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Invested in America

January 13, 2026

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

RE: National Securities Exchange Fee Filings

Dear Ms. Countryman:

The Securities Industry and Financial Markets Association ("SIFMA")[1] respectfully submits this comment letter to the U.S. Securities and Exchange Commission (the "Commission") in response to a series of recent rule changes certain national securities exchanges filed with the Commission to increase exchange connectivity and other fees.[2] SIFMA urges the Commission to suspend the fee filings, institute proceedings to determine whether to disapprove the filings, and ultimately disapprove them because in each filing, the relevant exchange has not met its burden to demonstrate that the fees meet the requirements under the Securities Exchange Act of 1934 ("Exchange Act") that such fees be (i) reasonable, (ii) equitably allocated, (iii) not unfairly discriminatory, and (iv) not an undue burden on competition.[3]

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[1] SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit http://www.sifma.org.

[2] Release No. 34–104261, File No. SR–BX– 2025–027 (Nov. 25, 2025), 90 FR 55209 (Dec. 1, 2025); Release No. 34–104266, File No. SR–PHLX– 2025–60 (Nov. 25, 2025), 90 FR 55196 (Dec. 1, 2025); Release No. 34–104264, File No. SR– GEMX–2025–30 (Nov. 25, 2025), 90 FR 55184 (Dec. 1, 2025); Release No. 34–104262, File No. SR–ISE– 2025–34 (Nov. 25, 2025), 90 FR 55230 (Dec. 1, 2025); Release No. 34–104263, File No. SR–MRX– 2025–29 (Nov. 25, 2025), 90 FR 55190 (Dec. 1, 2025); Release No. 34–104259, File No. SR– NASDAQ–2025–089 (Nov. 25, 2025), 90 FR 55201 (Dec. 1, 2025); Release No. 34–104475, File No. SR– CBOE–2025–094 (Dec. 19, 2025), 90 FR 60786 (Dec. 29, 2025); SR-MIAX-2025-50; SR-Pearl-2025-51; SR-EMERALD-2025-23 (the MIAX fee filings have not been noticed on the SEC website or published in the Federal Register as of the date of this letter).

[3] 15 U.S.C. § 78f(b)(4), (5), and (8).

Executive Summary

The recent national securities exchange filings to increase exchange fees for connectivity generally contain very little information to justify that the fees comply with Exchange Act fee requirements. Rather, the fee filings are short and repeat the same general statements across filings by separate exchanges. In addition to failing to demonstrate the fees comply with the Exchange Act, this approach, which is rapidly gaining traction among exchanges, is not consistent with the *Staff Guidance on SRO Rule Filings Relating to Fees* that SEC staff published in 2019 "to assist the national securities exchanges and FINRA . . . in preparing Fee Filings that meet their burden to demonstrate that proposed fees are consistent with the requirements of" the Exchange Act.[4] Therefore, the Commission should disapprove the fee filings because they are not consistent with the requirements of the Exchange Act.

Furthermore, despite fee filings that are inconsistent with the Exchange Act and Staff Fee Guidance, the Commission has not suspended any filings that use this new approach. If the Commission and its staff are using new standards to evaluate exchange fee filings for compliance with Exchange Act requirements, the Commission should notify the public so that market participants are aware of exchange fee filing standards going forward.

The New Exchange Fee Filing Approach

In recent fee filings, exchanges make general statements that the relevant product or service for which the exchange is raising prices operates in a competitive environment, and that as a result, the fees are subject to competition. However, the fee filings generally do not provide any data or information to support these assertions about the existence of competition for these highly specific offerings. The filings also do not acknowledge or address the regulatory obligations, such as Rule 611 of Regulation NMS, that compel certain market participants to maintain separate connections to multiple exchanges even as fees increase, potentially increasing costs to investors.[5] Rather than evidence of competition, the exchange fee filings provide or reference the prices of comparable offerings by other exchanges to support the exchange's own increased fees. The Staff Fee Guidance explicitly stated that merely referencing the price of another exchange's comparable offering was not sufficient.[6]

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[4] Staff Guidance on SRO Rule Filings Relating to Fees, available at https://www.sec.gov/about/staff-guidance-sro-rule-filings-fees ("Staff Fee Guidance").

[5] The options exchanges are participants in the "Options Order Protection and Locked/Crossed Market Plan" that imposes obligations on options market participants analogous to Rule 611 of Regulation NMS, which applies to equity markets.

[6] The Staff Fee Guidance stated: "A statement that another SRO offers a similar product or service at a similar or higher price is, alone, insufficient to establish that the market for that particular service is competitive."

Furthermore, even though the filings do not contain persuasive evidence of competition for the relevant offerings, the fee filings contain no information about the costs for the exchanges to provide, maintain, or upgrade the functionality for which they are raising fees.[7] The fee filings also often contain the same canned phrases. Without additional information to support these general statements, such as exchange-specific data, these boilerplate phrases are meaningless in the context of the relevant exchange or the fees it is seeking to raise. For example, recent exchange fee filings by unrelated exchanges contain the following phrases[8]:

> *The Exchange believes the proposed fee change is reasonable as it will better align the price of this connectivity option to the value it offers to the market participants that utilize it.*
>
> *The Exchange notes the proposed fee change will better enable it to continue to maintain and improve its market technology.*
>
> *The proposed fee change is reasonable as the resulting fee will be lower than the amounts assessed by [a rival exchange] for similar functionality.*

The Commission should not accept these canned, general statements to be repeated across exchange fee filings as justification for the reasonableness of exchange fees.

The Commission Should Suspend and Disapprove the Fee Filings and Require More Detailed Filings

National securities exchanges, as self-regulatory organizations ("SROs"), have the burden under the Commission's Rules of Practice "to demonstrate that a proposed rule change is consistent with the [Exchange Act] and the rules and regulations issued thereunder."[9] As the Commission noted in an OIP suspending a Municipal Securities Rulemaking Board fee filing in January 2024:[10]

> The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements must all be sufficiently detailed and specific to support an affirmative Commission finding, and any failure of an SRO to provide this information may result in the Commission not having a sufficient

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[7] The Staff Fee Guidance stated: "If a Fee Filing proposal lacks persuasive evidence that the proposed fee is constrained by significant competitive forces, the SRO must provide a substantial basis, other than competitive forces, demonstrating that the fee is consistent with the Exchange Act. One such basis may be the production of related revenue and cost data, as discussed further below."

[8] See, e.g., CBOE Fee Filing, supra n. 2, 90 FR at 60787 and Nasdaq Fee Filing, supra n. 2, 90 FR at 55202.

[9] See Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

[10] See Release No. 34-99444 (January 29, 2024), 89 FR 7424 (February 2, 2024).

> basis to make an affirmative finding that a proposed rule change is consistent with the Act and the applicable rules and regulations. Moreover, "unquestioning reliance" on an SRO's representations in a proposed rule change would not be sufficient to justify Commission approval of a proposed rule change. [footnotes omitted]

Contrary to these Exchange Act and rule requirements and related staff guidance, these recent exchange fee filings have completely failed to provide the details necessary to allow the Commission or commenters to determine whether the fee increases imposed in the filings are fair and reasonable and otherwise meet the Exchange Act fee standards.

As discussed above, instead of providing concrete examples of how the costs specific to each relevant function have increased, the exchanges rely on extremely general statements, references to the fees for a competitor's product offering and/or mere passage of time since the last fee increase. The exchanges do not attempt to explain why the relevant functionality has become more expensive to provide over the past several years, such as by providing details about why maintaining the offering is more expensive now versus when the fees were established or last changed.

If the staff is no longer following the prior guidance, it should notify the industry. Such a change should be publicly announced along with the rationale for the change and any updated criteria staff are using to evaluate immediately effective SRO fee filings. Otherwise, the policy should be uniformly applied and filings such as the ones at issue must be rejected. Without clarity on the substantive factors the Commission and its staff consider when reviewing SRO fee filings, SROs will take inconsistent approaches and the public cannot meaningfully evaluate or comment on the filings.

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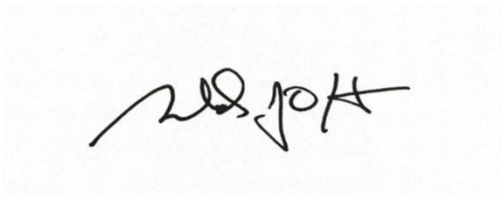
For the reasons discussed above, we urge the Commission to ultimately disapprove the exchange fee filings after suspending them and issuing orders instituting proceedings, as the exchanges have not met their burden of demonstrating that the proposed fees are consistent with Exchange Act fee requirements. If you have any questions or need any additional information, please contact Katie Kolchin at (212) 313-1239, Gerald O'Hara at (202) 962-7343, or Joseph Corcoran at (202) 962-7383.

Sincerely,

Katie Kolchin



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