

SECURITIES AND EXCHANGE COMMISSION
(Release 34-101431; File No. 10-242)

October 24, 2024

24X National Exchange LLC; Notice of Filing of Amendment No. 2 to an Application for Registration as a National Securities Exchange under Section 6 of the Securities Exchange Act of 1934

On February 6, 2024, 24X National Exchange LLC (“24X”) filed with the Securities and Exchange Commission (“Commission”) a Form 1 application under the Securities Exchange Act of 1934 (“Act”) seeking registration as a national securities exchange under Section 6 of the Act.¹ Notice of the application was published for comment in the Federal Register on March 4, 2024.² The Commission received comments on the Form 1³ and a letter responding to the comments from 24X.⁴ On May 31, 2024, the Commission instituted proceedings pursuant to Section 19(a)(1)(B) of the Act⁵ to determine whether to grant or deny 24X’s application for registration as a national securities exchange under Section 6 of the Act (the “OIP”).⁶ After issuance of the OIP, Commission received six comment letters⁷ and a letter responding to the OIP and comments from 24X.⁸ On August 21, 2024, 24X filed an amendment to its Form 1

¹ 15 U.S.C. 78f.

² See Securities Exchange Act Release No. 99614 (Feb. 27, 2024), 89 FR 15621 (“Notice”).

³ The public comment file for 24X’s Form 1 (File No. 10-242) is available on the Commission’s website at: <https://www.sec.gov/comments/10-242/10-242.htm>.

⁴ See letter to Secretary, Commission, from David Sassoon, General Counsel, 24X, dated May 30, 2024 (“24X Letter”).

⁵ 15 U.S.C. 78s(a)(1)(B).

⁶ See Securities Exchange Act Release No. 100254 (May 31, 2024), 89 FR 48466 (Jun. 6, 2024).

⁷ The public comment file for 24X’s Form 1 (File No. 10-242) is available on the Commission’s website at: <https://www.sec.gov/comments/10-242/10-242.htm>.

⁸ See letter to Secretary, Commission, from David Sassoon, General Counsel, 24X, dated Aug. 21, 2024 (“24X OIP Letter”).

application (“Amendment No. 1”),⁹ which was published for comment in the Federal Register on September 3, 2024.¹⁰ On August 30, 2024, the Commission extended, pursuant to Section 19(a)(1)(B) of the Exchange Act,¹¹ the time period for granting or denying 24X’s Form 1 application for an additional 90 days, until November 29, 2024.¹² The Commission subsequently received three comment letters.¹³ On October 23, 2024, 24X filed a second amendment to its Form 1 application (“Amendment No. 2”).¹⁴ The Commission is publishing this notice in order to solicit views of interested persons on 24X’s Form 1, as amended by Amendment No. 2.

I. Description of 24X’s Proposed Trading System

As described in the Notice, 24X proposes to operate as a national securities exchange with expanded hours of trading that are outside of regular trading hours.¹⁵

II. Amendment No. 2 to 24X’s Form 1

In Amendment No. 2, 24X proposes to revise Exhibit B-1 to: (1) modify the definition of “24X Trading Day” in 24X Rule 1.5(b) to reflect trading over 5 days, rather than the 7 days initially proposed, and make corresponding changes to 24X Rule 11.1;¹⁶ (2) modify the

⁹ Amendment No. 1 is available on the Commission’s website at: <https://www.sec.gov/rules-regulations/other-commission-orders-notices-information/24x-form-1>.

¹⁰ See Securities Exchange Act Release No. 100839 (Aug. 27, 2024), 89 FR 71471 (Sept. 3, 2024).

¹¹ 15 U.S.C. 78s(a)(1)(B).

¹² See Securities Exchange Act Release No. 100884 (Aug. 30, 2024), 89 FR 72917 (Sept. 6, 2024).

¹³ See letters from Patrick Blonien, Instructor of Finance, Carnegie Mellon University, and Alexander Ober, Ph.D. Candidate in Finance, Rice University, undated; John Ramsay, Chief Market Policy Officer, Investors’ Exchange LLC, dated Oct. 9, 2024; Joanna Mallers, Secretary, FIA Principal Traders Group, dated Oct. 11, 2024.

¹⁴ Amendment No. 2 is available on the Commission’s website at: <https://www.sec.gov/rules-regulations/other-commission-orders-notices-information/24x-form-1>.

¹⁵ “Regular trading hours” is defined in Commission Rule 600(b)(88) as “the time between 9:30 a.m. and 4:00 p.m. Eastern Time.” 17 CFR 242.600(b)(88).

¹⁶ In Amendment No. 2, 24X proposes to revise the 24X Rule 1.5(b) definition of “24X Trading Day” to mean, “the 23-hour period commencing at 8:00 p.m. Eastern Time on one calendar day and ending at 7:00 p.m. Eastern Time on the next calendar day for the period from Sunday at 8 p.m. Eastern Time through

definition of “24X Market Session” in 24X Rule 1.5(c) to revise the hours of, and to expressly condition the operation of, the 24X Market Session;¹⁷ (3) add subparagraph (o) to 24X Rule 1.5 to define the term, “Equity Data Plans”;¹⁸ (4) revise 24X Rule 3.21(i) (“Customer Disclosures”) to reflect the proposed amendment to the 24X Market Session;¹⁹ (5) revise the Time-in-Force

Friday at 7:00 p.m. Eastern Time. Subject to any trading pauses, halts or suspensions as described in these Rules, including the pause in trading described in the next sentence, trading will be continuous during this period, despite the designation of specified times for the Pre-Market Session, Core Market Session, Post-Market Session and 24X Market Session. For RHO Orders entered outside the Core Market Session, or during the Core Market Session but prior to the commencement of trading, trading for such RHO Orders will commence once the security has begun trading on the primary listing market on or after 9:30:00 am Eastern Time; for all orders eligible to trade in the Core Market Session other than such RHO Orders, trading will be continuous in the Core Market Session, with no pause in trading related to the commencement of trading on the primary listing market.”

¹⁷ Specifically, 24X proposes in Amendment No. 2 to revise the definition of “24X Market Session” in 24X Rule 1.5(c) to read, “(i) the time between 8:00 p.m. Eastern Time on Sunday and 4:00 a.m. Eastern Time on Monday, unless Monday is not a U.S. Business Day, (ii) the time between 8:00 p.m. Eastern Time on Monday and 4:00 a.m. Eastern Time on Tuesday, unless Tuesday is not a U.S. Business Day, (iii) the time between 8:00 p.m. Eastern Time on Tuesday and 4:00 a.m. Eastern Time on Wednesday, unless Wednesday is not a U.S. Business Day, (iv) the time between 8:00 p.m. Eastern Time on Wednesday and 4:00 a.m. Eastern Time on Thursday, unless Thursday is not a U.S. Business Day, and (v) the time between 8:00 p.m. Eastern Time on Thursday and 4:00 a.m. Eastern Time on Friday, unless Friday is not a U.S. Business Day; provided, however, it shall not include any trading pauses as described in Rule 11.15(c). For the avoidance of doubt, notwithstanding anything to the contrary in these Rules, the Exchange shall not commence operation of the 24X Market Session unless the Equity Data Plans (1) have established a mechanism to collect, consolidate, process and disseminate quotation and transaction information at all times during the 24X Market Session that is equivalent to the mechanism established for Exchange Trading Hours other than the 24X Market Session, and (2) have provided the Exchange with notification that they are prepared to collect, consolidate, process and disseminate quotation and transaction information to accommodate the 24X Market Session. Prior to commencing operation during the 24X Market Session, the Exchange will file a proposed rule change pursuant to Section 19(b) of the Exchange Act and the rules thereunder to amend its rules confirming that the Exchange is able to comply with its obligations under the Exchange Act and the rules thereunder during the 24X Market Session and that such Equity Data Plans are prepared to collect, consolidate, process and disseminate quotation and transaction information at all times during the 24X Market Session (“24X Market Session Proposed Rule Change”). The 24X Market Session Proposed Rule Change must be filed with the SEC within 18 months of the SEC’s approval of the Exchange’s application for registration as a national securities exchange. If the 24X Market Session Proposed Rule Change is not filed within 18 months of the SEC’s approval of the Exchange’s application for registration as a national securities exchange, the Exchange will promptly file a proposed rule change to remove the rules that apply to the 24X Market Session.”

¹⁸ 24X proposes to define “Equity Data Plans” in 24X Rule 1.5(o) as “the effective national market system plan(s) that govern the collection, consolidation, processing and dissemination of consolidated equity market data via the exclusive securities information processors (“SIPs”), including (1) Consolidated Tape Association Plan (“CTA Plan”), (2) Consolidated Quotation Plan (“CQ Plan”), (3) the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis (“UTP Plan”), and (4) any successor thereto to the named Plan(s).”

¹⁹ In particular, in Amendment No. 2, 24X proposes to remove subparagraph (2) to 24X Rule 3.21(i).

instructions in 24X Rule 11.6(o)(4) to reflect the new operating hours; (6) make corresponding changes to 24X Rule 11.15(c), governing trading pauses, consistent with the new operating hours; and (7) modify 24X Rule 11.16 to clarify that the Exchange will not operate the 24X Market Session until the 24X Market Session Proposed Rule Change as required under 24X Rule 1.5(c) has been approved or otherwise become effective under Section 19(b) of the Act.²⁰

In Amendment No. 2, 24X also proposes to revise Exhibit E and Exhibit E-1 to make conforming changes to reflect the new operating hours of the Exchange, and in particular, the operating hours of, and conditions for commencement of operations of, the 24X Market Session.

III. Request for Written Comment

The Commission requests that interested persons provide written views and data with respect to 24X's Form 1, as amended by Amendment No. 2. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number 10-242 on the subject line.

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 10-242. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments

²⁰ Specifically, 24X proposes in Amendment No. 2 to add language to 24X Rule 11.16 to read, "[t]he Exchange will not commence operation of the 24X Market Session until a proposed rule change as required under 24X Rule 1.5(c) has been approved or become otherwise effective under Section 19(b) of the Exchange Act and the rules thereunder."

more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/other.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to 24X's Form 1, as amended, filed with the Commission, and all written communications relating to the application 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 10:00 a.m. and 3:00 p.m. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from submissions. You should submit only information that you wish to make publicly available.

All submissions should refer to File Number 10-242 and should be submitted on or before [insert date 15 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²¹

J. Matthew DeLesDernier,

Deputy Secretary.

²¹ 17 CFR 200.30-3(a)(71)(ii).