

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 2024 - \* 21

Amendment No. (req. for Amendments \*)

Filing by NYSE National, 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"/>
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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 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 amend Rule 2.9

### 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 \* David Last Name \* De Gregorio

Title \* Associate General Counsel, NYSE Group Inc.

E-mail \* David.DeGregorio@ice.com

Telephone \* (212) 656-4166 Fax (212) 656-8101

### Signature

Pursuant to the requirements of the Securities Exchange of 1934, NYSE National, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 07/25/2024

(Title \*)

By Martha Redding

Corporate Secretary

(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.

Martha Redding

Digitally signed by Martha Redding  
Date: 2024.07.25 15:28:32 -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 \***

Add Remove View

NYSE National Billing Policy Changes

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 of SEC Sub of NYSE National B

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**

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Ex. 5 of SEC Sub of NYSE National Bi

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**

Add Remove View

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 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> NYSE National, Inc. (“NYSE National” or the “Exchange”) proposes to amend Rule 2.9 (Dues, Assessments and Other Charges) to permit direct debiting of undisputed or final fees or other sums due the Exchange by ETP Holders with one or more Trading Permits and each applicant for a Trading Permit.

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:

David De Gregorio  
Associate General Counsel  
NYSE Group, Inc.  
(212) 656-4166

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 Rule 2.9 (Dues, Assessments and Other Charges) to permit direct debiting of undisputed or final fees or other sums due the Exchange by ETP Holders with one or more Trading Permits and each applicant for a Trading Permit.

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

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

Rule 2.9 currently provides that the Exchange may prescribe such reasonable assessments, dues or other charges as it may, in its discretion, deem appropriate. The rule further provides that such assessments and charges shall be equitably allocated among ETP Holders, issuers and other persons using the Exchange's facilities.

The Exchange proposes to require that ETP Holders that hold a Trading Permit, and each applicant for a Trading Permit, provide one or more clearing account numbers that correspond to an account(s) at the National Securities Clearing Corporation (“NSCC”) for purposes of permitting the Exchange to collect through direct debit any undisputed or final fees and/or other sums due to the Exchange. The Exchange would, however, permit an ETP Holder or applicant for a Trading Permit to opt-out of the requirement to provide NSCC clearing account numbers and establish alternative payment arrangements. In addition, consistent with current Rule 3.8 (Liability for Payment), the proposed change would not apply to disciplinary fines or monetary sanctions governed by Rule 10.8320. The proposed rule would also not apply to regulatory fees related to the Central Registration Depository (“CRD system”), which are collected by the Financial Industry Regulatory Authority, Inc. (“FINRA”).<sup>3</sup> The proposed change is based on the rules of the Exchange’s affiliates NYSE American LLC (“NYSE American”) and NYSE Chicago, Inc. (“NYSE Chicago”) as well as other exchanges.<sup>4</sup>

Under the proposal, the Exchange would send a monthly invoice to each ETP Holder, generally on the 5th business day of each month as is currently the practice, for the debit amount due to the Exchange for the prior month. The Exchange would also send files to NSCC each month on or about the 11<sup>th</sup> business day of the month in order to initiate the

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<sup>3</sup> The CRD system is the central licensing and registration system for the U.S. securities industry. The CRD system enables individuals and firms seeking registration with multiple states and self-regulatory organizations to do so by submitting a single form, fingerprint card and a combined payment of fees to FINRA. Through the CRD system, FINRA maintains the qualification, employment and disciplinary histories of registered associated persons of broker-dealers. Certain of the regulatory fees provided in the Schedule of Fees and Rebates are collected and retained by FINRA via the CRD system for the registration of ETP Holders and employees of ETP Holders that are not FINRA members. These fees would be excluded from direct debiting.

<sup>4</sup> See NYSE American Rule 41 (Collection of and Failure to Pay Exchange Fees); NYSE Chicago Article 7, Rule 11 (Fixing and Paying Fees and Charges). See also, e.g., MEMX LLC (“MEMX”) Rule 15.3(a) (Collection of Exchange Fees and Other Claims and Billing Policy) requires each MEMX member and all applicants for registration as members are required to provide one or more clearing account numbers that correspond to an account(s) at the NSCC for purposes of permitting the Exchange to debit certain fees, fines, charges and/or other monetary sanctions or other monies due to the Exchange. As noted, the proposed rule would not apply to disciplinary fines or monetary sanctions, and the proposal does not propose to change this. The MEMX rule also requires members to submit billing disputes within a certain time period. The Exchange’s current billing disputes policy is set forth in the first bullet under “Fees and Credits Applicable to Market Participants” in the Schedule of Fees and Rebates, available at [https://www.nyse.com/publicdocs/nyse/regulation/nyse/NYSE\\_National\\_Schedule\\_of\\_Fees.pdf](https://www.nyse.com/publicdocs/nyse/regulation/nyse/NYSE_National_Schedule_of_Fees.pdf), and provides that all fee disputes must be submitted no later than sixty days after receipt of a billing invoice. The proposal does not modify or rescind the Exchange’s billing disputes policy, and that policy would continue to apply to all billing disputes.

debit of the amount due to the Exchange as provided for in the prior month's invoice.<sup>5</sup> The Exchange anticipates that NSCC will process the debits on the day it receives the file or the following business day. Because ETP Holders would be provided with an invoice approximately 1 week before the debit date, ETP Holders will have adequate time to contact the Exchange with any questions concerning the invoice. If an ETP Holder disagrees with the invoice in whole or in part, the Exchange would not commence the debit for the disputed amount until the dispute is resolved. Specifically, the Exchange would not include the disputed amount (or the entire invoice if it is not feasible to identify the disputed amounts) in the NSCC debit amount where the ETP Holder provides written notification of the dispute to the Exchange by the later of the 15<sup>th</sup> of the month, or the following business day if the 15<sup>th</sup> is not a business day, and the amount in dispute is at least \$10,000 or greater.

Following receipt of the file from the Exchange, NSCC would proceed to debit the amounts indicated from the account of the ETP Holder that clears the applicable transactions ("Clearing ETP Holder," i.e., either an ETP Holder that is self-clearing or another ETP Holder that provides clearing services on behalf of the ETP Holder) and disburse such amounts to the Exchange. Where an ETP Holder clears through another a ETP Holder, the Exchange understands that the estimated transaction fees owed to the Exchange are typically debited by the Clearing ETP Holder on a daily basis using daily transaction detail reports provided by the Exchange to the Clearing ETP Holder in order to ensure adequate funds have been escrowed. The Exchange notes that it is proposing to permit an ETP Holder to designate one or more clearing account numbers that correspond to an account(s) at NSCC to permit ETP Holders that clear through multiple different clearing accounts to set up the billing process with the Exchange in a manner that is most efficient for internal reconciliation and billing purposes of the ETP Holder.

The Exchange believes that the proposed debiting process would provide an efficient method of collecting undisputed or final fees and/or sums due to the Exchange consistent with the practice on other exchanges.<sup>6</sup> Moreover, the Exchange believes that it is reasonable to permit an ETP Holder and applicants for a Trading Permit to opt-out of the requirement to provide an NSCC account number to permit direct debiting and instead establish alternative payment arrangements. Finally, the Exchange believes that it is also reasonable to provide for a \$10,000 limitation on pre-debit billing disputes since it would be inefficient to delay a direct debit for a de minimis amount. An ETP Holder would still be able to dispute billing amounts that are less than \$10,000 pursuant to the billing policy

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<sup>5</sup> As discussed below, if an ETP Holder disputes an invoice, the Exchange would not include the disputed amount in the automatic debit if the ETP Holder has disputed the amount in writing to the Exchange by the 15<sup>th</sup> of the month, or the following business day if the 15<sup>th</sup> is not a business day, and the disputed amount is at least \$10,000 or greater. As a practical matter, the Exchange would not send a file to the NSCC until the proposed time in Rule 2.9 for a member organization to dispute an invoice subject to automatic debit has passed.

<sup>6</sup> See note 4, *supra*. In addition to MEMX, IEX, Nasdaq, Nasdaq BX, and Nasdaq Phlx all provide for collection of fees and fines through direct debits. See IEX Rule 15.120; Nasdaq Rule Equity 7, Section 70; Nasdaq BX Rule Equity 7, Section 111; and Nasdaq Phlx Rule Equity 7, Section 2.

set forth in the Schedule of Fees and Rebates.<sup>7</sup>

To effectuate this change, the Exchange would add the following text to Rule 2.9 (underlined):

Each ETP Holder that has one or more Trading Permits, and each applicant for a Trading Permit, shall be required to provide one or more clearing account numbers that correspond to an account(s) at the National Securities Clearing Corporation (“NSCC”) for purposes of permitting the Exchange to collect through direct debit any undisputed or final fees and/or other sums due to the Exchange; provided, however, that an ETP Holder or applicant may request to opt-out of the requirement to provide an NSCC clearing account number and establish alternative payment arrangements. If an ETP Holder disputes an invoice, the Exchange will not include the disputed amount in the debit if the ETP Holder has disputed the amount in writing to the Exchange by the 15<sup>th</sup> of the month, or the following business day if the 15<sup>th</sup> is not a business day, and the amount in dispute is at least \$10,000 or greater. The Exchange will not debit fees related to the CRD system set forth in the Schedule of Fees and Rebates, which are collected and retained by FINRA.

The remaining provisions of the current rule would remain unchanged.

(b) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>9</sup> in particular, because 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. Specifically, the Exchange believes that the proposed direct debit process would provide ETP Holders with an efficient process to pay undisputed or final fees and/or sums due to the Exchange.

The Exchange believes that the proposal to debit NSCC accounts directly is reasonable because it would ease the administrative burden on ETP Holders of paying monthly invoices and avoiding overdue balances, and would provide efficient collection from all ETP Holders who owe monies to the Exchange. Moreover, the Exchange believes that the minimum time frame provided to ETP Holders to dispute invoices is reasonable and

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<sup>7</sup> See note 4, *supra*.

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

<sup>9</sup> 15 U.S.C. 78f(b)(5).

adequate to enable ETP Holders to identify potentially erroneous charges. In addition, the Exchange believes that the \$10,000 limitation on pre-debit billing disputes is reasonable because it would be inefficient to delay a direct debit for a de minimis amount. The same \$10,000 limitation is in place on exchanges that have adopted direct debit rules.<sup>10</sup> ETP Holders will still be able to dispute billing amounts that are less than \$10,000 pursuant to the Exchange's Schedule of Fees and Rebates. Finally, the Exchange believes that it is reasonable to permit ETP Holders or applicants to request to opt-out of the requirement to provide NSCC account information and instead establish alternative payment arrangements with the Exchange.

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 apply uniformly to all ETP Holders that have one or more Trading Permits and to all applicants for Trading Permits, and will not disproportionately burden or otherwise impact any single ETP Holder.

The Exchange does not believe that the proposal will create an intermarket burden on competition since the Exchange will only debit fees (other than de minimis fees below \$10,000) that are undisputed by the ETP Holder and ETP Holders will have a reasonable opportunity to dispute the fees both before and after the direct debit process. In addition, ETP Holders will have a reasonable opportunity to opt-out of the requirement to provide clearing account information and instead adopt alternative payment arrangements.

The Exchange also does not believe that the proposal will create an intramarket burden on competition, since the proposed direct debit process will be applied equally to all ETP Holders. Moreover, other exchanges utilize a similar process which the Exchange believes is generally familiar to ETP Holders. Consequently, the Exchange does not believe that the proposal raises any new or novel issues that have not been previously considered by the Commission in connection with direct debit and billing policies of other exchanges. Further, this proposal is expected to provide a cost savings to the Exchange in that it would alleviate administrative processes related to the collection of monies owed to the Exchange. In addition, the debiting process would mitigate against ETP Holder accounts becoming overdue.

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

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<sup>10</sup> See notes 6 & 7, *supra*.

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>11</sup> and Rule 19b-4(f)(6) thereunder.<sup>12</sup>

The Exchange asserts that the proposed rule changes (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 changes, along with a brief description and text of the proposed rule changes, at least five business days prior to the date of filing, or such shorter time as the Commission may designate.

The Exchange believes that this filing is non-controversial and eligible to become effective immediately because it proposes a process for ETP Holders to permit the direct debiting of Exchange invoices comparable to the process in place at other exchanges. The Exchange 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 approved rules of similar purpose, which the Exchange proposes to adopt in substantially the form that they were adopted by those other exchanges.<sup>13</sup> Moreover, the proposed rule change is not intended to address competitive issues but rather is concerned solely with the administration and governance of the Exchange, as discussed above. The Exchange believes that the proposal would provide a consistent process for ETP Holders to pay undisputed or final fees and/or sums due to the Exchange. As noted above, the Exchange does not believe that the proposal raises any new or novel issues that have not been previously considered by the Commission in connection with direct debit and billing policies of other exchanges.

For 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>14</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.

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> See notes 6 & 7, supra.

<sup>14</sup> 17 CFR 240.19b-4(f)(6).



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

The proposed rule change is based on the rules of the Exchange's affiliate NYSE American and other exchanges and the Exchange is proposing to adopt a comparable process for ETP Holders with respect to debiting invoices as is currently in place at such exchanges.<sup>15</sup> The Exchange notes that it is proposing to permit ETP Holders to designate one or more clearing account numbers that correspond to an account(s) at NSCC to permit ETP Holders that clear through multiple different clearing accounts to set up the billing process with the Exchange in a manner that is most efficient for internal reconciliation and billing purposes of that ETP Holder.

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 Proposed Rule Change for Federal Register.

Exhibit 5 – Text of Proposed Rule Change.

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<sup>15</sup> See notes 4 & 6, supra.

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-NYSENAT-2024-21)

[Date]

Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 2.9

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on July 25, 2024, NYSE National, Inc. (“NYSE National” 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 Rule 2.9 (Dues, Assessments and Other Charges) to permit direct debiting of undisputed or final fees or other sums due the Exchange by ETP Holders with one or more Trading Permits and each applicant for a Trading Permit. 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

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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.

concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The Exchange proposes to amend Rule 2.9 (Dues, Assessments and Other Charges) to permit direct debiting of undisputed or final fees or other sums due the Exchange by ETP Holders with one or more Trading Permits and each applicant for a Trading Permit.

Rule 2.9 currently provides that the Exchange may prescribe such reasonable assessments, dues or other charges as it may, in its discretion, deem appropriate. The rule further provides that such assessments and charges shall be equitably allocated among ETP Holders, issuers and other persons using the Exchange's facilities.

The Exchange proposes to require that ETP Holders that hold a Trading Permit, and each applicant for a Trading Permit, provide one or more clearing account numbers that correspond to an account(s) at the National Securities Clearing Corporation ("NSCC") for purposes of permitting the Exchange to collect through direct debit any undisputed or final fees and/or other sums due to the Exchange. The Exchange would, however, permit an ETP Holder or applicant for a Trading Permit to opt-out of the requirement to provide NSCC clearing account numbers and establish alternative payment arrangements. In addition, consistent with current Rule 3.8 (Liability for Payment), the proposed change would not apply to disciplinary fines or monetary sanctions governed by Rule 10.8320. The proposed rule would also not apply to regulatory fees related to the Central Registration Depository ("CRD system"), which are collected by the

Financial Industry Regulatory Authority, Inc. (“FINRA”).<sup>4</sup> The proposed change is based on the rules of the Exchange’s affiliates NYSE American LLC (“NYSE American”) and NYSE Chicago, Inc. (“NYSE Chicago”) as well as other exchanges.<sup>5</sup>

Under the proposal, the Exchange would send a monthly invoice to each ETP Holder, generally on the 5th business day of each month as is currently the practice, for the debit amount due to the Exchange for the prior month. The Exchange would also send files to NSCC each month on or about the 11<sup>th</sup> business day of the month in order to initiate the debit of the amount due to the Exchange as provided for in the prior month’s invoice.<sup>6</sup> The Exchange anticipates that NSCC will process the debits on the day it receives the file or the following business day. Because ETP Holders would be provided with an invoice approximately 1 week before the debit

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<sup>4</sup> The CRD system is the central licensing and registration system for the U.S. securities industry. The CRD system enables individuals and firms seeking registration with multiple states and self-regulatory organizations to do so by submitting a single form, fingerprint card and a combined payment of fees to FINRA. Through the CRD system, FINRA maintains the qualification, employment and disciplinary histories of registered associated persons of broker-dealers. Certain of the regulatory fees provided in the Schedule of Fees and Rebates are collected and retained by FINRA via the CRD system for the registration of ETP Holders and employees of ETP Holders that are not FINRA members. These fees would be excluded from direct debiting.

<sup>5</sup> See NYSE American Rule 41 (Collection of and Failure to Pay Exchange Fees); NYSE Chicago Article 7, Rule 11 (Fixing and Paying Fees and Charges). See also, e.g., MEMX LLC (“MEMX”) Rule 15.3(a) (Collection of Exchange Fees and Other Claims and Billing Policy) requires each MEMX member and all applicants for registration as members are required to provide one or more clearing account numbers that correspond to an account(s) at the NSCC for purposes of permitting the Exchange to debit certain fees, fines, charges and/or other monetary sanctions or other monies due to the Exchange. As noted, the proposed rule would not apply to disciplinary fines or monetary sanctions, and the proposal does not propose to change this. The MEMX rule also requires members to submit billing disputes within a certain time period. The Exchange’s current billing disputes policy is set forth in the first bullet under “Fees and Credits Applicable to Market Participants” in the Schedule of Fees and Rebates, available at [https://www.nyse.com/publicdocs/nyse/regulation/nyse/NYSE\\_National\\_Schedule\\_of\\_Fees.pdf](https://www.nyse.com/publicdocs/nyse/regulation/nyse/NYSE_National_Schedule_of_Fees.pdf), and provides that all fee disputes must be submitted no later than sixty days after receipt of a billing invoice. The proposal does not modify or rescind the Exchange’s billing disputes policy, and that policy would continue to apply to all billing disputes.

<sup>6</sup> As discussed below, if an ETP Holder disputes an invoice, the Exchange would not include the disputed amount in the automatic debit if the ETP Holder has disputed the amount in writing to the Exchange by the 15<sup>th</sup> of the month, or the following business day if the 15<sup>th</sup> is not a business day, and the disputed amount is at least \$10,000 or greater. As a practical matter, the Exchange would not send a file to the NSCC until the proposed time in Rule 2.9 for a member organization to dispute an invoice subject to automatic debit has passed.

date, ETP Holders will have adequate time to contact the Exchange with any questions concerning the invoice. If an ETP Holder disagrees with the invoice in whole or in part, the Exchange would not commence the debit for the disputed amount until the dispute is resolved. Specifically, the Exchange would not include the disputed amount (or the entire invoice if it is not feasible to identify the disputed amounts) in the NSCC debit amount where the ETP Holder provides written notification of the dispute to the Exchange by the later of the 15<sup>th</sup> of the month, or the following business day if the 15<sup>th</sup> is not a business day, and the amount in dispute is at least \$10,000 or greater.

Following receipt of the file from the Exchange, NSCC would proceed to debit the amounts indicated from the account of the ETP Holder that clears the applicable transactions (“Clearing ETP Holder,” i.e., either an ETP Holder that is self-clearing or another ETP Holder that provides clearing services on behalf of the ETP Holder) and disburse such amounts to the Exchange. Where an ETP Holder clears through another a ETP Holder, the Exchange understands that the estimated transaction fees owed to the Exchange are typically debited by the Clearing ETP Holder on a daily basis using daily transaction detail reports provided by the Exchange to the Clearing ETP Holder in order to ensure adequate funds have been escrowed. The Exchange notes that it is proposing to permit an ETP Holder to designate one or more clearing account numbers that correspond to an account(s) at NSCC to permit ETP Holders that clear through multiple different clearing accounts to set up the billing process with the Exchange in a manner that is most efficient for internal reconciliation and billing purposes of the ETP Holder.

The Exchange believes that the proposed debiting process would provide an efficient method of collecting undisputed or final fees and/or sums due to the Exchange consistent with

the practice on other exchanges.<sup>7</sup> Moreover, the Exchange believes that it is reasonable to permit an ETP Holder and applicants for a Trading Permit to opt-out of the requirement to provide an NSCC account number to permit direct debiting and instead establish alternative payment arrangements. Finally, the Exchange believes that it is also reasonable to provide for a \$10,000 limitation on pre-debit billing disputes since it would be inefficient to delay a direct debit for a de minimis amount. An ETP Holder would still be able to dispute billing amounts that are less than \$10,000 pursuant to the billing policy set forth in the Schedule of Fees and Rebates.<sup>8</sup>

To effectuate this change, the Exchange would add the following text to Rule 2.9 (underlined):

Each ETP Holder that has one or more Trading Permits, and each applicant for a Trading Permit, shall be required to provide one or more clearing account numbers that correspond to an account(s) at the National Securities Clearing Corporation (“NSCC”) for purposes of permitting the Exchange to collect through direct debit any undisputed or final fees and/or other sums due to the Exchange; provided, however, that an ETP Holder or applicant may request to opt-out of the requirement to provide an NSCC clearing account number and establish alternative payment arrangements. If an ETP Holder disputes an invoice, the Exchange will not include the disputed amount in the debit if the ETP Holder

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<sup>7</sup> See note 5, supra. In addition to MEMX, IEX, Nasdaq, Nasdaq BX, and Nasdaq Phlx all provide for collection of fees and fines through direct debits. See IEX Rule 15.120; Nasdaq Rule Equity 7, Section 70; Nasdaq BX Rule Equity 7, Section 111; and Nasdaq Phlx Rule Equity 7, Section 2.

<sup>8</sup> See note 5, supra.

has disputed the amount in writing to the Exchange by the 15<sup>th</sup> of the month, or the following business day if the 15<sup>th</sup> is not a business day, and the amount in dispute is at least \$10,000 or greater. The Exchange will not debit fees related to the CRD system set forth in the Schedule of Fees and Rebates, which are collected and retained by FINRA.

The remaining provisions of the current rule would remain unchanged.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,<sup>9</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>10</sup> in particular, because 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. Specifically, the Exchange believes that the proposed direct debit process would provide ETP Holders with an efficient process to pay undisputed or final fees and/or sums due to the Exchange.

The Exchange believes that the proposal to debit NSCC accounts directly is reasonable because it would ease the administrative burden on ETP Holders of paying monthly invoices and avoiding overdue balances, and would provide efficient collection from all ETP Holders who owe monies to the Exchange. Moreover, the Exchange believes that the minimum time frame

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<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

provided to ETP Holders to dispute invoices is reasonable and adequate to enable ETP Holders to identify potentially erroneous charges. In addition, the Exchange believes that the \$10,000 limitation on pre-debit billing disputes is reasonable because it would be inefficient to delay a direct debit for a de minimis amount. The same \$10,000 limitation is in place on exchanges that have adopted direct debit rules.<sup>11</sup> ETP Holders will still be able to dispute billing amounts that are less than \$10,000 pursuant to the Exchange's Schedule of Fees and Rebates. Finally, the Exchange believes that it is reasonable to permit ETP Holders or applicants to request to opt-out of the requirement to provide NSCC account information and instead establish alternative payment arrangements with the Exchange.

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 apply uniformly to all ETP Holders that have one or more Trading Permits and to all applicants for Trading Permits, and will not disproportionately burden or otherwise impact any single ETP Holder.

The Exchange does not believe that the proposal will create an intermarket burden on competition since the Exchange will only debit fees (other than de minimis fees below \$10,000) that are undisputed by the ETP Holder and ETP Holders will have a reasonable opportunity to dispute the fees both before and after the direct debit process. In addition, ETP Holders will have a reasonable opportunity to opt-out of the requirement to provide clearing account information and instead adopt alternative payment arrangements.

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<sup>11</sup> See notes 7 & 8, supra.



The Exchange also does not believe that the proposal will create an intramarket burden on competition, since the proposed direct debit process will be applied equally to all ETP Holders. Moreover, other exchanges utilize a similar process which the Exchange believes is generally familiar to ETP Holders. Consequently, the Exchange does not believe that the proposal raises any new or novel issues that have not been previously considered by the Commission in connection with direct debit and billing policies of other exchanges. Further, this proposal is expected to provide a cost savings to the Exchange in that it would alleviate administrative processes related to the collection of monies owed to the Exchange. In addition, the debiting process would mitigate against ETP Holder accounts becoming overdue.

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>12</sup> and Rule 19b-4(f)(6) thereunder.<sup>13</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.

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<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>13</sup> 17 CFR 240.19b-4(f)(6).

A proposed rule change filed under Rule 19b-4(f)(6)<sup>14</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),<sup>15</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 Commission shall institute proceedings under Section 19(b)(2)(B)<sup>16</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-NYSENAT-2024-21 on the subject line.

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<sup>14</sup> 17 CFR 240.19b-4(f)(6).

<sup>15</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>16</sup> 15 U.S.C. 78s(b)(2)(B).

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-NYSENAT-2024-21. 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-NYSENAT-2024-21 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>17</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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

Additions underlined.  
Deletions [bracketed].

Rules of NYSE National, Inc.

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**RULE 2 TRADING PERMITS**

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**Rule 2.9. Dues, Assessments and Other Charges**

The Exchange may prescribe such reasonable assessments, dues or other charges as it may, in its discretion, deem appropriate. Such assessments and charges shall be equitably allocated among ETP Holders, issuers and other persons using the Exchange's facilities. Each ETP Holder that has one or more Trading Permits, and each applicant for a Trading Permit, shall be required to provide one or more clearing account numbers that correspond to an account(s) at the National Securities Clearing Corporation ("NSCC") for purposes of permitting the Exchange to collect through direct debit any undisputed or final fees and/or other sums due to the Exchange; provided, however, that an ETP Holder or applicant may request to opt-out of the requirement to provide an NSCC clearing account number and establish alternative payment arrangements. If an ETP Holder disputes an invoice, the Exchange will not include the disputed amount in the debit if the ETP Holder has disputed the amount in writing to the Exchange by the 15<sup>th</sup> of the month, or the following business day if the 15<sup>th</sup> is not a business day, and the amount in dispute is at least \$10,000 or greater. The Exchange will not debit fees related to the CRD system set forth in the Schedule of Fees and Rebates, which are collected and retained by FINRA.

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