

should be submitted on or before September 8, 2025.

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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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103700; File No. SR-LTSE-2025-18]

### Self-Regulatory Organizations: Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Liquidity Incentive Program

August 13, 2025.

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 11, 2025, Long-Term Stock Exchange, Inc. (“LTSE” 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 is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the Liquidity Incentive Program (“LTSE LIP” or “Program”) which is designed, among other things, to enhance market quality by incentivizing market participants to provide liquidity in LIP Enhanced Securities. The Exchange proposes to implement the changes to the fee schedule pursuant to this proposal on August 11, 2025.

The text of the proposed rule change is available at the Exchange’s website at <https://longtermstockexchange.com/>, and at the principal office of the Exchange.

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

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

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

##### 1. Purpose

On July 1, 2025, the Exchange implemented the LTSE LIP to enhance liquidity and improve market quality in LIP Enhanced Securities<sup>3</sup> traded on the Exchange by incentivizing Members to quote at or better than the National Best Bid and Offer (“NBBO”) and provide liquidity in both select securities, the LIP Enhanced Securities and more generally in all other securities traded on LTSE, the LIP Standard Securities.<sup>4</sup><sup>5</sup>

Currently, the eligibility threshold for Incentive #1 requires a Member to display a quote in a LIP Enhanced Security of a Minimum Quoted Size, for at least 60% of the time at the NBBO of the Regular Market Session<sup>6</sup> in a calendar quarter, in order to share in SIP Quote Revenue,<sup>7</sup> which is distributed

<sup>3</sup> LIP Enhanced Securities means a list of securities designated as such, that are used for the purposes of qualifying for the incentives within the LIP. The universe of these securities will be determined by the Exchange and published on the Exchange’s website. See Definitions Section of the Fee Schedule.

<sup>4</sup> LIP Standard Securities means a security not defined as a “LIP Enhanced Security” and traded on LTSE. See Definitions Section of the Fee Schedule.

<sup>5</sup> See Securities Exchange Release No. 34-103517 (July 22, 2025), 90 FR 35325 (July 25, 2025) (SR-LTSE-2025-16). The Program includes three key incentives: (1) a proportional share of 80% of LTSE’s SIP Quote Revenue for LIP Enhanced Securities, distributed among qualifying Members based on quoting activity; (2) reduced taker fees for LIP Enhanced Securities, available to all Members without quoting obligations; and (3) for LIP Standard Securities, a choice between a proportional share of 20% of LTSE’s SIP Quote Revenue or a quarterly credit, contingent on meeting specific quoting thresholds.

<sup>6</sup> Regular Market Session or Regular Market Hours means the time between 9:30 a.m. and 4:00 p.m. Eastern Time. See Exchange Rule 1.160(kk).

<sup>7</sup> The Securities Information Processors (“SIPs”), which include the Unlisted Trading Privileges and Consolidated Tape Association, collect fees from subscribers for trade and quote tape data received from trading centers and reporting facilities, such

proportionally among eligible Members based on quoting activity.

The Exchange now proposes to amend Incentive #1 of the LTSE LIP to reduce the quoting threshold in a LIP Enhanced Security from 60% to 30% of the time at the NBBO of the Regular Market Session for the months of August and September in the current quarter and going forward for qualifying Members. This intraquarter adjustment is designed to address observed challenges with the initial quoting requirement and to encourage greater participation in LIP Enhanced Securities.<sup>8</sup>

This adjustment is designed to account for the fact that the original quoting threshold of 60% will not apply uniformly across the quarter, as the Exchange is proposing to reduce the threshold to 30% for the months of August and September 2025. Therefore, LTSE will share a share of 80% of July’s LTSE SIP Quote Revenue for that LIP Enhanced Security, distributed proportionally with firms who quoted at the NBBO at least 60% of the time for the month of July. For the months of August and September 2025, LTSE will share 80% of the combined August and September LTSE SIP Quote Revenue for that LIP Enhanced Security with firms who quoted at the NBBO at least 30% of the time across August and September. By allowing Members to qualify based on a reduced quoting performance in August and September, the Exchange seeks to make this intra-quarter adjustment from 60% to 30% to encourage greater participation in LIP Enhanced Securities as soon as possible and provide the opportunity to share in SIP Quote Revenue, which is distributed proportionally among eligible Members based on quoting activity.” The Exchange notes that it is not proposing any changes to the SIP Quote Revenue distribution, which will continue to occur at the end of each calendar quarter.

This approach continues to promote consistent quoting behavior while also

as the Exchange (collectively, “SIP Participants”). After deducting the cost of operating each tape, the profits are allocated among the SIP Participants on a quarterly basis, according to a complex set of calculations that consider estimates of anticipated Market Data Revenue (“MDR”), adjustments to comport to actual MDR from previous quarters and a non-linear aggregation of total trading and quoting activity in Tape A, B, and C securities in attributing MDR to each SIP Participant. Based on these calculations, the SIPs provide MDR payments to each SIP Participant during the second month of each quarter for trade and quote data from the previous calendar quarter, which are subject to adjustment through subsequent quarterly payments. These payments can be divided into six pools (i.e., trade and quote activity in Tape A, B, and C securities).

<sup>8</sup> The Exchange notes that no Member qualified for the 60% quoting threshold in July 2025.

reflecting the intra-quarter change. The Exchange believes that the reduction from 60% to 30% provides a fair and reasonable opportunity for Members to participate in the Program and aligns with the Exchange's broader goal of enhancing liquidity and market quality in LIP Enhanced Securities.

The Exchange notes that this proposal is limited in scope and that Incentives #2 and #3 are unchanged and remain in full force and effect as implemented on July 1, 2025.

This modification is intended to enhance market quality by encouraging Members to contribute to displayed liquidity and tighter spreads in LIP Enhanced Securities. By lowering the barrier to entry mid-quarter, the Exchange aims to increase quoting activity during the remainder of the quarter, allowing firms that did not initially meet the 60% threshold to participate meaningfully in the Program.

The Exchange believes this targeted adjustment will improve overall effectiveness of the Program while preserving the integrity and design of Incentives #2 and #3, which continues to operate as originally adopted.

The Exchange is proposing to amend Incentive #1 by reducing the quoting threshold from 60% to 30% thereby allowing more Members to qualify for SIP revenue based on quoting activity at the NBBO in LIP Enhanced Securities. Through the amendments to Incentive #1 of the Program, the Exchange seeks to provide improved liquidity for all market participants through narrower bid-ask spreads and increased depth of liquidity in LIP Enhanced Securities.

#### (b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>9</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act,<sup>10</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among all of its Members and issuers and other persons using its facilities; Section 6(b)(5) of the Act,<sup>11</sup> which requires, among other things, that the rules of the Exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and to protect investors and the public interest. The Exchange also believes that the proposed rule change is reasonable, fair and equitable, and non-discriminatory.

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue or reduce use of certain categories of products, in response to new or different pricing structures being introduced into the market. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates, and market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable.

The Exchange believes that the proposed reduction in the quoting threshold for Incentive #1 of the Program from 60% to 30% for the months of August and September 2025, and on a prospective basis, thereafter, is reasonable and appropriate in light of observed participation levels and market conditions. The reduced threshold is intended to lower barriers to entry and encourage broader participation among Members, particularly those who may have been unable to meet the more stringent 60% threshold in the first month of the quarter.

To further align with this mid-quarter adjustment, the Exchange also proposes to modify the qualification methodology for the third quarter of 2025. For the month of July, LTSE will share 80% of July's LTSE SIP Quote Revenue for that LIP Enhanced Security, distributed proportionally with firms who quoted at the NBBO at least 60% of the time. Then for the months of August and September 2025, LTSE will share 80% of the combined August and September LTSE SIP Quote Revenue for that LIP Enhanced Security with firms who quoted at the NBBO at least 30% of the time across August and September. This approach provides flexibility to Members who may not have qualified under the July threshold but who can meet the revised standard in August and September. The Exchange believes that this change promotes fairness and program integrity while continuing to reward sustained quoting activity that improves market quality.

The Exchange believes these amendments are consistent with Section 6(b)(5) of the Act because they are designed to promote just and equitable principles of trade and perfect the mechanism of a free and open market by incentivizing quoting behavior that supports tighter spreads, deeper displayed liquidity and improved price discovery in LIP Enhanced Securities. The proposed changes also maintain the original goals of the Program—

encouraging continuous quoting at the NBBO—while adapting to early experience and Member behavior under the initial threshold.

Importantly, the proposed program is limited in scope to Incentive #1. Incentives #2 and #3 remain unchanged and in full force and effect as implemented on July 1, 2025, preserving the continuity of the Program's broader incentive structure. These components continue to support market quality and competition without modification.

In addition, as discussed above, the Exchange operates in a highly competitive environment, and its transaction pricing, including incentive programs, such as the LTSE LIP, is constrained by competition among exchanges and alternative trading systems. The proposed changes are designed to make the Program more accessible and effective, thereby attracting greater quoting interest and enhancing overall market quality.

The Exchange also believes that the amendments to the Eligibility Requirement, reducing the percentage of time that market participants must quote at the NBBO of the Regular Market Session in a calendar quarter for Incentive #1, and as described more fully below in the Exchange's statement regarding the burden on competition, the Exchange believes that its transaction pricing is subject to significant competitive forces, and that the proposed amendments to the eligibility requirement for Incentive #1 described herein are appropriate to address such forces.

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

The Exchange does not believe that the proposed change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Instead, as discussed above, the proposal is intended to enhance market quality on the Exchange in a large number of securities generally, and in the LIP Enhanced Securities specifically, and to encourage Members to increase their order flow on the Exchange, thereby promoting price discovery and contributing to a deeper and more liquid market to the benefit of all market participants. As a result, the Exchange believes the proposal would enhance its competitiveness as a market that attracts actionable orders, thereby making it a more desirable destination venue for its customers. For these reasons, the Exchange believes that the proposal furthers the Commission's goal in

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

<sup>10</sup> 15 U.S.C.78f(b)(4).

<sup>11</sup> 15 U.S.C.78f(b)(5).

efficient pricing of individual stocks for all types of orders, large and small.”<sup>12</sup>

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

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

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

This proposed rule change establishes dues, fees or other charges among its members and, as such, may take effect upon filing with the Commission pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>13</sup> and paragraph (f)(2) of Rule 19b-4 thereunder.<sup>14</sup> Accordingly, the proposed rule change would take effect upon filing with the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

**IV. Solicitation of Comments**

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

*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-LTSE-2025-18 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-LTSE-2025-18. This file number should be included on the subject line if email is used. To help the Commission process and review your

<sup>12</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 47396 (June 29, 2005).

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>14</sup> 17 CFR 240.19b-4(f)(2).

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 LTSE and on its internet website at <https://longtermstockexchange.com/>. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-LTSE-2025-18 and should be submitted on or before September 8, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-103702; File No. 4-698]**

**Joint Industry Plan; Notice of Filing and Immediate Effectiveness of Amendment to the National Market System Plan Governing the Consolidated Audit Trail To Add 24 National Exchange LLC as a Participant**

August 13, 2025.

Pursuant to Section 11A(a)(3) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 608 thereunder,<sup>2</sup> notice is hereby given that on August 6, 2025, 24 National Exchange LLC (“24X” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) an amendment to the National Market System Plan Governing the Consolidated Audit Trail (“CAT NMS Plan” or “Plan”).<sup>3</sup> The amendment adds 24X as a Participant<sup>4</sup>

<sup>15</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78k-1(a)(3).

<sup>2</sup> 17 CFR 242.608.

<sup>3</sup> The Commission approved the CAT NMS Plan on November 16, 2016. See Securities Exchange Act Release No. 79318, 81 FR 84695 (November 23, 2016) (order approving the CAT NMS Plan).

<sup>4</sup> The Participants to the CAT NMS Plan are: BOX Exchange LLC; Cboe BYX Exchange, Inc.; Cboe BZX Exchange, Inc.; Cboe C2 Exchange, Inc.; Cboe EDGX Exchange, Inc.; Cboe EDGX Exchange, Inc.; Cboe Exchange, Inc.; Financial Industry Regulatory Authority, Inc.; Investors Exchange LLC; Long-Term Stock Exchange, Inc.; MEMX, LLC; Miami International Securities Exchange LLC; MIAX Emerald, LLC; MIAX PEARL, LLC; MIAX Sapphire, LLC; Nasdaq BX, Inc.; Nasdaq GEMX, LLC; Nasdaq

to the CAT NMS Plan. The Commission is publishing this notice to solicit comments on the amendment from interested persons.

**I. Description and Purpose of the Amendment**

The amendment to the CAT NMS Plan adds 24X as a Participant.<sup>5</sup> The CAT NMS Plan provides that any Person<sup>6</sup> approved by the Commission as a national securities exchange or national securities association under the Exchange Act may become a Participant by submitting to the Company<sup>7</sup> a completed application in the form provided by the Company.<sup>8</sup> As a condition to admission as a Participant, said Person shall: (i) execute a counterpart of the CAT NMS Plan, at which time Exhibit A shall be amended to reflect the status of said Person as a Participant (including said Person’s address for purposes of notices delivered pursuant to the CAT NMS Plan); and (ii) pay a fee to the Company as set forth in the Plan (the “Participation Fee”).<sup>9</sup> The amendment to the Plan reflecting the admission of a new Participant shall be effective only when: (x) it is approved by the Commission in accordance with Rule 608 or otherwise becomes effective pursuant to Rule 608; and (y) the prospective Participant pays the Participation Fee.<sup>10</sup>

24X has executed a copy of the current CAT NMS Plan, amended to include 24X in the List of Parties (including the address of 24X), paid the

ISE, LLC; Nasdaq MRX, LLC; Nasdaq PHLX LLC; The NASDAQ Stock Market LLC; New York Stock Exchange LLC; NYSE American LLC; NYSE Arca, Inc.; NYSE Texas, Inc.; and NYSE National, Inc.

<sup>5</sup> Defined in Section 1.1 of the CAT NMS Plan as follows: “Participant” means each Person identified as such on Exhibit A hereto, and any Person that becomes a Participant as permitted by this Agreement, in such Person’s capacity as a Participant in the Company (it being understood that the Participants shall comprise the “members” of the Company (as the term “member” is defined in Section 18-101(11) of the Delaware Act)).

<sup>6</sup> Defined in Section 1.1 of the CAT NMS Plan as follows: “Person” means any individual, partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association and any heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so permits.

<sup>7</sup> The “Company” refers to the limited liability company, Consolidated Audit Trail, LLC, which is responsible for conducting the activities of the CAT. See Securities Exchange Act Release No. 87149 (September 27, 2019), 84 FR 52905 (October 3, 2019).

<sup>8</sup> See Section 3.3 of the CAT NMS Plan. 24X was approved as a national securities exchange on November 27, 2024. See Securities Exchange Act Release No. 101777 (November 27, 2024), 89 FR 97092 (December 6, 2024).

<sup>9</sup> See Section 3.3 of the CAT NMS Plan.

<sup>10</sup> *Id.*