BEFORE THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Comment on Preparations for 24-Hour Trading

File No. 4-913 | Lifecycle-Separated Operational Continuity and Supervisory Readability

Submitted by	VeloxVFX LLC
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Executive Summary

VeloxVFX LLC respectfully submits this comment in response to the Commission's announcement that its September 17, 2026 roundtable will address preparations to support overnight trading, operations and resiliency in a 24-hour market, and opportunities and challenges for expansion.

The central architectural observation is that expanded trading availability should not be treated as proof that every dependent lifecycle function is continuously available, synchronized, or legally attributable. A 24-hour equity market may span trading venues, broker-dealers, market-data systems, clearing agencies, settlement infrastructure, custodians, funding providers, issuers, self-regulatory organizations, and public authorities whose operating windows and responsibilities remain distinct.

A resilient framework should therefore preserve separate, reviewable representations of time, session, market-data, transaction, clearing, settlement, funding, corporate-action, exception, recovery, and supervisory-review states. These representations can improve operational clarity without transferring execution, routing, clearing, settlement, best-execution, surveillance, supervisory, or enforcement authority.

I. Preparations for Overnight Trading

Preparation should begin with an explicit inventory of lifecycle dependencies rather than a single binary designation that a market is "open." Each responsible institution should be able to identify which functions are available, degraded, paused, awaiting a later processing window, or dependent on another institution.

- Session-state representation: distinguish regular, extended, overnight, transition, maintenance, recovery, and halted conditions, with authoritative timestamps and clearly attributable status sources.
- Dependency-state representation: identify whether consolidated and proprietary market data, reference data, clearing, settlement, securities lending, banking and funding, corporate-action processing, and required human escalation are available for the relevant session.
- Transition-state continuity: preserve the relationship between an overnight event and the next regular-session, clearing, settlement, or issuer-processing event without treating the transition as execution or disposition authority.
- Participant disclosure: make material differences in liquidity, quotations, order types, venue access, execution quality, market-data coverage, and downstream processing understandable to customers before participation.

The Commission should consider whether common terminology and machine-readable status fields could improve interpretation across independently governed systems. Any common structure should preserve the source and legal owner of each state and should not create a new private decision-maker between the market participant and the responsible regulated institution.

II. Operations and Resiliency in a 24-Hour Market

Continuous availability changes the location of operational boundaries; it does not eliminate them. Maintenance, reconciliation, batch processing, model updates, reference-data changes, margin processes, corporate actions, and human review still require defined windows and accountable handoffs.

- Time-state discipline: use a common time standard while preserving the relevant trading date, business date, settlement date, jurisdiction, daylight-saving treatment, and legally applicable cutoff.
- Degraded-state visibility: represent partial outages, stale or incomplete data, impaired connectivity, delayed downstream processing, and reduced staffing as distinct conditions rather than treating a system as simply available or unavailable.
- Recovery continuity: retain pre-event state, interruption state, recovery authorization, replay or resubmission status, reconciliation results, and final institutional disposition as separate records.
- Human escalation: define when automated processing must yield to an authorized human review, who owns the decision, and how the decision and supporting evidence are preserved.
- Cross-institution testing: conduct scenario-based testing across venue, broker-dealer, market-data, clearing, settlement, funding, and supervisory boundaries, including failures that begin overnight and continue into the regular session.

Resiliency metrics should not reward availability alone. Measures should also address data integrity, time synchronization, exception aging, recovery completeness, reconciliation, customer notification, and the ability to reconstruct events across institutional boundaries.

III. Supervisory Readability and Evidence Continuity

Expanded hours increase the importance of preserving a reviewable chain of institutionally attributable information. Supervisory readability is not supervision. It is the capacity of legally authorized institutions to interpret records generated by responsible market participants without losing the origin, timing, status, or limits of those records.

- Preserve the distinction between an order or instruction, a market-data observation, an execution report, a clearing status, a settlement status, and a supervisory or enforcement determination.
- Record corrections, cancellations, reversals, late reports, stale-data conditions, venue halts, and cross-session carryover as lifecycle events rather than overwriting earlier states.
- Maintain identifiers and timestamps sufficient to associate related events while applying legally required confidentiality, privilege, cybersecurity, and access controls.
- Avoid collapsing evidence-generation tools into legal determinations. Final interpretations, examinations, supervisory judgments, and enforcement actions must remain with the Commission, self-regulatory organizations, and other legally authorized institutions.

IV. Opportunities and Challenges for Expansion

Longer trading hours may improve access for participants in different time zones and reduce discontinuities between U.S. and global markets. Those potential benefits should be evaluated together with liquidity fragmentation, wider spreads, uneven market-data access, operational staffing, cybersecurity exposure, corporate-action timing, settlement and funding dependencies, and the ability of retail customers to understand materially different overnight conditions.

A measured expansion could use defined implementation stages, objective readiness criteria, controlled testing, and post-implementation review. The Commission may wish to distinguish venue readiness from ecosystem readiness and require that material dependencies and limitations remain visible throughout each stage.

Expanded trading hours should not dilute or displace applicable investor-protection, customer-protection, disclosure, order-handling, or best-execution obligations. The responsible broker-dealer, exchange, alternative trading system, clearing agency, self-regulatory organization, or other regulated institution remains accountable for its legally assigned functions during every trading session.

Architecture should support lawful institutional decisions, not predetermine them. A lifecycle-separated approach can allow each venue, broker-dealer, clearing agency, service provider, self-regulatory organization, and public authority to retain its own responsibilities while improving the continuity and interpretability of information exchanged across boundaries.

V. Institutional and Regulatory Boundaries

VeloxVFX LLC offers these observations solely as an informational, architecture-oriented contribution to the public record. VeloxVFX LLC does not through this submission operate a national securities exchange, alternative trading system, broker-dealer, securities information processor, clearing agency, settlement system, custodian, transfer agent, investment adviser, market-data utility, or self-regulatory organization.

The concepts described here do not route or execute securities orders; determine best execution; establish trading hours; calculate or impose margin; clear or settle transactions; safeguard customer assets; conduct market surveillance; make regulatory classifications; perform examinations; or exercise supervisory, enforcement, or governmental authority.

All legally operative requirements, market-structure decisions, approvals, examinations, supervisory determinations, enforcement actions, and exercises of statutory authority remain exclusively with the Commission and other legally authorized institutions. Nothing in this comment requests or implies Commission adoption, endorsement, approval, procurement, implementation, or reliance upon any VeloxVFX concept, patent application, product, or service.

Conclusion

The Commission’s consideration of 24-hour equity trading presents a timely opportunity to define operational readiness in lifecycle terms. Trading availability should remain distinguishable from the availability and status of the systems, data, institutions, and human authorities on which safe market operation depends.

VeloxVFX LLC respectfully recommends that the roundtable consider: (1) explicit session and time-state representation; (2) dependency and degraded-state visibility; (3) cross-session evidence continuity; (4) recovery and human-escalation traceability; (5) staged readiness testing across institutional boundaries; and (6) clear preservation of each regulated entity’s and public authority’s legal responsibilities.

Respectfully submitted,

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Official Source

U.S. Securities and Exchange Commission, SEC Announces Roundtable on Preparations for 24-Hour Trading, Press Release No. 2026-69 (July 23, 2026), File No. 4-913, https://www.sec.gov/newsroom/press-releases/2026-69-sec-announces-roundtable-preparations-24-hour-trading.