission has previously approved rules of another national securities exchange — Nasdaq — enabling the trading of tokenized securities. The Exchange's proposal to adopt comparable rules to allow DTC Eligible Participants to trade DTC Eligible Securities in tokenized form on the Exchange, subject to the same conditions and restrictions as approved for

Nasdaq, promotes a fair, consistent, and interoperable national market system framework for tokenized securities trading. Member organizations will be able to access tokenized securities trading across multiple exchanges on equivalent terms, promoting competition and efficient price discovery. The Exchange will comply with any Commission requirements to report tokenization data to the Consolidated Audit Trail, further supporting the integrity and transparency of the national market system.

In addition, the Exchange believes that the proposed rule change is not designed to permit unfair discrimination between customers, brokers and dealers, consistent with Section 6(b)(5) of the Act<sup>20</sup> because the proposed changes will apply equally to all similarly situated member organizations seeking to trade tokenized securities on the Exchange. All DTC Eligible Participants will be subject to the same conditions for tokenized trading, including the requirement to select a tokenization flag at order entry, and all DTC Eligible Securities will be subject to the same fungibility, CUSIP, and rights requirements. The Exchange will not impose conditions on tokenized trading that favor any particular member organization or class of securities over any other.

Finally, the Exchange believes the proposed rule change is designed to foster cooperation and coordination with persons engaged in facilitating transactions in securities, consistent with Section 6(b)(5) of the Act. The Exchange's proposal is expressly designed to work in coordination with the DTC Pilot Program, pursuant to the No-Action Letter. The proposed rules establish a clear and workable framework for the Exchange, DTC, and Exchange member organizations to cooperate in enabling the clearing and settlement of tokenized securities through the existing post-trade infrastructure. This cooperative approach, leveraging DTC's established

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<sup>20</sup> 15 U.S.C. 78f(b)(5).

role as the nation's central securities depository, ensures that tokenized securities trading occurs within a safe, regulated, and transparent framework that protects investors and promotes the public interest.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would enable the trading of tokenized securities on the Exchange in a manner that is consistent with the approved rules of another national securities exchange for the same purpose. Facilitating access to tokenized securities across multiple exchanges promotes competition and is in the interest of investors and the investing public. The proposed rule change does not impose any barriers to entry for member organizations and does not create any competitive disadvantages between and among market participants. The Exchange believes the proposed rule changes, taken together, will strengthen the Exchange's ability to carry out its role and responsibilities as a self-regulatory organization in connection with the trading of tokenized securities. As such, the Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange believes that its proposal will be particularly attractive because it will provide for the trading of tokenized DTC Eligible Securities in a manner that is familiar to market participants and investors and which is consistent with existing laws and rules. Under this proposal, the extent to which member organizations will need to modify their back-end systems and practices to accommodate tokenized securities trading should be minimal; those systems may simply need to account for the availability of the new flag and be set up to provide any information that the flag requires to the Exchange. The Exchange notes that member

organizations on the Exchange will remain free to trade, clear and settle securities in traditional form, including both DTC Eligible Securities and other securities.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>21</sup> and Rule 19b-4(f)(6) thereunder.<sup>22</sup> Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>23</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>24</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

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

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<sup>21</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>22</sup> 17 CFR 240.19b-4(f)(6).

<sup>23</sup> 17 CFR 240.19b-4(f)(6).

<sup>24</sup> 17 CFR 240.19b-4(f)(6)(iii).

Commission shall institute proceedings under Section 19(b)(2)(B)<sup>25</sup> of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-NYSE-2026-17 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-NYSE-2026-17. 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.

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<sup>25</sup> 15 U.S.C. 78s(b)(2)(B).

All submissions should refer to file number SR-NYSE-2026-17 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>26</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>26</sup> 17 CFR 200.30-3(a)(12).

Additions underlined.  
Deletions [bracketed].

Rules of New York Stock Exchange LLC

\* \* \* \* \*

Rule 1P DEFINITIONS

Rule 1.1. Definitions

As used in Exchange rules, unless the context requires otherwise, the terms below will mean the following:

\* \* \* \* \*

Security

(w) The terms “security” and “securities” mean any security as defined in Section 3(a)(10) under the Securities Exchange Act of 1934, as amended, that is either listed on the Exchange or traded on the Exchange pursuant to unlisted trading privileges; provided, however, that for purposes of Rule 7E, such terms mean any NMS stock.

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Rule 7P EQUITIES TRADING

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Section 3. Exchange Trading

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Rule 7.36. Order Ranking and Display

(a) – (h) No change.

Commentary:

.01 The mere fact that an order contains tokenized securities or indicates a preference of a DTC Eligible Participant (as defined in Rule 7.37(c)(10)) to clear and settle DTC Eligible Securities (as defined in Rule 7.50) in tokenized form shall not affect the priority in which the Exchange executes that order.

Rule 7.37. Order Execution and Routing

\* \* \* \* \*

(c) *Routing*. Unless an order has an instruction not to route, after being matched for execution with any contra-side orders in the Exchange Book pursuant to paragraph (a) of this Rule, marketable orders will be routed to Away Market(s).

\* \* \* \* \*

- (9) **Routing Strategies**. The following routing strategies may be combined with available order types and times-in-force as specified. The term “routing table” refers to the proprietary process for determining the specific trading venues to which the Exchange will route orders and the order in which it routes them. The Exchange reserves the right to maintain a different routing table for different routing options and to modify a routing table at any time without notice.
- (A) **Midpoint Ping**. Midpoint Ping is a routing strategy available for MPL IOC orders. After checking the Exchange Book for available shares, any remaining quantity of an MPL IOC order designated with the Midpoint Ping routing strategy will be routed to other NYSE Group equity exchanges pursuant to the routing table. Any further remaining quantity of the MPL IOC order after routing will be cancelled.

(10) When the Exchange routes an order for a DTC Eligible Security (as defined in Rule 7.50) that a DTC Eligible Participant has designated for clearing and settlement in tokenized form, in accordance with Rule 7.41, Commentary 01, the Exchange will communicate this tokenization instruction to DTC upon receiving an execution for an order that was routed to another trading venue. The term “DTC Eligible Participant” means a member organization that is eligible to participate in the Depository Trust Company’s (“DTC”) three-year tokenization pilot program, pursuant to its terms and those of the Securities and Exchange Commission Staff No-Action Letter, dated December 11, 2025 (the “No-Action Letter”).

\* \* \* \* \*

#### Rule 7.41. Clearance and Settlement

\* \* \* \* \*

(e) In order to satisfy the member organization’s record keeping obligations under SEC Rules 17a-3(a)(1) and 17a-4(a), (i) the Exchange will, with the exception of those circumstances described below in (ii), retain for the period specified in Rule 17a-4(a) the identity of each member organization that executes an anonymous transaction described in paragraph (b) of this rule, and (ii) member organizations shall retain the obligation to comply with SEC Rules 17-3(a)(1) and 17-4(a) whenever they possess the identity of their contra party. In either case, the information shall be retained in its original form or a form approved under Rule 17a-6.

Commentary:

.01 A DTC Eligible Participant (as defined in Rule 7.37(c)(10)) that wishes for its order in a DTC Eligible Security (as defined in Rule 7.50) to clear and settle in tokenized form as part of the DTC tokenization pilot program pursuant to the terms of the No-Action Letter (as defined in Rule 7.37(c)(10)) shall notate its preference upon entry of the order in Exchange systems by selecting a tokenization flag that the Exchange designates for this purpose, in accordance with the Exchange's procedures. The flag will indicate the DTC Eligible Participant's preference as to what form the security will take (i.e., token or traditional) and may include other information or instructions that DTC requires the DTC Eligible Participant to enter, in accordance with DTC's rules, policies, and procedures, and the terms of the No-Action Letter, to effectuate the flag, such as the DTC Eligible Participant's selection of a blockchain and a digital wallet address for a tokenized DTC Eligible Security (the Exchange will issue a Trader Update prior to requiring a DTC Eligible Participant to enter any such information or instructions to the flag, other than its tokenization preference). When a DTC Eligible Participant enters an order for a DTC Eligible Security with the tokenization flag selected, the Exchange, as agent or designee of such DTC Eligible Participant, will communicate the DTC Eligible Participant's flag, and any associated information or instructions, to DTC on a post-trade basis. DTC will then carry out the DTC Eligible Participant's tokenization preference, as set forth in the flag, as well as any instructions attendant thereto to the extent that the flag or instruction is executable in accordance with DTC's rules, policies, and procedures, and the terms of the No-Action Letter. The Exchange's systems will not determine whether a member organization is a DTC Eligible Participant or whether a security is a DTC Eligible Security at the time of order entry and selection of the tokenization flag. The Exchange also will not determine whether DTC is able to execute a tokenization order for other reasons, including because the DTC Eligible Participant wishes to mint the token to a blockchain that is not compatible with the DTC pilot tokenization program or to a digital wallet that is not registered with DTC. Thus, if at the time of order entry, a member organization is not a DTC Eligible Participant, the security selected for tokenization is not a DTC Eligible Security, or there are other reasons why DTC cannot execute a tokenization preference or instruction, then the order will remain in traditional (non-tokenized) form, in accordance with DTC's rules, policies, and procedures. It is the sole responsibility of a member organization to determine for themselves whether they are DTC Eligible Participants, whether the securities subject to an order are DTC Eligible Securities, whether the blockchains and wallets to which they wish to mint tokens are compatible with DTC's pilot tokenization program, and whether the tokenization instruction is otherwise consistent with the terms of that program and the No-Action Letter.

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## Section 6. [Reserved]Tokenized Securities

### Rule 7.50. Tokenized Securities

A security may be traded on the Exchange in either traditional form (a digital representation of ownership and rights, but without utilizing distributed ledger ("blockchain") technology) or, for the duration and under the terms of a pilot program

operated by the Depository Trust Company, pursuant to a No-Action Letter (as defined in Rule 7.37(c)(10)) in tokenized form (a digital representation of ownership and rights which utilizes blockchain technology). Under the terms of the No-Action Letter, only a subset of securities traded on the Exchange will be eligible for trading in tokenized form (“DTC Eligible Securities”). The Exchange will publish Trader Updates periodically to identify for DTC Eligible Participants (as that term is defined in Rule 7.37(c)(10)) a current list of those DTC Eligible Securities that may trade in tokenized form on the Exchange. A share of a tokenized DTC Eligible Security shall be tradable on the Exchange together with, on the same Exchange Book as, and with the same execution priority as, its traditional counterpart, but only if the tokenized security is fungible with, shares the same CUSIP number and trading symbol, and affords its shareholders the same rights and privileges as does a share of an equivalent class of the traditional security.

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