

request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. Hearing requests should be received by the Commission by 5:30 p.m. on June 9, 2025, and should be accompanied by proof of service on the Applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary.

**ADDRESSES:** The Commission: *Secretaries-Office@sec.gov*. Applicants: Ronald A. Holinsky, Esq., Lincoln Financial Investments Corporation, 150 N Radnor-Chester Road, Radnor, Pennsylvania 19087, with copies to Richard Horowitz, Esq., and Kaitlin McGrath, Esq., Dechert LLP, 1095 Avenue of the Americas, New York, New York 10036.

**FOR FURTHER INFORMATION CONTACT:** Rachel Loko, Senior Special Counsel, at (202) 551–6825 (Division of Investment Management, Chief Counsel's Office).

**SUPPLEMENTARY INFORMATION:** For Applicants' representations, legal analysis, and conditions, please refer to Applicants' application, dated April 4, 2025, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field on the SEC's EDGAR system. The SEC's EDGAR system may be searched at <https://www.sec.gov/edgar/searchedgar/companysearch>. You may also call the SEC's Office of Investor Education and Advocacy at (202) 551–8090.

For the Commission, by the Division of Investment Management, under delegated authority.

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103039; File No. SR–NYSETEX–2025–08]

### Self-Regulatory Organizations; NYSE Texas, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt Rule 7.35 and Amend Rule 7.31

May 13, 2025.

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 May 9, 2025, the NYSE Texas, Inc. (“NYSE Texas” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II 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 proposes to adopt Rule 7.35 regarding auctions, amend Rule 7.31 to provide for Imbalance Offset Orders and Q Orders, and make other conforming changes. 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 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

In connection with the Exchange's recently filed proposed rule change to

adopt rules to permit the listing and trading of certain Exchange Traded Products, <sup>4</sup> the Exchange proposes to adopt rules setting forth the conduct of auctions on the Exchange, including for securities for which the Exchange is the primary listing market, and providing for a new order type that could participate in certain auctions. Similarly, in connection with the Exchange's recent proposed rule change to provide for the operation of Market Makers on the Exchange, <sup>5</sup> the Exchange proposes to adopt rules providing for a new order type that would be available specifically to Market Makers. The Exchange also proposes certain conforming changes to reflect the operation of auctions and Market Makers on the Exchange.

The Exchange proposes to (1) adopt new Rule 7.35 to describe how it would conduct auctions; (2) amend Rule 7.31 (Orders and Modifiers) to provide for the Imbalance Offset Order (“IO Order”) and Q Order; and (3) make conforming changes in Rules 1.1 (Definitions), 7.10 (Clearly Erroneous Executions), 7.11 (Limit Up—Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility), 7.16 (Short Sales), 7.17 (Firm Orders and Quotes), 7.18 (Halts), 7.20 (Registration of Market Makers), 7.31 (Orders and Modifiers), and 7.34 (Trading Sessions) to reflect the auction process and the availability of the IO Order and Q Order. <sup>6</sup> As further discussed below, the proposed changes are based on the rules of the Exchange's affiliate NYSE Arca, Inc. (“NYSE Arca”), with only the following non-substantive conforming changes:

- Replacement of references to “NYSE Arca” or “NYSE Arca Marketplace” with references to “NYSE Texas” or the “Exchange”;

<sup>4</sup> See Securities Exchange Act Release No. 102957 (April 29, 2025) (SR–NYSECHX–2025–04) (Notice of Filing of Amendment No. 1, and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, to Amend Exchange Rules 1.1, 5, 7.18, 8 and Exchange Article 22, Rules 24–27) (the “Listing Rules Filing”).

<sup>5</sup> See Securities Exchange Act Release No. 102874 (April 16, 2025), 90 FR 16896 (April 22, 2025) (SR–NYSETEX–2025–05) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 1.1, Reinstate Article 16, Rules 1 Through 4 and Relocate Them) (the “Market Maker Rules Filing”).

<sup>6</sup> The Exchange recently filed a proposed rule change to adopt Rule 11.30 governing the prevention of the misuse of material, non-public information. See SR–NYSETEX–2025–06 (May 2, 2025), <https://www.nyse.com/publicdocs/nyse/markets/nyse-texas/rule-filings/filings/2025/SR-NYSETEX-2025-06.pdf>. The Exchange represents that it will not list or trade any Exchange Traded Products until proposed Rule 11.30 is operative.

<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.

- Replacement of references to “ETP Holder” with references to “Participant”; and
- Replacement of internal references to NYSE Arca rules with references to NYSE Texas rules (*e.g.*, Rule 7.36 rather than Rule 7.36–E).

#### Rule 7.35 (Auctions)

Proposed Rule 7.35 describes how the Exchange would conduct auctions. Proposed Rule 7.35 is based on NYSE Arca Rule 7.35–E, with the non-substantive changes noted above to conform the language of the rule to terminology used in NYSE Texas rules.

Proposed Rules 7.35(a)(1) through (14) would set forth definitions for the following terms for purposes of this Rule: Auction-Eligible Security, Auction Processing Period, Auction Imbalance Freeze, Auction Imbalance Information, Auction NBBO, Auction Ranking, Imbalance, Indicative Match Price, Matched Volume, Auction Collar, Book Clearing Price, Far Clearing Price, Auction Indicator, and Imbalance Freeze Indicator.

Proposed Rule 7.35(b) would describe how the Exchange conducts Early Open Auctions. Early Open Auctions would be conducted at the beginning of the Early Trading Session, and only Limit Orders in Auction-Eligible Securities designated for the Early Trading Session would be eligible to participate in an Early Open Auction. The subparagraphs under proposed Rule 7.35(b) further provide for the operation of an Early Open Auction, including the dissemination of Early Open Auction Imbalance Information, the timing of the Early Open Auction Imbalance Freeze, and the process for matching and trading orders participating in the Early Open Auction.

Proposed Rule 7.35(c) would describe how the Exchange conducts Core Open Auctions. Core Open Auctions would be conducted at the beginning of the Core Trading Session. Orders eligible for participation in a Core Open Auction are orders in Auction-Eligible Securities that are designated for the Core Trading Session and eligible to participate in auctions. The subparagraphs under proposed Rule 7.35(c) further provide for the operation of a Core Open Auction, including the publication of the Core Open Auction Imbalance Information, order processing during the Core Open Auction Imbalance Freeze, and the process for matching and trading orders participating in the Core Open Auction.

Proposed Rule 7.35(d) would describe how the Exchange conducts Closing Auctions. Closing Auctions would be conducted at the end of the Core

Trading Session. Orders eligible for participation in a Closing Auction are orders in Auction-Eligible Securities that are designated for the Core Trading Session and eligible to participate in auctions. The subparagraphs under proposed Rule 7.35(d) further provide for the operation of the Closing Auction, including the publication of Closing Auction Imbalance Information, order processing during the Closing Auction Imbalance Freeze, and the process for matching and trading orders participating in the Closing Auction.

Proposed Rule 7.35(e) would describe how the Exchange conducts Trading Halt Auctions. A Trading Halt Auction would be conducted to re-open trading in an Auction-Eligible Security following a halt or pause of trading in that security in either the Early Trading Session, Core Trading Session, or Late Trading Session, as applicable. Orders eligible for participation in a Trading Halt Auction are orders in Auction-Eligible Securities that are designated for the Core Trading Session and eligible to participate in auctions. The subparagraphs under proposed Rule 7.35(e) further provide for the operation of a Trading Halt Auction, including publication of Trading Halt Auction Imbalance Information, dissemination of the estimated Re-Opening Time, the process for matching and trading orders participating in the Trading Halt Auction, the circumstances under which the Re-Opening Time could be extended, the applicability of Auction Collars, and order processing during the Trading Halt Auction Imbalance Freeze.

Proposed Rule 7.35(f) would describe how the Exchange conducts IPO Auctions. An IPO Auction would be conducted during the Core Trading Session on the first day of trading for any security for which NYSE Texas is the primary listing market, excluding transfers. An IPO Auction would follow the processing rules of a Core Open Auction, with certain differences set forth in the subparagraphs under proposed Rule 7.35(f).

Proposed Rule 7.35(g) would provide for order processing by the Exchange during an Auction Processing Period.

Proposed Rule 7.35(h) would describe how the Exchange would transition to continuous trading following an auction. After auction processing concludes, including if there is no Matched Volume and an auction is not conducted or when transitioning from one trading session to another, the Exchange will transition to continuous trading following an auction or when transitioning from one trading session to another. The subparagraphs under proposed Rule 7.35(h) would further

provide for the transition to continuous trading, including the expiration of orders no longer eligible to trade following the transition and the processing of orders and order instructions during the transition.

Proposed Rule 7.35(i) would provide that the Exchange may adjust the timing of or suspend auctions as described in this Rule 7.35 whenever, in the judgment of the Exchange, the interests of a fair and orderly market so require.

Proposed Rule 7.35(j) would provide that, for purposes of Rule 611(b)(3) of Regulation NMS, the Early Open Auction, Core Open Auction, Closing Auction, Trading Halt Auction, and IPO Auction are single-priced opening, reopening, or closing transactions and may trade through any other Away Market’s Manual or Protected Quotations.

Finally, proposed Commentary .01 to Rule 7.35 would provide that, during a Short Sale Period as defined in Rule 7.16(f), for purposes of pricing an auction and ranking orders for allocation in an auction, sell short Market Orders that are adjusted to a Permitted Price (as defined in Rule 7.16(f)) will be processed as Limit Orders ranked Priority 2—Display Orders and will not be included in the Market Imbalance. In addition, sell short orders that are included in Auction Imbalance Information will be adjusted to a Permitted Price as the NBB moves both up and down.

#### IO Orders

The Exchange proposes new Rule 7.31(c)(5) to provide for IO Orders. This proposed rule is based on NYSE Arca Rule 7.31–E(c)(5), without any substantive changes. Consistent with the proposed adoption of Rule 7.35 to provide for auctions, the Exchange proposes to amend its rules to provide for IO Orders, which participate in Trading Halt Auctions.

Proposed Rule 7.31(c)(5) would define the Imbalance Offset or IO Order as a Limit Order to buy (sell) that is to be traded only in a Trading Halt Auction. An IO Order will be accepted only during a trading halt or pause, including any extensions. An IO Order will participate in a Trading Halt Auction only if there is an imbalance in the security on the opposite side of the market from the IO Order after taking into account all other orders eligible to trade at the Indicative Match Price and the limit price of the IO Order to buy (sell) is at or above (below) the Indicative Match Price. The working price of an IO Order to buy (sell) will be adjusted to be equal to the Indicative Match Price, provided that the working

price of the IO Order will not be higher (lower) than its limit price. An IO Order that participates in a Trading Halt Auction will be ranked in time priority among IO Orders after all other orders eligible to participate in the auction have been allocated.

#### Q Orders

The Exchange proposes new Rule 7.31(j) to provide for the Q Order. This proposed rule is based on NYSE Arca Rule 7.31–E(j), without any substantive changes. Further to the Exchange's recent proposed rule change to provide for Market Makers on the Exchange,<sup>7</sup> the Exchange proposes to provide for the Market Maker-specific Q Order, which would conform the Exchange's rules with those of NYSE Arca.

Proposed Rule 7.31(j) would define a Q Order as a Limit Order submitted to the Exchange by a Market Maker, and designated by a Market Maker as a "Q Order" through such means as the Exchange will specify. Q Orders entered by Participants that are not registered in that security as a Market Maker will be rejected. Proposed Rule 7.31(j)(1) would provide that a Q Order must have a minimum of one round lot displayed on entry, must be designated Day, and does not route. In addition, a Q Order to buy (sell) will be rejected if it has limit price at or above (below) the PBO (PBB) or it is designated as a Non-Routable Limit Order, ALO Order, or ISO. Proposed Rule 7.31(j)(2) would provide that Market Makers must enter Q Orders in securities in which they are registered in accordance with Rule 7.23, beginning at the start of the Core Trading Session and continuing until the end of the Core Trading Session. Market Makers are not obligated to but may enter Q Orders in securities in which they are registered during the Early and Late Trading Sessions. Nothing in proposed Rule 7.31(j)(2) will be construed to relieve a Market Maker of any of its obligations pursuant to Rule 7.23.

#### Other Conforming Changes

The Exchange proposes the following conforming changes to reflect the adoption of Rule 7.35 regarding auctions and the availability of the IO Order and Q Order.

- In Rule 1.1, which sets forth definitions of terms that are used throughout the Exchange rules, the Exchange proposes to amend subparagraph (t) to define "Official Closing Price."<sup>8</sup> The proposed

definition of Official Closing Price would provide that the term means the reference price to determine the closing price in a security for purposes of Rule 7 and describe how the Exchange would calculate the Official Closing Price for a security under various scenarios. This definition is based on the definition of Official Closing Price in NYSE Arca Rule 1.1 (Official Closing Price), without any substantive changes.

- In Rule 7.10 (Clearly Erroneous Executions), which relates to the Exchange's review of "clearly erroneous" transactions, the Exchange proposes to add a new sentence at the end of Rule 7.10(a) to provide that executions as a result of a Trading Halt Auction are not eligible for a request to review as clearly erroneous under paragraph (b) of this Rule. This proposed change reflects the operation of auctions as described in proposed Rule 7.35 (and, specifically, Trading Halt Auctions) and is based on NYSE Arca Rule 7.10–E(a) without any substantive changes.

- In Rule 7.11 (Limit Up—Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility), which relates to the requirements of the Limit Up-Limit Down Plan and procedures to address extraordinary volatility in NMS Stocks, the Exchange proposes the following changes:

- First, the Exchange proposes to adopt new text in Rule 7.11(a)(5)(D), which is currently designated as Reserved. The Exchange proposes that Rule 7.11(a)(5)(D) would provide that Incoming Q Orders to buy (sell) with a limit price above (below) the Upper (Lower) Price Band will be rejected. If Price Bands move and the limit price of a resting Q Order to buy (sell) is above (below) the updated Upper (Lower) Price Band, the Q Order will be cancelled. This proposed change addresses the handling of Q Orders, further to the proposed change to Rule 7.31 to provide for Q Orders described above, and is based on NYSE Arca Rule 7.11–E(a)(5)(D) without any substantive changes.

- The Exchange also proposes to amend Rule 7.11(b), relating to the re-opening of trading following a trading pause. The Exchange proposes to adopt new rule text providing that, at the end of the Trading Pause, the Exchange will

defining "Protected Bid, Protected Offer, Protected Quotation" would become Rule 1.1(u), current Rule 1.1(u) defining "Security" would become Rule 1.1(v), and so forth, with no changes to the substance of the definitions. The Exchange notes that this filing reflects the numbering in Rule 1.1 as modified by the Market Maker Rules Filing, which is expected to be operative on May 14, 2025.

re-open the security in accordance with the procedures set forth in Rule 7.35 for a Trading Halt Auction. Any interest repriced pursuant to paragraph (a)(6) of this Rule will return to its original order instructions for purposes of the re-opening transaction following a Trading Pause. The Exchange also proposes to add new Rule 7.11(b)(1), which would provide that if a Trading Pause is triggered under this Rule or if the Exchange is unable to reopen trading at the end of the Trading Pause due to a systems or technology issue, the Exchange will immediately notify the single plan processor responsible for consolidation of information for the security pursuant to Rule 603 of Regulation NMS under the Securities Exchange Act of 1934. The Exchange further proposes that the current language of Rule 7.11(b), which provides that if a primary listing market issues a Trading Pause, the Exchange will resume trading as provided for in Rule 7.18, be renamed as Rule 7.11(b)(2) and that the reference to Rule 7.18 be updated to Rule 7.18(a). These proposed changes reflect the operation of auctions as described in proposed Rule 7.35 (and, specifically, Trading Halt Auctions) and are based on NYSE Arca Rule 7.11–E(b) without any substantive changes.

- In Rule 7.16 (Short Sales), relating to compliance with Regulation SHO, the Exchange proposes the following changes:

- The Exchange first proposes to adopt new rule text in Rule 7.16(f)(3), which is currently designated as Reserved, to describe the process for determining the Trigger Price. Proposed Rule 7.16(f)(3) would provide that, for covered securities for which NYSE Texas is the listing market, Exchange systems will determine whether the short sale price test restrictions of Rule 201 of Regulation SHO have been triggered (*i.e.*, whether a transaction in a covered security has occurred at a Trigger Price) and will immediately notify the single plan processor responsible for consolidation of information for the covered security pursuant to Rule 603(b) of Regulation NMS. The Exchange will not calculate the Trigger Price of a covered security until after the Core Open Auction for that security. This proposed change reflects that, pursuant to the Listing Rules Filing, the Exchange may be the listing market for some securities and is based on NYSE Arca Rule 7.16–E(f)(3) without any substantive changes.

- The Exchange proposes to add new Rule 7.11(f)(8), which would provide that, notwithstanding subparagraph (f)(6) of this Rule, with respect to the execution of short sale orders in a

<sup>7</sup> See Market Maker Rules Filing, note 5, *supra*.

<sup>8</sup> To accommodate the addition of this definition, the Exchange also proposes to adjust the lettering in Rule 1.1. Specifically, current Rule 1.1(m)

covered security in any auction during the Short Sale Period, the Exchange will adjust the working price and display price of such short sale orders in a covered security to a Permitted Price before such auction. If such a short sale order is not executed in the applicable auction and is eligible to trade, it will be priced consistent with paragraph (f)(5)(A) of this Rule. This proposed change reflects the operation of auctions as described in proposed Rule 7.35 and is based on NYSE Arca Rule 7.16–E(f)(8) without any substantive changes.

- In Rule 7.17 (Firm Orders and Quotes), relating to the requirement that Participants submit orders at stated prices and sizes and firm quotes, the Exchange proposes to add a parenthetical in the first sentence of Rule 7.17(a) concerning orders at stated prices and size to clarify that Q Orders are included in the orders referenced in this rule. This proposed change reflects the proposed change to Rule 7.31 to provide for Q Orders, as described above, and is based on NYSE Arca Rule 7.17–E(a) without any substantive changes.

- In Rule 7.18 (Halts), which sets forth rules relating to halts in trading, the Exchange proposes the following changes, which reflect the operation of auctions as described in proposed Rule 7.35 and are based on sections of the same number in NYSE Arca Rule 7.18–E without any substantive changes:

- In Rule 7.18(b), which describes how the Exchange will handle orders during a UTP Regulatory Halt, the Exchange proposes to replace the reference to a “reopening auction” with a reference to a “Trading Halt Auction.” This proposed change is based on NYSE Arca Rule 7.18–E(b) without any substantive changes.

- In Rule 7.18(b)(5), the Exchange proposes to add Auction-Only Orders to the list of orders that would be accepted and routed to the primary listing market during a UTP Regulatory Halt. This proposed change is based on NYSE Arca Rule 7.18–E(b)(5) without any substantive changes.

- The Exchange proposes to add text in Rule 7.18(c), including subparagraphs (1) through (6) thereunder, to describe how the Exchange will process new and existing orders in securities listed on the Exchange during a halt, suspension, or pause. This proposed change is based on NYSE Arca Rule 7.18–E(c) and subparagraphs (1) through (6) thereunder, with conforming changes to reflect only the order types that are available on the Exchange. In addition, to reflect this change, the Exchange proposes to renumber current Rule

7.18(c) regarding halts in Exchange Traded Products as Rule 7.18(d).

- The Exchange proposes to adopt new Rule 7.18(e), which would provide that the Exchange will halt trading in a security for which the Exchange is the Primary Listing Market before the end of the Late Trading Session on the day immediately before the market effective date of a reverse stock split. Trading in the security will resume with a Trading Halt Auction at 9:00 a.m. ET on the effective date of the reverse stock split. This proposed change is based on NYSE Arca Rule 7.18–E(e) without any substantive changes.

- In Rule 7.20 (Registration of Market Makers),<sup>9</sup> which sets forth requirements for the registration of Market Makers, the Exchange proposes to amend the first sentence of current Rule 7.20(a) to add a parenthetical clarifying the applicability of the rule to Market Makers’ entry of Q Orders. This proposed change reflects the proposed change to Rule 7.31 to provide for Q Orders, as described above, and is based on NYSE Arca Rule 7.20–E(a) without any substantive changes.

- In Rule 7.31 (Orders and Modifiers), the Exchange proposes the following changes, which are intended to reflect the operation of auctions as described in proposed Rule 7.35 and are based on sections of the same number in NYSE Arca Rule 7.31–E without any substantive changes:

- The Exchange proposes to amend Rule 7.31(a)(2)(B)(iii) relating to Limit Order Price Protection to provide that a Limit Order entered before the Core Trading Session that is designated for the Core Trading Session only will become subject to Limit Order Price Protection after the Core Open Auction and that a Limit Order in an Auction-Eligible Security entered during a trading halt or pause will not be subject to Limit Order Price Protection. This proposed change is based on NYSE Arca Rule 7.31–E(a)(2)(B)(iii) without any substantive changes.

- The Exchange proposes to amend Rule 7.31(b)(2), which defines the Immediate-or-Cancel Modifier, to add a sentence providing that a Limit Order designated IOC is not eligible to participate in any auctions. This proposed change is based on NYSE Arca Rule 7.31–E(b)(2) without any substantive changes.

- The Exchange proposes to amend Rule 7.31(c) describing Auction-Only Orders as follows, to reflect the

operation of auctions on the Exchange as described in proposed Rule 7.35:

- The Exchange proposes to amend Rule 7.31(c) to define an Auction-Only Order as a Limit or Market Order that is to be traded only within an auction pursuant to Rule 7.35 (further to the proposed change to adopt Rule 7.35) or routed pursuant to Rule 7.34. Rule 7.31(c), as proposed, would also provide that any quantity of an Auction-Only Order that is not traded in the designated auction will be cancelled. This proposed change is based on NYSE Arca Rule 7.31–E(c) without any substantive changes.

- The Exchange proposes to amend Rule 7.31(c)(1), defining a Limit-on-Open Order (“LOO Order”), to provide that a LOO Order is a Limit Order that is to be traded only during the Core Open Auction or a Trading Halt Auction (rather than during an opening or re-opening auction of the primary listing market). Rule 7.31(c)(1), as proposed, would also provide that LOO Orders intended for a Trading Halt Auction will be accepted only during trading halts, which may occur in any trading session. This proposed change is based on NYSE Arca Rule 7.31–E(c)(1) without any substantive changes.

- The Exchange proposes to amend Rule 7.31(c)(2), defining a Market-on-Open Order (“MOO Order”), to provide that a MOO Order is a Market Order that is to be traded only during the Core Open Auction or a Trading Halt Auction (rather than during an opening or re-opening auction of the primary listing market). Rule 7.31(c)(2), as proposed, would also provide that MOO Orders intended for a Trading Halt Auction will be accepted only during trading halts that occur during the Core Trading Session. This proposed change is based on NYSE Arca Rule 7.31–E(c)(2) without any substantive changes.

- The Exchange proposes to amend Rules 7.31(c)(3) and (4) relating to Limit-on-Close Orders and Market-on-Close Orders, respectively, to replace references to “a closing auction of the primary listing market” with “the Closing Auction.” These proposed changes are based on NYSE Arca Rules 7.31–E(c)(3) and (4), respectively.

- The Exchange proposes to amend Rules 7.31(d)(2) relating to Non-Displayed Limit Orders,<sup>10</sup> 7.31(d)(3)

<sup>10</sup> The Exchange also proposes a non-substantive conforming change in Rule 7.31(d)(2). The second sentence of Rule 7.31(d)(2) currently provides that a “Limit Non-Displayed Order is ranked Priority 3—Non-Display Orders.” The Exchange proposes to amend this sentence to replace “Limit Non-Displayed Order” with “Non-Displayed Limit Order” to promote consistency in the use of terminology in Exchange rules.

<sup>9</sup> Rule 7.20 was proposed in the Market Maker Rules Filing and is expected to be operative on May 14, 2025.

relating to Mid-Point Liquidity Orders, and 7.31(h)(1) relating to Market Pegged Orders to reflect the proposed operation of auctions on the Exchange pursuant to proposed Rule 7.35. Specifically, the Exchange proposes to amend these rules to specify that Non-Displayed Limit Orders, Mid-Point Liquidity Orders, and Market Pegged Orders do not participate in auctions. These proposed changes are based on NYSE Arca Rules 7.31–E(d)(2), 7.31–E(d)(3), and 7.31–E(h)(1).

- The Exchange proposes to amend Rule 7.31(e)(2), relating to ALO Orders, to add new subparagraph (G) providing that the ALO designation will be ignored for ALO Orders that participate in an auction. This proposed change is based on NYSE Arca Rule 7.31–E(e)(2)(G).

- The Exchange proposes to amend Rule 7.31(f)(4) relating to Directed Orders. Specifically, the Exchange proposes that Rule 7.31(f)(4)(B) would provide that a Directed Order in a security that is having its initial listing on the Exchange will be rejected if received before the IPO Auction concludes. This proposed change reflects the availability of auctions on the Exchange, pursuant to proposed Rule 7.35, and is based on NYSE Arca Rule 7.31–E(f)(4)(B) without any substantive changes. In addition, to reflect this change, the Exchange proposes to rename current Rules 7.31(f)(4)(B) and (C) as Rules 7.31(f)(4)(C) and (D), respectively.

- The Exchange proposes to amend Rule 7.31(h)(2) relating to Primary Pegged Orders to add a sentence specifying that a Primary Pegged Order is eligible to participate in an auction at its limit price, except that it is not eligible to participate in a Closing Auction. This proposed change reflects the operation of auctions on the Exchange pursuant to proposed Rule 7.35 and is based on NYSE Arca Rule 7.31–E(h)(2) without any substantive changes.

- The Exchange proposes to amend Rule 7.31(i)(2) relating to the Self Trade Prevention Modifier to add a sentence specifying that orders marked with such modifier will not be prevented from interacting during any auction. This proposed change reflects the operation of auctions on the Exchange pursuant to proposed Rule 7.35 and is based on NYSE Arca Rule 7.31–E(i)(2) without any substantive changes.

- In Rule 7.34 (Trading Sessions), which describes the trading sessions conducted on the Exchange, the Exchange proposes the following changes to reflect the operation of auctions as described in proposed Rule 7.35. These proposed changes are based

on sections of the same number in NYSE Arca Rule 7.34–E without any substantive changes.

- In Rule 7.34(a)(1) describing the Early Trading Session, the Exchange proposes to add a new sentence specifying that the Early Open Auction will begin the Early Trading Session to reflect the operation of the Early Open Auction, as described in proposed Rule 7.35. This proposed change is based on NYSE Arca Rule 7.34–E(a)(1) without any substantive changes.

- In Rule 7.34(a)(2) describing the Core Trading Session, the Exchange proposes to add new text to specify that the Core Trading Session will begin for each security at 9:30 a.m. and end at the conclusion of Core Trading Hours or the Core Closing Auction, whichever comes later, and that the Core Open Auction will begin the Core Trading Session. This proposed change reflects the operation of the Closing Auction, as described in proposed Rule 7.35, and is based on NYSE Arca Rule 7.34–E(a)(2) without any substantive changes.

- The Exchange proposes to adopt new rule text in Rule 7.34(c)(1)(B), which is currently designated as Reserved. Proposed Rule 7.34(c)(1)(B) would provide that Limit Orders designated IOC are not eligible to participate in the Early Open Auction and will be rejected if entered before the Early Open Auction concludes. This proposed change reflects the operation of the Early Open Auction, as described in proposed Rule 7.35, and is based on NYSE Arca Rule 7.34–E(c)(1)(B) without any substantive changes.<sup>11</sup>

- The Exchange proposes to amend Rule 7.34(c)(1)(C) so that the rule provides that Limit Orders designated IOC and Cross Orders entered before or during the Early Trading Session and designated for the Core Trading Session will be rejected if entered before the Auction Processing Period for the Core Open Auction (instead of before the Core Trading Session). This proposed change reflects the operation of the Core Open Auction, as described in proposed Rule 7.35, and is based on NYSE Arca Rule 7.34–E(c)(1)(C) without any substantive changes.

- The Exchange proposes to amend Rule 7.34(c)(1)(D) to add new text at the beginning of the first sentence of the rule to clarify that the rule applies to securities that are not eligible for an auction on the Exchange. This proposed change reflects the operation of auctions, as described in proposed Rule

7.35, and is based on NYSE Arca Rule 7.34–E(c)(1)(D) without any substantive changes.

- The Exchange proposes to amend Rule 7.34(c)(1)(F) so that it provides that Non-Displayed Limit Orders, MPL Orders, and Tracking Orders entered before the Auction Processing Period for the Early Open Auction (instead of before the Early Trading Session) will be rejected. This proposed change reflects the operation of the Early Open Auction, as described in proposed Rule 7.35, and is based on NYSE Arca Rule 7.34–E(c)(1)(F) without any substantive changes.

- The Exchange proposes to amend Rule 7.34(c)(2)(A) so that it provides that Market Orders in securities that are not eligible for the Core Open Auction will be routed to the primary listing market until the first opening print of any size on the primary listing market or 10:00 a.m. Eastern Time, whichever is earlier. This proposed change reflects the operation of the Early Open Auction, as described in proposed Rule 7.35, and is based on NYSE Arca Rule 7.34–E(c)(2)(A) without any substantive changes.

- The Exchange proposes to amend Rule 7.34(c)(2)(B) so that it provides that Auction-Only Orders in securities that are not eligible for an auction on the Exchange will be accepted and routed directly to the primary listing market. This proposed change reflects the operation of auctions, as described in proposed Rule 7.35, and is based on NYSE Arca Rule 7.34–E(c)(2)(B) without any substantive changes.

The Exchange proposes to amend Rule 7.34(c)(2)(C) so that it provides that Limit Orders designated IOC and Cross Orders entered before or during the Core Trading Session and designated for the Late Trading Session will be rejected if entered before the Auction Processing Period for the Closing Auction (instead of before the Late Trading Session). This proposed change reflects the operation of the Closing Auction, as described in proposed Rule 7.35, and is based on NYSE Arca Rule 7.34–E(c)(2)(C) without any substantive changes.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934,<sup>12</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>13</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

<sup>11</sup> The Exchange also proposes a conforming change in Rule 7.34(c)(1) to replace the reference to “subparagraphs (c)(1)(A)–(E)” with “subparagraphs (c)(1)(A)–(F)” to accurately reflect the number of subparagraphs below Rule 7.34(c)(1).

<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(5).

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.

The Exchange believes that the proposed changes would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and protect investors and the public interest because the proposed rules are based on the rules of the Exchange's affiliated market, NYSE Arca, that have been approved by the Commission. Accordingly, the proposed rule changes would facilitate the Exchange's ability to conduct auctions under the same rules as on the Exchange's affiliated market and offer order types similarly available on the Exchange's affiliated market. The Exchange also believes that the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system by promoting consistency across the rules of affiliated exchanges, as well as continuity that would enable market participants to participate in auctions and use order types pursuant to the same rules. The proposed rule change also removes impediments to and perfects the mechanism of a free and open market and a national market system by facilitating the operation of auctions on the Exchange (including for securities for which the Exchange is the primary listing market) and the activities of Market Makers on the Exchange, in alignment with the Exchange's recent filings.<sup>14</sup> Finally, the Exchange believes that the proposed change would remove impediments to, and perfect the mechanism of, a free and open market and a national market system and protect investors and the public interest because it would promote competition by facilitating price discovery and liquidity through auctions on another primary listing market and offering additional order types to market participants.

#### *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 sets forth rules governing the operation of auctions and

defining certain new order types, which rules are based on the approved rules of its affiliate, NYSE Arca. The Exchange believes that the proposed rules would promote competition because they would provide for auctions on another primary listing market and offer additional order types to Participants (including Market Makers), facilitating additional trading opportunities for all market participants. The Exchange further believes that the proposed rules would not impose any burden on competition that is not necessary or appropriate because they are designed to support the operation of auctions on another primary listing venue and could instead encourage competition by promoting price discovery and liquidity for the benefit of all market participants.

#### *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>15</sup> and Rule 19b-4(f)(6) thereunder.<sup>16</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)(iii) of the Act<sup>17</sup> and Rule 19b-4(f)(6)(iii) thereunder.<sup>18</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>19</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>20</sup> the Commission may designate a shorter

time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange believes that waiver of the 30-day operative delay would allow the Exchange to implement the proposed changes as soon as the technology associated with the proposed changes is available, which is anticipated to be less than 30 days from the date of this filing.<sup>21</sup> The Commission believes that waiver of the operative delay would be consistent with the protection of investors and the public interest because the proposed changes present no novel issues and would permit the Exchange to promptly begin facilitating auctions and offering additional order types as soon as the technology for such changes could be implemented. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.<sup>22</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. 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-NYSETEX-2025-08 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange

<sup>21</sup> See note 6, *supra*.

<sup>22</sup> For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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

<sup>16</sup> 17 CFR 240.19b-4(f)(6).

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>18</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has fulfilled this requirement.

<sup>19</sup> 17 CFR 240.19b-4(f)(6).

<sup>20</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>14</sup> See Listing Rules Filing, note 4, *supra*; Market Maker Rules Filing, note 5, *supra*.

Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–NYSETEX–2025–08. 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–NYSETEX–2025–08 and should be submitted on or before June 9, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>23</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2025–08852 Filed 5–16–25; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103038; File No. SR–MRX–2025–09]

### Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Offer FPGA Technology as an Optional Delivery Mechanism for the Nasdaq MRX Depth of Market Data Feed

May 13, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on April 30, 2025, Nasdaq MRX, LLC (“MRX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “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 proposes to offer FPGA technology as an optional delivery mechanism for the Nasdaq MRX Depth of Market Data Feed.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/mrx/rulefilings>, 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 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

MRX proposes to offer field-programmable gate array (“FPGA”) technology as an optional delivery mechanism for the Nasdaq MRX Depth of Market Data Feed (“Depth of Market Feed”).<sup>3</sup> FPGA technology is currently available on the Nasdaq Stock Market, LLC, Nasdaq Phlx (for equities), and Nasdaq BX, as well as the Nasdaq Options Market.<sup>4</sup>

##### FPGA

FPGA is a hardware-based delivery mechanism that utilizes an integrated circuit that is programmed to reduce “jitter”—a technical term of art referring to the deviation in amplitude, phase timing or width of a signal pulse in a digital signal—that will allow data to be processed in a more predictable, or “deterministic,” fashion. Reducing jitter can be useful for certain customers due to the variability in the timing of market data packets transmitted by an exchange over the course of the trading day. Orders, and therefore market data packets, typically accumulate in larger numbers at the beginning and end of the trading day, as well as during the peaks of activity that occur at random intervals during the day. These bursts of activity may alter the time interval between the delivery of data packets because software processes information at variable rates depending on load to the system. Processing times may increase at higher loads, and decrease during periods of lesser activity. FPGA technology processes data packets at a constant time interval, without regard to the number of packets processed. Higher levels of determinism means less variable queuing, which improves the predictability of data transfer, particularly during times of peak market activity.

The benefits of determinism depend on the use case of the customer, as well as the customer's specific system architecture.

<sup>3</sup> See Equity 3, Section 23(a)(1). Proposals to make FPGA technology available for the ISE and GEMX exchanges are being submitted together with this proposal.

<sup>4</sup> See, e.g., Securities Exchange Act Release No. 98185 (August 21, 2023), 88 FR 58324 (August 25, 2023) (SR–Phlx–2023–37) (setting fees for the purchase of FPGA technology as an optional delivery mechanism for PSX TotalView); Securities Exchange Act Release No. 98158 (August 17, 2023), 88 FR 57505 (August 23, 2023) (SR–BX–2023–020) (setting fees for the purchase of FPGA technology as an optional delivery mechanism for BX TotalView).

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>23</sup> 17 CFR 200.30–3(a)(12), (59).