

August 4, 2025

Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

VIA ELECTRONIC MAIL: rule-comments@sec.gov

Re: File No. 10-249: *Texas Stock Exchange LLC; Notice of Filing of Application, as Amended, for Registration as a National Securities Exchange Under Section 6 of the Securities Exchange Act of 1934*

Dear Sir or Madam:

The Committee on Capital Markets Regulation (the “**Committee**”) offers these comments to the Securities and Exchange Commission (the “**SEC**”) on the Texas Stock Exchange LLC’s (“**TXSE**”) application for registration as a national securities exchange (the “**Application**”) that would allow TXSE to list public companies.¹

Founded in 2006, the Committee is dedicated to enhancing the competitiveness of U.S. capital markets and ensuring the stability of the U.S. financial system. Our membership includes forty-two leaders drawn from the finance, investment, business, law, accounting, and academic communities. The Committee is chaired jointly by R. Glenn Hubbard (Emeritus Dean, Columbia Business School) and John L. Thornton (Former Chairman, The Brookings Institution) and is led by Hal S. Scott (Emeritus Nomura Professor of International Financial Systems at Harvard Law School and President of the Program on International Financial Systems). The Committee is an independent and nonpartisan 501(c)(3) research organization, financed by contributions from individuals, foundations, and corporations.

The Committee supports TXSE’s Application, as approval would enhance competition among listing venues of U.S. public companies that could encourage additional public listings.

U.S. equity markets have been rapidly shrinking over the last few decades, as more companies have been choosing to remain private or list overseas. From a peak of 7,842 public companies in 1997,² there were only 5,152 public companies at the end of 2024,³ a contraction of 34%. U.S. public markets also continue to fall behind those of our competitors. For example, in 2023 and 2024, \$76.5 billion was raised through IPOs in China and Hong Kong, whereas only \$55 billion

¹ Texas Stock Exchange LLC; Notice of Filing of Application, as Amended, for Registration as a National Securities Exchange Under Section 6 of the Securities Exchange Act of 1934, 90 FED. REG. 15,375 (Apr. 10, 2025).

² Christine Dobridge et al., *The Post-COVID Stock Listing Boom* (Bd. Governors Fed. Reserve Sys., FEDS Notes, June 17, 2022), <https://www.federalreserve.gov/econres/notes/feds-notes/the-post-covid-stock-listing-boom-20220617.html>.

³ *Number of Foreign and Domestic Companies Listed on Major U.S. Exchanges, 1980 – 2024*, UNIV. FLA., <https://site.warrington.ufl.edu/ritter/files/number-of-listed-firms-on-US-exchanges.pdf>.

was raised through IPOs in the United States.⁴ In the first half of 2025, Hong Kong was the top-performing exchange for listings, raising \$13.9 billion in proceeds and outperforming second-placed Nasdaq by almost \$5 billion.⁵

Since 2008, there have only been only two primary listing venues for U.S. public equities – the New York Stock Exchange and Nasdaq.⁶ The competition introduced by TXSE could lower costs for U.S. public companies, including listing fees and ongoing compliance costs, that could help encourage private companies to go public and foreign companies to list in the United States. We acknowledge that in recent years other exchanges have attempted to offer primary listings, including IEX and the Long-Term Stock Exchange; however, the scale of these offerings has been very limited. IEX only listed one company before ceasing to offer primary listings in 2019, citing lack of issuer interest and focusing instead on its core mission of trading.⁷ Similarly, the Long-Term Stock Exchange began offering primary listings in 2020, but it accounts for only 0.05% of the daily U.S. equity trading volume and has listed only three companies, one of which has delisted.⁸ We therefore view the introduction of an additional listing venue as a positive step toward promoting market competition.

For these reasons, the Committee supports TXSE’s Application to become a national securities exchange that would list public companies.

⁴ *EY Global IPO Trends 2024: Year-End Edition*, EY 43-44 (2024), <https://www.ey.com/content/dam/ey-unified-site/ey-com/en-gl/insights/ipo/documents/ey-gl-ipo-trends-v1-12-2024.pdf>.

⁵ Arjun Neil Alim, *Hong Kong Listings Pipeline Hits Record High as Equity Market Booms*, FIN. TIMES (Jul. 7, 2025), <https://www.ft.com/content/97dc9254-5254-42a4-8503-ca037e843a34>.

⁶ Alexander Osipovich, *Startup Exchange Cleared to Take on NYSE, Nasdaq for Stock Listings*, WSJ (Oct. 26, 2017, 5:30AM), <https://www.wsj.com/articles/startup-exchange-cleared-to-take-on-nyse-nasdaq-for-stock-listings-1509010200>.

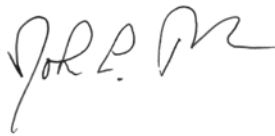
⁷ IEX Press Release, *IEX Exits Corporate Listings to Focus on Trading and New Technology Businesses* (Sept. 23, 2019), <https://www.iex.io/article/iex-exits-corporate-listings-to-focus-on-trading-and-new-technology-businesses>.

⁸ CBOE, *U.S. Equities Market Volume Summary*, https://www.cboe.com/us/equities/market_share/market/ (as of August 4, 2025); CRUNCHBASE, *ThredUp Joins Long-Term Stock Exchange for Dual-Listing* (May 9, 2023), <https://news.crunchbase.com/public/dual-listing-nasdaq-long-term-stock-exchange-tdup>.


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Thank you very much for your consideration of the Committee's position. Should you have any questions or concerns, please do not hesitate to contact the Committee's President, Professor Hal S. Scott (hscott@capmksreg.org) or its Executive Director, John Gulliver (jgulliver@capmksreg.org) at your convenience.

Respectfully submitted,



John L. Thornton
CO-CHAIR



Hal S. Scott
PRESIDENT



R. Glenn Hubbard
CO-CHAIR