

action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

#### IV. Solicitation of Comments

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

##### *Electronic Comments*

- Use the Commission's internet comment form ([www.sec.gov/rules/sro.shtml](http://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-FICC-2025-013 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.
- All submissions should refer to file number SR-FICC-2025-013. 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 FICC and on DTCC's website (<https://dtcc.com/legal/sec-rule-filings.aspx>). 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-FICC-2025-013 and should be submitted on or before June 6, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2025-08698 Filed 5-15-25; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103026; File No. SR-MEMX-2025-10]

### Self-Regulatory Organizations; MEMX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Exchange's Fee Schedule Concerning Equities Transaction Pricing

May 12, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on April 30, 2025, MEMX LLC ("MEMX" 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 Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing with the Commission a proposed rule change to amend the Exchange's fee schedule applicable to Members<sup>3</sup> (the "Fee Schedule") pursuant to Exchange Rules 15.1(a) and (c). As is further described below, the Exchange proposes to (i) reduce the rebate provided under Liquidity Provision Tier 1 for executions of orders in securities priced at or above \$1.00 per share that add displayed liquidity to the Exchange (such orders, "Added Displayed Volume"); (ii) modify the required criteria under Non-Display Add Tier 2; (iii) reduce the rebate provided under the Displayed Liquidity Incentive ("DLI") Tier 1; and (iv) eliminate the Liquidity Removal Tier. The Exchange proposes to implement the changes to the Fee Schedule pursuant to this proposal immediately. The text of the

proposed rule change is provided in Exhibit 5.

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

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

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

##### 1. Purpose

The purpose of the proposed rule change is to amend the Fee Schedule to: (i) reduce the rebate provided under Liquidity Provision Tier 1 for executions of orders in securities priced at or above \$1.00 per share that add displayed liquidity to the Exchange (such orders, "Added Displayed Volume"); (ii) modify the required criteria under Non-Display Add Tier 2; (iii) reduce the rebate provided under the Displayed Liquidity Incentive ("DLI") Tier 1; and (iv) eliminate the Liquidity Removal Tier.

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of 18 registered equities exchanges, as well as a number of alternative trading systems and other off-exchange venues, to which market participants may direct their order flow. Based on publicly available information, no single registered equities exchange currently has more than approximately 14.1% of the total market share of executed volume of equities trading.<sup>4</sup> Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow, and the Exchange currently represents approximately 2.4% of the overall

<sup>20</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.

<sup>3</sup> See Exchange Rule 1.5(p).

<sup>4</sup> Market share percentage calculated as of April 30, 2025. The Exchange receives and processes data made available through consolidated data feeds (*i.e.*, CTS and UTDF).

market share.<sup>5</sup> The Exchange in particular operates a “Maker-Taker” model whereby it provides rebates to Members that add liquidity to the Exchange and charges fees to Members that remove liquidity from the Exchange. The Fee Schedule sets forth the standard rebates and fees applied per share for orders that add and remove liquidity, respectively. Additionally, in response to the competitive environment, the Exchange also offers tiered pricing, which provides Members with opportunities to qualify for higher rebates or lower fees where certain volume criteria and thresholds are met. Tiered pricing provides an incremental incentive for Members to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying increasingly more stringent criteria.

#### Reduced Rebate Under Liquidity Provision Tier 1

The Exchange currently provides a base rebate of \$0.0015 per share for executions of Added Displayed Volume.<sup>6</sup> The Exchange also currently offers Liquidity Provision Tiers 1–5 under which a Member may receive an enhanced rebate for executions of Added Displayed Volume by achieving the corresponding required volume criteria for each such tier. The Exchange now proposes to modify Liquidity Provision Tier 1 by reducing the rebate provided under such tier. Currently, under Liquidity Provision Tier 1, the Exchange provides an enhanced rebate of \$0.0034 per share for executions of Added Displayed Volume for Members that qualify for such tier by either: (1) achieving an ADAV<sup>7</sup> (excluding Retail Orders) that is equal to or greater than 0.40% of the TCV;<sup>8</sup> or (2) achieving an ADAV that is equal to or greater than 0.30% of the TCV in securities priced at or above \$1.00 per share and a Non-Displayed ADAV<sup>9</sup> that is equal to or

greater than 6,000,000 shares. The Exchange now proposes to reduce the rebate provided under Liquidity Provision Tier 1 for executions of Added Displayed Volume from \$0.0034 per share to \$0.0033 per share.<sup>10</sup> The Exchange believes that the proposed rebate represents only a modest decrease from the current rebate provided under Liquidity Provision Tier 1 for executions of Added Displayed Volume. The purpose of reducing the enhanced rebate for executions of Added Displayed Volume under Liquidity Provision Tier 1 is for business and competitive reasons, as the Exchange believes the reduction of such rebate would decrease the Exchange’s expenditures with respect to its transaction pricing in a manner that is still consistent with the Exchange’s overall pricing philosophy of encouraging added displayed liquidity. The Exchange does not propose to change the required criteria for a Member to qualify for Liquidity Provision Tier 1 or the rebate provided under Liquidity Provision Tier 1 for executions of orders in securities priced below \$1.00 per share.

#### Modified Criteria Under Non-Display Add Tier 2

The Exchange currently offers Non-Display Add Tiers 1–2 under which a Member may receive an enhanced rebate for executions of Added Non-Displayed Volume in securities priced at or above \$1.00 per share by achieving the corresponding required volume criteria for each such tier. Currently, a Member qualifies for Non-Display Add Tier 2, and thus receives an enhanced rebate of \$0.0025 per share for executions of Added Non-Displayed Volume under such tier, by achieving a Non-Displayed ADAV that is equal to or greater than 1,000,000 shares.<sup>11</sup> The Exchange now proposes to modify Non-Display Add Tier 2 such that a Member would now qualify for such tier by achieving a Non-Displayed ADAV that is equal to or greater than 2,000,000 shares. The Exchange is not proposing to change the rebate provided under this

tier or the rebate provided under this tier for executions of orders in securities priced below \$1.00 per share.

The Exchange notes that currently, the Fee Schedule indicates that Members that qualify for Non-Display Add Tier 2 based on activity in a given month will also receive that associated Non-Display Add Tier 2 rebate during the following month. The Exchange wishes to keep this procedure intact, and as such, if a Member met the criteria to receive the enhanced rebate under Non-Display Add Tier 2 in April 2025 (*i.e.*, by achieving a Non-Displayed ADAV that is equal to or greater than 1,000,000 shares), the Exchange will provide the enhanced rebate of \$0.0025 per share for that Member’s qualifying executions in April 2025 and May 2025, regardless of whether the Member meets the newly increased criteria requiring a Non-Displayed ADAV that is equal to or greater than 2,000,000 shares during May 2025. If that same Member meets the newly proposed criteria under the Non-Displayed Add Tier 2 during the month of May 2025, it will also receive that rebate for its qualifying executions in the following month.

The tiered pricing structure for executions of Added Non-Displayed Volume under the Non-Display Add Tiers provides an incremental incentive for Members to strive for higher volume thresholds to receive higher enhanced rebates for such executions and, as such, is intended to encourage Members to maintain or increase their order flow, particularly in the form of liquidity-adding non-displayed volume, to the Exchange, thereby contributing to a deeper and more robust and well-balanced market ecosystem to the benefit of all Members and market participants.

#### Reduced Rebate Under DLI Tier 2

The Exchange currently offers DLI Tiers 1 and 2 under which a Member may receive an enhanced rebate for executions of Added Displayed Volume by achieving the corresponding required criteria for each such tier. The DLI Tiers are designed to encourage Members, through the provision of an enhanced rebate for executions of Added Displayed Volume, to promote price discovery and market quality by quoting at the NBBO for a significant portion of each day (*i.e.*, through the applicable quoting requirement<sup>12</sup>) in a broad base

<sup>5</sup> *Id.*

<sup>6</sup> The base rebate for executions of Added Displayed Volume is referred to by the Exchange on the Fee Schedule under the existing description “Added displayed volume” with a Fee Code of “B”, “D” or “J”, as applicable, on execution reports.

<sup>7</sup> As set forth on the Fee Schedule, “ADAV” means the average daily added volume calculated as the number of shares added per day, which is calculated on a monthly basis, and “Displayed ADAV” means ADAV with respect to displayed orders.

<sup>8</sup> As set forth on the Fee Schedule, “TCV” means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply.

<sup>9</sup> As set forth on the Fee Schedule, “Non-Displayed ADAV” means ADAV with respect to non-displayed orders (including orders subject to Display-Price Sliding that receive price

improvement when executed and Midpoint Peg orders).

<sup>10</sup> The proposed pricing for Liquidity Provision Tier 1 is referred to by the Exchange on the Fee Schedule under the existing description “Added displayed volume, Liquidity Provision Tier 1” with a Fee Code of “B1”, “D1” or “J1”, as applicable, to be provided by the Exchange on the monthly invoices provided to Members.

<sup>11</sup> The pricing for Non-Display Add Tier 2 is referred to by the Exchange on the Fee Schedule under the existing description “Added non-displayed volume, Non-Display Add Tier 2” with a Fee Code of “H2”, “M2” or “P2”, as applicable, to be provided by the Exchange on the monthly invoices provided to Members.

<sup>12</sup> As set forth on the Fee Schedule, the term “quoting requirement” means the percentage of NBBO Time required under the relevant criteria, and the term “NBBO Time” means the aggregate of the percentage of time during regular trading hours during which one of a Member’s market participant

of securities (*i.e.*, through the applicable securities requirement<sup>13</sup>), thereby benefitting the Exchange and investors by providing improved trading conditions for all market participants through narrower bid-ask spreads and increased depth of liquidity available at the NBBO in a broad base of securities and committing capital to support the execution of orders.<sup>14</sup> Now, the Exchange proposes to modify DLI Tier 1 by reducing the rebate for executions of Added Displayed Volume under such tier.

Currently, under DLI Tier 1, the Exchange provides an enhanced rebate of \$0.0034 per share for executions of Added Displayed Volume for Members that qualify for such tier by achieving an NBBO Time of at least 50% in an average of at least 1,000 securities per trading day during the month. The Exchange proposes to reduce the rebate provided under DLI Tier 1 for executions of Added Displayed Volume from \$0.0034 per share to \$0.0033 per share.<sup>15</sup> The Exchange believes that the proposed rebate represents only a modest decrease from the current rebate provided under DLI Tier 1 for executions of Added Displayed Volume. The Exchange does not propose to change the required criteria for a Member to qualify for DLI Tier 1 or the rebate provided under DLI Tier 1 for executions of orders in securities priced below \$1.00 per share.

The purpose of reducing the enhanced rebate for executions of Added Displayed Volume under DLI Tier 1 is for business and competitive reasons, as the Exchange believes the reduction of such rebate would decrease the Exchange's expenditures with respect to its transaction pricing in a manner that is still consistent with the Exchange's overall pricing philosophy

identifiers ("MPIDs") has a displayed order of at least one round lot at the national best bid or the national best offer.

<sup>13</sup> As set forth on the Fee Schedule, the term "securities requirement" means the requirement that a Member meets the quoting requirement in the applicable number of securities per trading day. Currently, each of DLI Tiers 1 and 2 has a securities requirement that may be achieved by a Member meeting the quoting requirement in the specified number of securities traded on the Exchange.

<sup>14</sup> See the Exchange's Fee Schedule (available at <https://info.memxtrading.com/fee-schedule/>) for additional details regarding the Exchange's DLI Tiers. See also Securities Exchange Act Release No. 92150 (June 10, 2021), 86 FR 32090 (June 16, 2021) (SR-MEMX-2021-07) (notice of filing and immediate effectiveness of fee changes adopted by the Exchange, including the adoption of DLI).

<sup>15</sup> The proposed pricing for DLI Tier 1 is referred to by the Exchange on the Fee Schedule under the existing description "Added displayed volume, DLI Tier 1" with a Fee Code of "Bq1", "Dq1" or "Jq1", as applicable, to be provided by the Exchange on the monthly invoices provided to Members.

of encouraging added displayed liquidity and promoting the price discovery and market quality objectives of the DLI Tiers described above.

#### Eliminate Liquidity Removal Tier

Finally, the Exchange proposes to eliminate the Liquidity Removal Tier. The Exchange currently charges a standard fee of \$0.0030 per share for executions of orders in securities priced at or above \$1.00 per share that remove liquidity from the Exchange (such orders, "Removed Volume"). The Exchange also currently offers Liquidity Removal Tier 1 under which qualifying Members are charged a discounted fee by achieving the corresponding required volume criteria for each such tier. Specifically, under Liquidity Removal Tier 1, the Exchange charges a reduced fee of \$0.0029 per share for executions of Removed Volume by achieving: (1) an ADV<sup>16</sup> that is equal to or greater than 0.70% of the TCV and (2) a Remove ADV<sup>17</sup> that is equal to or greater than 0.50% of the TCV. The Exchange now proposes to eliminate the Liquidity Removal Tier, as the incentive is not achieving the level of participation that the Exchange expected, and thus, is not accomplishing the goal that the Exchange had when initially adopting this incentive. The Exchange therefore no longer wishes to, nor is it required to, maintain such tier. More specifically, the proposed rule change removes such tier, as the Exchange would rather redirect future resources and funding into other programs and tiers intended to incentivize increased order flow.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>18</sup> in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,<sup>19</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

As discussed above, the Exchange operates in a highly fragmented and competitive market in which market participants can readily direct order flow to competing venues if they deem

fee levels at a particular venue to be excessive or incentives to be insufficient, and the Exchange represents only a small percentage of the overall market. The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and also recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."<sup>20</sup>

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue 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 the proposal reflects a reasonable and competitive pricing structure designed to incentivize market participants to direct additional order flow, including displayed, non-displayed, liquidity-adding and/or NBBO setting orders, to the Exchange, which the Exchange believes would promote price discovery and enhance liquidity and market quality on the Exchange to the benefit of all Members and market participants.

The Exchange notes that volume and quoting-based incentives (such as tiers) have been widely adopted by exchanges, including the Exchange, and are reasonable, equitable and not unfairly discriminatory because they are open to all members on an equal basis and provide additional benefits that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns, and the introduction of higher volumes of orders into the price and volume discovery process. The Exchange believes that the Liquidity Provision Tier 1, as modified by the proposed change to the rebate under such tier, the Non-Display Add Tier 2, as modified by the proposed change to the required

<sup>16</sup> As set forth on the Fee Schedule, "ADV" means average daily volume calculated as the number of shares added or removed, combined, per day, which is calculated on a monthly basis.

<sup>17</sup> As set forth on the Fee Schedule, "Remove ADV" means ADV with respect to orders that remove liquidity.

<sup>18</sup> 15 U.S.C. 78f.

<sup>19</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>20</sup> Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

criteria under such tier, and DLI Tier 1, as modified by the proposed change to the rebate provided under such tier, are reasonable, equitable and not unfairly discriminatory for these same reasons, as such tiers would provide Members with an incremental incentive to achieve certain volume thresholds on the Exchange, are available to all Members on an equal basis, and, as described above, are designed to encourage Members to maintain or increase their order flow, including in the form of displayed, non-displayed, liquidity-adding and/or NBBO setting orders, to the Exchange in order to qualify for an enhanced rebate for executions of Added Displayed Volume or Added Non-Displayed Volume, as applicable, thereby contributing to a deeper, more liquid and well balanced market ecosystem on the Exchange to the benefit of all Members and market participants. The Exchange also believes that such tiers reflect a reasonable and equitable allocation of fees and rebates, as the Exchange believes that the enhanced rebate for executions of Added Displayed Volume under the proposed modified Liquidity Provision Tier 1 and DLI Tier 1, as well as the enhanced rebate for executions of Non-Displayed volume under the proposed modified Non-Display Add Tier 2, each remains commensurate with the corresponding required criteria under each such tier and is reasonably related to the market quality benefits that each such tier is designed to achieve, as described above.

The Exchange believes the proposed rule change to eliminate the Liquidity Removal Tier is reasonable because the Exchange is not required to maintain such an incentive. The Exchange believes the proposal to eliminate such tier is also equitable and not unfairly discriminatory because it applies equally to all Members (*i.e.*, the tier will not be available for any Member). As noted above, the reduced fee offered under this tier is not affecting Members' behavior in that there are lower-than-expected levels of participation, and as such, the Exchange does not believe the proposed elimination of such tier will have a significant impact on any Member's trading behavior on the Exchange. Furthermore, the proposed rule change to eliminate the Liquidity Removal Tier enables the Exchange to redirect resources and funding into other pricing incentives and tiers intended to incentivize increased order flow and enhance market quality for all Members.

For the reasons discussed above, the Exchange submits that the proposal satisfies the requirements of Sections

6(b)(4) and 6(b)(5) of the Act<sup>21</sup> in that it provides for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities and is not designed to unfairly discriminate between customers, issuers, brokers, or dealers. 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 additive rebate described herein is appropriate to address such forces.

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

The Exchange does not believe that the proposal will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, as discussed above, the proposal is intended to incentivize market participants to direct additional order flow to the Exchange, thereby enhancing liquidity and market quality on the Exchange to the benefit of all Members and 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 adopting Regulation NMS of fostering competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."<sup>22</sup>

#### *Intramarket Competition*

As discussed above, the Exchange believes that the proposal would maintain a tiered pricing structure that is still consistent with the Exchange's overall pricing philosophy of encouraging added, displayed and/or non-displayed liquidity and would incentivize market participants to direct additional order flow to the Exchange through volume-based tiers, thereby enhancing liquidity and market quality on the Exchange to the benefit of all Members, as well as enhancing the attractiveness of the Exchange as a trading venue, which the Exchange believes, in turn, would continue to encourage market participants to direct additional order flow to the Exchange. Greater liquidity benefits all Members by providing more trading opportunities and encourages Members to send

additional orders to the Exchange, thereby contributing to robust levels of liquidity, which benefits all market participants.

The Exchange does not believe that the proposed changes would impose any burden on intramarket competition because such changes will incentivize members to submit additional order flow, thereby contributing to a more robust and well-balanced market ecosystem on the Exchange to the benefit of all Members as well as enhancing the attractiveness of the Exchange as a trading venue, which the Exchange believes, in turn, would continue to encourage market participants to direct additional order flow to the Exchange. The opportunity to qualify for the modified Liquidity Provision Tier 1, Non-Display Add Tier 2 and DLI Tier 1, and thus receive the corresponding enhanced rebates for executions of Added Displayed Volume or Added Non-Displayed Volume, as applicable, would be available to all Members that meet the associated volume requirements in any month. As described above, the Exchange believes that the required criteria under each such tier are commensurate with the corresponding rebate under such tier and are reasonably related to the enhanced liquidity and market quality that such tier is designed to promote. The Exchange does not believe that the proposed change to eliminate the Liquidity Removal Tier would impose any burden on intramarket competition because such changes will apply to all Members uniformly, as in, such incentive will no longer be available to any Member, and as described above, the Exchange does not believe the proposed elimination of such tier will have a significant impact on any Member's trading behavior on the Exchange. For the foregoing reasons, the Exchange believes the proposed changes would not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

#### *Intermarket Competition*

As noted above, the Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. Members have numerous alternative venues that they may participate on and direct their order flow to, including 17 other equities exchanges and numerous alternative trading systems and other off-exchange venues. As noted above, no single registered equities exchange

<sup>21</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>22</sup> See *supra* note 20.

currently has more than approximately 14.1% of the total market share of executed volume of equities trading. Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. Moreover, 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 to 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, including with respect to executions of Added Displayed Volume and Added Non-Displayed Volume, and market participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. As described above, the proposed change is a competitive proposal through which the Exchange is seeking to generate additional revenue with respect to its transaction pricing and to encourage the submission of additional order flow to the Exchange through volume-based tiers which have been widely adopted by exchanges, including the Exchange. Accordingly, the Exchange believes the proposal would not burden, but rather promote, intermarket competition by enabling it to better compete with other exchanges that offer similar incentives to market participants that enhance market quality and/or achieve certain quoting requirements.

Additionally, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."<sup>23</sup> The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition v. SEC*, the D.C. Circuit stated as follows: "[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing

agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'. . . ."<sup>24</sup> Accordingly, the Exchange does not believe its proposed pricing changes impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

### *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**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>25</sup> and Rule 19b-4(f)(2)<sup>26</sup> thereunder.

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

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the 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-MEMX-2025-10 on the subject line.

<sup>24</sup> *NetCoalition v. SEC*, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSE-2006-21)).

<sup>25</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>26</sup> 17 CFR 240.19b-4(f)(2).

#### *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-MEMX-2025-10. 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-MEMX-2025-10 and should be submitted on or before June 6, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>27</sup>

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

[FR Doc. 2025-08699 Filed 5-15-25; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Investment Company Act Release No. 35580; 812-15736]**

### **CAIS Sports, Media and Entertainment Fund and CAIS Advisors LLC**

May 12, 2025.

**AGENCY:** Securities and Exchange Commission ("Commission" or "SEC").

<sup>27</sup> 17 CFR 200.30-3(a)(12).

<sup>23</sup> See *supra* note 20.