

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104894; File No. S7-2026-06]

## **Notice of an Application of the 24X National Exchange LLC for a Temporary, Conditional Exemption From Certain Requirements of Rule 602 of Regulation NMS, Certain Requirements of Certain Equity Data Plans, and Section 19(g)(1) of the Securities Exchange Act of 1934, Pursuant to Section 36 of the Securities Exchange Act of 1934 and Rule 602 and 608 of Regulation NMS, to Permit Certain Overnight Trading, and Request for Comment**

February 25, 2026.

On December 15, 2025, the Securities and Exchange Commission (the “Commission”) received an application from the 24X National Exchange LLC (“24X” or the “Exchange”) to obtain a temporary, conditional exemption,<sup>1</sup> pursuant to Section 36 of the Securities Exchange Act of 1934 (“Exchange Act”)<sup>2</sup> and/or where applicable under Rules 602(d)<sup>3</sup> and 608(e)<sup>4</sup> of

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<sup>1</sup> See Letter from David Sassoon, General Counsel, 24X, dated December 15, 2025 (“Application”). The Application is attached as an Appendix to this notice. The Appendix may be found on <https://www.sec.gov/rules-regulations/exchange-act-exemptive-notices-orders>. Defined terms in this notice are the same as used in the Application, unless otherwise noted.

<sup>2</sup> 15 U.S.C. 78mm. Section 36(a)(1) of the Exchange Act gives the Commission the authority to exempt any person, security or transaction or any class or classes of persons, securities or transactions, conditionally or unconditionally, from any Exchange Act provision or any rule or regulation thereunder by rule, regulation or order, to the extent that the exemption is necessary or appropriate in the public interest and consistent with the protection of investors.

<sup>3</sup> 17 CFR 242.602(d). Rule 602(d) of Regulation NMS states that the Commission may exempt from the provisions of Rule 602, either unconditionally or on specified terms and conditions, “any responsible broker or dealer, electronic communications network, national securities exchange, or national securities association if the Commission determines that such exemption is consistent with the public interest, the protection of investors and the removal of impediments to and perfection of the mechanism of a national market system.”

<sup>4</sup> 17 CFR 242.608(e). Rule 608(e) of Regulation NMS states that that “[t]he Commission may exempt from the provisions of this section, either unconditionally or on specified terms and conditions, any self-regulatory organization, member thereof, or specified security, if the Commission determines that such exemption is consistent with the public interest, the protection of investors, the maintenance of fair and

Regulation NMS under the Exchange Act, in accordance with relevant procedures set forth in Exchange Act Rule 0-12.<sup>5</sup> Specifically, 24X requests exemptive relief, subject to certain conditions, from (1) certain requirements of Rule 602 of Regulation NMS under the Exchange Act;<sup>6</sup> (2) certain requirements of 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”)<sup>7</sup> and the Consolidated Quotation Plan (“CQ Plan”)<sup>8</sup> with regard to the reporting of quoting activity during the 24X Market Session;<sup>9</sup> and (3) the requirement under Section 19(g)(1) of the Exchange Act<sup>10</sup> to comply with certain requirements set forth in 24X Rules 1.5(c) and 11.6, to permit the Exchange to offer trading during the 24X Market Session<sup>11</sup> (together, the “Temporary Quotation Reporting Exemption”).<sup>12</sup> The exemptive relief requested by the Exchange would permit the Exchange to commence operation during the 24X Market Session (i.e., generally, permitting trading overnight Sundays through Thursdays) prior to the relevant Equity Data Plans<sup>13</sup> being amended to collect, consolidate, process and disseminate quotation

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orderly markets and the removal of impediments to, and perfection of the mechanisms of, a national market system.”

<sup>5</sup> 17 CFR 240.0-12. Exchange Act Rule 0-12 sets forth procedures for filing applications for orders for exemptive relief pursuant to Section 36 of the Exchange Act.

<sup>6</sup> 17 CFR 242.602.

<sup>7</sup> See UTP Plan, available at [https://www.utpplan.com/utp\\_plan](https://www.utpplan.com/utp_plan).

<sup>8</sup> See CQ Plan, available at <https://www.ctaplan.com/plans>.

<sup>9</sup> See 24X Rule 1.5. The complete 24X Rulebook is available at <https://equities.24exchange.com/api/media/file/24X%20Rulebook%2001.15.2026.pdf>.

<sup>10</sup> 15 U.S.C. 78s(g)(1)

<sup>11</sup> See 24X Rules 1.5(c) and 11.6.

<sup>12</sup> See Application, p. 9-11.

<sup>13</sup> See 24X Rule 1.5(o) which defines the term “Equity Data Plans” 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

and transaction information at all times during the 24X Market Session. The Commission is publishing this notice to provide interested persons with an opportunity to comment.

## **I. Background**

On November 27, 2024, the Commission granted the 24X Form 1 application for registration as a national securities exchange, which included 24X rules that will allow it to ultimately operate 23 hours a day, 5 days per week.<sup>14</sup> Specifically, the 24X rules provide for four trading sessions – a Pre-Market Session (4:00 a.m. - 9:30 a.m. Eastern Time (“ET”)), a Core Market Session (9:30 a.m. - 4:00 p.m. ET), a Post-Market Session (4:00 p.m. - 8:00 p.m. ET),<sup>15</sup> and a 24X Market Session (9:00 p.m. - 4:00 a.m. ET every Sunday, Monday, Tuesday, Wednesday, and Thursday night that precedes a U.S. Business Day).<sup>16</sup>

On October 14, 2025, 24X commenced operations allowing trading during three of these four trading sessions, namely the Pre-Market, Core Market, and Post-Market Sessions. However, as approved by the Commission,<sup>17</sup> 24X Rule 1.5(c) provides that, the Exchange shall not commence operation of the 24X Market Session unless the Equity Data Plans (1) have

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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).”

<sup>14</sup> See Exchange Act Release No. 101777 (Nov. 27, 2024), 89 FR 97092 (Dec. 6, 2024) (In the Matter of the Application of 24X National Exchange LLC for Registration as a National Securities Exchange; Findings, Opinion, and Order of the Commission) (“24X Approval Order”).

<sup>15</sup> See 24X Rules 1.5(z), (1), and (y), respectively. On Sept. 24, 2025, 24X amended its hours for the Post-Market Session so that it concludes at 8:00 p.m. ET and the 24X Market Session so that it begins at 9:00 p.m. See Exchange Act Release No. 104086 (Sept. 26, 2025), 90 FR 46978 (Sept. 30, 2025).

<sup>16</sup> See 24X Rule 1.5(c). See 24X Rule 1.5(l) which defines the term “U.S. Business Day” as “any Monday, Tuesday, Wednesday, Thursday or Friday other than any of the following U.S. holidays if they are celebrated on a Monday, Tuesday, Wednesday, Thursday or Friday: New Year’s Day, Martin Luther King Jr. Day, President’s Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day Eastern Time, or such other holiday(s) as published by the Exchange from time to time.”

<sup>17</sup> See 24X Approval Order, 89 FR at 97105.

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.<sup>18</sup> Further, as approved by the Commission,<sup>19</sup> 24X Rule 1.5(c) provides that prior to commencing its operation of 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 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”). Finally, 24X Rule 1.5(c) states that the 24X Market Session Proposed Rule Change must be filed with the Commission within 18 months of the Commission’s approval of the Exchange’s application for registration as a national securities exchange (i.e., May 27, 2026), and that if it is not filed within those 18 months, the Exchange will promptly file a proposed rule change to remove the rules that apply to the 24X Market Session. In the 24X Approval Order, the Commission stated that requiring the 24X Market Session to operate concurrently with the operation of the Equity Data Plans would enhance transparency during the 24X Market Session and promote the goals of the national market system.<sup>20</sup>

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<sup>18</sup> See 24X Rule 1.5(c).

<sup>19</sup> See 24X Approval Order, 89 FR at 97108.

<sup>20</sup> See *id.*

## II. Summary of the Application and Proposed Conditions

In its Application,<sup>21</sup> the Exchange states that in proposing 24X Rules 11.6 and 1.5(c), it believed that 18 months from approval of its application for registration as a national securities exchange would be more than sufficient time for the Equity Data Plans to make the necessary technology changes and changes to the Equity Data Plans to allow for overnight trading on a national securities exchange. The Exchange states that it has been vocal in pressing for the necessary changes to the Equity Data Plans, and that 24X was given a projected timeline of November/December of 2026 for overnight trading support for the Equity Data Plans, which is well beyond the 18-month period anticipated when the Commission approved 24X as a national securities exchange.<sup>22</sup>

24X expresses concern that “more established” exchanges may determine to form or acquire alternative trading systems and begin trading overnight, reducing the incentive to modify the Equity Data Plans to facilitate exchange trading in this market.<sup>23</sup> 24X also expresses concern that the implementation of the provided technology may be further delayed by the need for regulatory approval of amendments to the Equity Data Plans. As discussed in more detail in the Application, 24X requests a Temporary Quotation Reporting Exemption pursuant to Section 36

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<sup>21</sup> See Appendix.

<sup>22</sup> After the Commission received the Application, on January 12, 2026, the CTA Plan, CQ Plan, and UTP Plan (together the “Plans”) filed amendments to extend the operation of the exclusive securities information processors (“SIPs”) from 9:00 p.m. ET Sunday to 8:00 p.m. ET Friday subject to daily, one-hour operational pauses from 8:00 p.m. to 9:00 p.m. on Monday through Thursday. In the amendments, the Plans stated that, if approved by the Commission, they expected implementation to occur in December 2026. See Exchange Act Release Nos. 104670 (Jan. 22, 2026), 91 FR 3609 (Jan. 27, 2026) (Notice of Filing of Fifty-Fifth Amendment to the UTP Plan), and 104665 (Jan. 22, 2026), 91 FR 3602 (Jan. 27, 2026) (Notice of Filing of Fortieth Amendment to the CTA Plan and Thirty-First Amendment to the CQ Plan) (together, “Plan Amendments”).

<sup>23</sup> See Application, p. 3.

of the Exchange Act and/or Rules 602(f) and 608(e) of Regulation NMS to permit 24X to offer trading during the 24X Market Session.

24X requests that the Commission grant the Temporary Quotation Reporting Exemption subject to the following conditions:

- (1) 24X will make publicly available a proprietary real-time data feed that includes (a) quotation information with the data elements required by the UTP and CQ Plans for the 24X Market Session, and (b) last sale information with the data elements required by the UTP and CTA Plans, at no cost;
- (2) 24X would make clear on its website that consolidated market data is not currently available with regard to quoting activity in the 24X Market Session, and that quotation information during the 24X Market Session is only available via 24X's proprietary data feeds;
- (3) 24X will satisfy the requirements of Rules 601 and 602 of Regulation NMS as well as the requirements of the UTP, CQ and CTA Plans with regard to the quoting and transaction activity during its Pre-Market Session, Core Market Session and Post-Market Session;
- (4) 24X will satisfy the requirements of Rule 601 of Regulation NMS as well as the requirements of the UTP and CTA Plans with regard to transaction activity during the 24X Market Session by reporting the transaction activity in the 24X Market Session on a delayed basis as currently required under the UTP and CTA Plans;
- (5) 24X will provide the Commission with quarterly data regarding the volume of quoting and trading activity during the 24X Market Session while the exemptive relief is effective; and
- (6) National Securities Clearing Corporation shall have in place rules approved by the Commission permitting it to clear and settle trades that occur during the 24X Market Session.

### **III. Request for Comment**

The Commission requests and encourage any interested person to submit comments regarding the Application, including whether the request should be granted. In particular, the Commission solicits comment on the following questions:

1. What are commenters' views on 24X's proposed operation of the 24X Market Session while the Equity Data Plans are not operating? Should the Commission permit, on a temporary conditional basis, a national securities exchange to operate an overnight trading session without the concurrent operation of the Equity Data Plans to collect, process, consolidate and disseminate quotation and transaction information? Would a temporary conditional exemption be consistent with Section 11A(a)(1)(C) of the Exchange Act, in particular, the Congressional finding stating that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities?

2. If the Commission grants the 24X Temporary Quotation Reporting Exemption, should the Commission allow other national securities exchanges with rules that apply to an overnight trading session, to commence operation of their overnight trading sessions if they comply with the proposed conditions set forth in the Temporary Quotation Reporting Exemption?

3. Would market participants, including investors, be able to access real-time quotation and transaction information via the proprietary feeds that would be offered by 24X? Would the conditions proposed by 24X result in a level of transparency that is sufficient for trading and investor protection during overnight trading?

4. If the Commission grants the requested temporary exemptive relief, would other market participants seek regulatory relief in order to trade on 24X during the 24X Market Session? If so, please describe in detail.

5. Are there particular sections of the Exchange Act, the rules thereunder, and Equity Data Plans, not otherwise discussed in the Application, that the Commission should consider? Please explain.

6. Are there other conditions that should be required to allow the operation of the 24X Market Session prior to the relevant Equity Data Plans being amended to be able to collect, consolidate, process and disseminate the consolidated equity market data during the 24X Market Session?

7. What are commenters' views on the potential benefits, or drawbacks, of granting the requested exemption, which, if granted, may be in place for a limited period of time?

8. If the Commission granted the exemption, how would other market participants be affected by the earlier than expected timeline for implementation of the 24X Market Session? For example, would market participants' preparations for 24-hour trading be impacted if the exemption was granted? If so, please explain.

Comments should be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov>);

or

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number S7-2026-06 on the subject line.

Paper Comments:

- Send paper comments to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number S7-2026-06. 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/exorders.shtml>). 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.

For further information, you may contact Kelly Riley, Senior Special Counsel, Office of Market Supervision, Division of Trading and Markets, at (202) 551-5500, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

By the Commission.

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



**24X NATIONAL EXCHANGE LLC**  
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STAMFORD, CONNECTICUT 06901

December 15, 2025

**VIA EMAIL (tradingandmarkets@sec.gov)**

Ms. Vanessa Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: **Request for Temporary Conditional Exemption regarding Quotation Reporting for 24X Market Session**

Dear Ms. Countryman:

24X National Exchange LLC (“24X” or the “Exchange”) was approved by the Commission as a national securities exchange on November 27, 2024.<sup>1</sup> 24X began operations on October 14, 2025 and currently operates three different trading sessions on each U.S. Business Day:<sup>2</sup> a Pre-Market Session (4:00 a.m. – 9:30 a.m. ET), a Core Market Session (9:30 a.m. – 4:00 p.m. ET), and a Post-Market Session (4:00 p.m. – 7:00 p.m. ET).<sup>3</sup> The 24X Rules also contemplate a fourth trading session, the “24X Market Session,” which would operate between 8:00 p.m. and 4:00 a.m. ET Sunday, Monday, Tuesday, Wednesday, and Thursday nights that precede a U.S. Business Day.<sup>4</sup> However, as discussed below, 24X is not authorized to commence trading during the 24X Market Session until certain conditions have been met, including certain actions to be taken by the Equity Data Plans.<sup>5</sup> In light of substantial, ongoing delays by various Equity Data Plans related to facilitating overnight trading, 24X respectfully requests that the Commission provide temporary conditional exemptive relief from (1) certain

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<sup>1</sup> Exchange Act Release No. 101777 (Nov. 27, 2024), 89 Fed. Reg. 97092 (December 6, 2024) (“Approval Order”).

<sup>2</sup> 24X Rule 1.5(l) defines the term “U.S. Business Day” to mean “any Monday, Tuesday, Wednesday, Thursday or Friday other than any of the following U.S. holidays if they are celebrated on a Monday, Tuesday, Wednesday, Thursday or Friday: New Year’s Day, Martin Luther King Jr. Day, Presidents’ Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day Eastern Time, or such other U.S. holiday(s) as published by the Exchange from time to time.”

<sup>3</sup> For definitions of “Pre-Market Session,” “Core Market Session,” and “Post-Market Session,” see 24X Rules 1.5(z), (l), and (y), respectively.

<sup>4</sup> For the definition of “24X Market Session,” see 24X Rule 1.5(c).

<sup>5</sup> 24X Rule 1.5(o) defines “Equity Data Plans” to mean “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).”

requirements of Rule 602 of Regulation NMS under the Securities Exchange Act of 1934 (“Exchange Act”); (2) certain requirements of the UTP Plan and the CQ Plan with regard to the reporting of quoting activity during the 24X Market Session; and (3) the requirement under Section 19(g)(1) of the Exchange Act to comply with certain requirements set forth in 24X Rules 1.5(c) and 11.6, to permit 24X to trade during the 24X Market Session.<sup>6</sup> The requested relief would permit investors to begin trading overnight on a national securities exchange, not just in the over-the-counter market.

#### **A. Insufficient Progress by Equity Data Plans Toward Overnight Trading**

A defining feature of 24X’s operation was its intent to allow equities trading 23 hours a day, 5 days per week. Indeed, 24X was the first market participant to seek and receive approval to trade overnight as a registered national securities exchange. In approving 24X’s Form 1 exchange application, the Commission found that 24X’s rules governing the 24X Market Session are consistent with the Exchange Act, noting that investors, including retail investors, already trade during overnight hours in the over-the-counter market – they just are precluded from trading overnight on a national securities exchange.<sup>7</sup> Notwithstanding this asymmetry, the Commission provided that 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 is required to 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 Commission within 18 months of the Commission’s approval of the Exchange’s application for registration as a national securities exchange – that is, by May 27, 2026. If the 24X Market Session Proposed Rule Change is not filed by that time, the Exchange is required to promptly file a proposed rule that would remove rules related to the 24X Market Session from its rulebook.<sup>8</sup>

In proposing 24X Rules 11.16 and 1.5(c) requiring the 24X Market Session Proposed Rule Change, 24X believed that 18 months from approval of its operations would be more than

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<sup>6</sup> 24X requested similar relief in 2024, prior to the Commission’s approval of the Exchange’s Form 1 application for registration as a national securities exchange. *See* Letter to Vanessa Countryman, Secretary, SEC, from David Sassoon, General Counsel, 24X (May 1, 2024). This request for exemptive relief amends and replaces in its entirety the request previously submitted to the SEC by 24X on May 1, 2024 regarding the same issues.

<sup>7</sup> Approval Order at 97105.

<sup>8</sup> *See* 24X Rules 11.16 and 1.5(c).

sufficient time for the Equity Data Plans to make the necessary technology changes and changes to the Equity Data Plans to allow for overnight trading on a national securities exchange. Although 24X has been vocal in pressing for the necessary changes to the Equity Data Plans, progress in this regard has been minimal and subject to numerous delays. Even prior to becoming a Participant in the Equity Data Plans, 24X spent more than three years working to convince the Equity Data Plans—participating only as an observer—to extend their hours of operation. A dedicated “24-Hour Committee” was finally formed by the Equity Data Plans in June 2024. However, timelines and cost estimates were not delivered until October 2025, nearly a year later than originally expected. 24X ultimately was given a projected timeline of November/December 2026 for overnight trading support for the Equity Data Plans, which is well beyond the 18-month period anticipated when the Commission approved 24X as a national securities exchange. 24X is also concerned that more established exchanges may determine to form or acquire alternative trading systems and begin trading overnight, similar to trading by Blue Ocean ATS, LLC (“Blue Ocean ATS”) and Bruce ATS, reducing the incentive to modify the Equity Data Plans to facilitate exchange trading in this market. Given these dynamics, 24X is naturally concerned that even the delayed dates provided may shift again as we move through 2026.<sup>9</sup> 24X notes that the implementation of the provided technology timeline may be further delayed by the need for regulatory approval of amendments to the Equity Data Plans.<sup>10</sup>

Accordingly, 24X respectfully requests that the Commission provide temporary conditional exemptive relief from certain requirements of Rule 602 of Regulation NMS under the Exchange Act and certain requirements of the CQ Plan and the UTP Plan with regard to the reporting of certain quoting activity during the 24X Market Session as described in more detail below, as well as from the requirement under Section 19(g)(1) of the Exchange Act to comply with certain requirements set forth in 24X Rules 1.5(c) and 11.6, to permit 24X to trade during the 24X Market Session. Such relief would facilitate competition by allowing a new entrant to the market to commence operation in a timely fashion without adversely affecting the regulatory goals of Rules 601 and 602.

## **B. Extended Hours Trading Today**

While several exchanges offer a pre-market trading session starting as early as 4:00 a.m. ET on each U.S. Business Day, and most exchanges offer a post-close trading session until 8:00 p.m. ET on each U.S. Business Day, no exchange currently offers a trading session during the times of the 24X Market Session. 24X is aware of at least two alternative trading systems (“ATS”) that currently trade NMS securities during the hours of the 24X Market Session, Blue Ocean ATS and Bruce ATS. Specifically, based on Blue Ocean ATS’s Form ATS-N and its public website, 24X understands that this ATS trades certain NMS securities during the overnight hours of 8 p.m. through 4 a.m. Sunday through Thursday, and reports these trades to the NYSE Trade Reporting Facility on a delayed basis. Based on its Form ATS-N, Blue Ocean ATS is not subject to the order display and execution access requirements of Regulation ATS

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<sup>9</sup> Amending the Equity Data Plans generally requires a unanimous vote of the Participants. *See, e.g.*, Section VIII(b) and IV(c) of the CQ Plan; Section IV(b) of the CTA Plan; and Section IV(C) of the UTP Plan.

<sup>10</sup> *See* Exchange Act Rule 608, 17 CFR 242.608.

and, as a result, has no obligation to provide its best priced orders for public display.<sup>11</sup> Similarly, based on Bruce ATS's Form ATS-N, 24X understands that this ATS trades NMS stocks only during the overnight hours from Sunday evening through Friday morning from 8:00:00 p.m. ET to 4:00:00 a.m. ET, and reports these trades to a trade reporting facility on a delayed basis. Based on its Form ATS-N, Bruce ATS is not subject to the order display and execution access requirements of Regulation ATS and, as a result, has no obligation to provide its best priced orders for public display.

### **C. 24X Market Data**

24X currently offers a variety of proprietary real-time market data feeds during each of its trading sessions, including feeds providing (1) 24X top of book quotes; (2) 24X depth of book quotes; (3) 24X last sale information; and (4) 24X historical data.<sup>12</sup> 24X currently makes its real-time market data electronically available directly through the use of APIs defined in the specifications or via market data vendors.<sup>13</sup> Market data for the 24X Market Session, including all data that would be required to be reported to the CTA, UTP and CQ Plans, would be provided to Members of 24X and vendors free of charge in real-time during the 24X Market Session.

### **D. Quotation Reporting**

As an exchange, 24X is subject to Rule 602 of Regulation NMS, often referred to as the Quote Rule. Rule 602(a) of Regulation NMS, among other things, requires every national securities exchange to establish and maintain procedures and mechanisms for collecting bids, offers, quotation sizes, and aggregate quotation sizes from responsible brokers or dealers who are members of such exchange, processing such bids, offers, and sizes, and making such bids, offers, and sizes available to vendors as set forth in Rule 602(a)(i) of Regulation NMS. Subject to certain exceptions, Rule 602(a)(i) of Regulation NMS requires that each national securities exchange shall at all times such exchange is open for trading, collect, process, and make available to vendors the best bid, the best offer, and aggregate quotation sizes for each subject security listed or admitted to unlisted trading privileges which is communicated on any national securities exchange by any responsible broker or dealer. 24X complies with the Quote Rule during each of the Core Market, Pre-Market, and Post-Market Sessions.

A "vendor," as used in Rule 602 of Regulation NMS, is defined in Rule 600(a)(100) of Regulation NMS as "any securities information processor engaged in the business of disseminating transaction reports, last sale data, or quotations with respect to NMS securities to brokers, dealers, or investors on a real-time or other current and continuing basis, whether through an electronic communications network, moving ticker, or interrogation device." The UTP Plan and the CQ Plan act as "vendors" for purposes of compliance with Rule 602 of Regulation NMS by collecting, consolidating and disseminating quotations in Eligible Securities for those Plans. 24X has joined the UTP Plan and CQ Plan as part of its registration as an

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<sup>11</sup> See Exchange Act Rule 301(b)(3), 17 CFR 242.301(b)(3).

<sup>12</sup> 24X Rule 13.8.

<sup>13</sup> 24X National Exchange User Manual at 11.

exchange. However, neither the UTP Plan nor the CQ Plan currently provides a mechanism for collecting, consolidating and disseminating quotations during the hours of operation of the 24X Market Session. Accordingly, 24X is seeking exemptive relief with regard to those quotations.

## 1. Quotation Reporting Pursuant to the UTP Plan

The UTP Plan provides for the collection, consolidation and dissemination of Quotation Information<sup>14</sup> in Eligible Securities<sup>15</sup> from the Participants in a manner consistent with the Exchange Act.<sup>16</sup> The UTP Plan requires each Participant, during the time it is open for trading to collect and transmit to the Processor for the UTP Plan Quotation Information in Eligible Securities.<sup>17</sup> Section XI of the UTP Plan sets forth the hours of operation with respect to Participant reporting of Quotation Information pursuant to the UTP Plan:

A. Quotation Information may be entered by Participants as to all Eligible Securities in which they make a market between 9:30 a.m. and 4:00 p.m. Eastern Time (“ET”) on all days the Processor is in operation. Transaction Reports shall be entered between 9:30 a.m. and 4:01:30 p.m. ET by Participants as to all Eligible Securities in which they execute transactions between 9:30 a.m. and 4:00 p.m. ET on all days the Processor is in operation.

...

D. The Processor shall collect, process and disseminate Quotation Information in Eligible Securities at other times between 4:00 a.m. and 9:30 a.m. ET, and after 4:00 p.m. ET, when any Participant or FINRA Participant is open for trading, until 8:00 p.m. ET (the “Additional Period”); provided, however, that the national best bid and offer quotation will not be disseminated before 4:00 a.m. or after 8:00 p.m. ET. Participants that enter Quotation Information or submit Transaction Reports to the Processor during the Additional Period shall do so for all Eligible Securities in which they enter quotations.

Although the UTP Plan does not specify the days in which it is in operation, 24X understands that the UTP Plan only operates Monday through Friday, not including certain holidays that fall on Monday through Friday. Accordingly, the UTP Plan does not provide for a method to report quotations that are submitted during the 24X Market Session, that is, quotations submitted between 8:00 p.m. ET and 4:00 a.m. ET Sunday, Monday, Tuesday, Wednesday, and Thursday nights that precede a U.S. Business Day. In fact, the UTP Plan prohibits the dissemination of the national best bid and offer between 8:00 p.m. ET and 4:00 a.m. ET. Specifically, Section XI(D) of the UTP Plan states that “the national best bid and offer quotation will not be disseminated before 4:00 a.m. or after 8:00 p.m. ET.” The 24X Market Session would have quoting during these periods. Accordingly, the UTP Plan would not provide a mechanism for disseminating

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<sup>14</sup> See Section III(R) of the UTP Plan for definition of “Quotation Information.”

<sup>15</sup> See Section III(B) of the UTP Plan for definition of “Eligible Securities.”

<sup>16</sup> Section II of the UTP Plan.

<sup>17</sup> See Section VIII(A) of the UTP Plan.

quotations for the quoting that takes place in the 24X Market Session thereby preventing 24X from complying with Rule 602 of Regulation NMS with regard to quoting during the 24X Market Session.

## **2. Quotation Reporting Pursuant to the CQ Plan**

Like the UTP Plan, the CQ Plan does not provide a mechanism for collecting, consolidating and disseminating quotations during the 24X Market Session (*i.e.*, with regard to trading from 8:00 p.m. and 4:00 a.m. ET Sunday, Monday, Tuesday, Wednesday, and Thursday nights that precede a U.S. Business Day). However, the CQ Plan provides a mechanism for a Participant to pay the costs and expenses related to changes necessary for the CQ Plan to accommodate such additional trading periods. Section VIII(b) of the CQ Plan addresses the circumstances under which the Processor will receive and make available quotation information pursuant to the CQ Plan during the hours of the 24X Market Session. Specifically, Section VIII(b) of the CQ Plan states:

The Processor shall receive and make available quotation information pursuant to this CQ Plan between 9:00 a.m. and 6:30 p.m., eastern time, Monday through Friday (or during such other period on those days as the Operating Committee, by affirmative vote of all its members, may specify) while one or more Participants is open for trading. In addition, the Processor shall receive and make available quotation information pursuant to this CQ Plan during any other period (an “additional period”) during which any one or more Participants wish to furnish quotation information to the Processor, provided that such Participant or Participants have agreed to pay all costs and expenses which would not have been incurred by the Processor had it not made the quotation information available during such additional period (“additional period costs and expenses”). Additional period costs and expenses shall include the cost of operating during the additional period to which such costs and expenses are attributable to that portion of the equipment associated with making quotation information available as is utilized for such purposes.

24X understands that the 24X Market Session would qualify as an “additional period” for receiving and making available quotation information pursuant to the CQ Plan. Accordingly, as early as May 1, 2024, 24X requested that the Operating Committee for the CQ Plan provide 24X with a cost estimate for the additional period costs and expenses for the 24X Market Session, and the timing for the implementation for receiving and making quotation information available. 24X reaffirmed this request after becoming a member of the CQ Plan. Cost and timeline estimates were not delivered until October 2025. Based on these discussions, 24X understands that the timing of potential changes to the Plans and the technological implementation of changes to accommodate the needs of the 24X Market Session are likely to extend at least until November/December 2026. Accordingly, given the requirements of Rule 602, the delay in changes related to the UTP and CQ Plans would prevent 24X from commencing operations in a timely fashion, thereby limiting competition by a new entrant to the market.

## **E. Transaction Reporting**

As an exchange, 24X is required to comply with Rule 601 of Regulation NMS. Rule 601(a)(1) of Regulation NMS requires every national securities exchange to file a transaction reporting plan regarding transactions in listed equity and Nasdaq securities executed through its facilities. Paragraph (a)(2) of Rule 601 sets forth the minimum requirements for such transaction reporting plans, including, for example, the reporting requirements with respect to transactions in listed equity securities and Nasdaq securities for any broker or dealer subject to the plan and the manner in which transaction reports reported pursuant to that plan are to be consolidated with transaction reports from other national securities exchanges and national securities associations. Rule 601(b)(1) of Regulation NMS prohibits a broker or dealer from executing any transaction in, or inducing or attempting to induce the purchase or sale of, any NMS stock on or through the facilities of a national securities exchange unless there is an effective transaction reporting plan with respect to transactions in such security executed on or through such exchange facilities. The UTP Plan and the CTA Plan are the transaction reporting plans for purposes of Rule 601 of Regulation NMS, and 24X has joined the UTP Plan and CTA Plan as part of its registration as an exchange. 24X complies with the transaction reporting requirements of the UTP Plan and the CTA Plan with respect to the operation of the Core Market Session, Pre-Market Session, and the Post-Market Session. 24X would comply with the existing requirements under the UTP Plan and the CTA Plan to report transactions in the 24X Market Session on a delayed basis.<sup>18</sup> In addition, 24X will make publicly available a proprietary real-time data feed that includes last sale information with the data elements required by the UTP and CTA Plans, at no cost.

### **1. Transaction Reporting Pursuant to the UTP Plan**

The UTP Plan provides for the collection, consolidation and dissemination of Transaction Reports<sup>19</sup> in Eligible Securities from the Participants.<sup>20</sup> The UTP Plan requires Participants to report transaction in Eligible Securities in accordance with the UTP Plan. Section XI(B) of the UTP Plan sets forth the requirements for reporting transactions executed outside the hours of 9:30 a.m. ET and 4:00 p.m. ET. Specifically, Section XI(B) of the UTP Plan states the following with regard to reporting during these hours:

B. Participants that execute transactions in Eligible Securities outside the hours of 9:30 a.m. ET and 4:00 p.m., ET, shall [be] report such transactions as follows:

- (i) transactions in Eligible Securities executed between 4:00 a.m. and 9:29:59 a.m. ET and between 4:00:01 and 8:00 p.m. ET, shall be designated as “.T” trades to denote their execution outside normal market hours;

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<sup>18</sup> As discussed above, 24X understands that the Blue Ocean ATS and Bruce ATS, both of which trade NMS stocks during the overnight hours of 8 p.m. through 4 a.m. Sunday through Thursday, report these trades to a trade reporting facility on a delayed basis.

<sup>19</sup> See Section III(U) of the UTP Plan for definition of “Transaction Reports.”

<sup>20</sup> Section II of the UTP Plan.

(ii) transactions in Eligible Securities executed after 8:00 p.m. and before 12:00 a.m. (midnight) shall be reported to the Processor between the hours of 4:00 a.m. and 8:00 p.m. ET on the next business day (T+1), and shall be designated “as/of” trades to denote their execution on a prior day, and be accompanied by the time of execution;

(iii) transactions in Eligible Securities executed between 12:00 a.m. (midnight) and 4:00 a.m. ET shall be transmitted to the Processor between 4:00 a.m. and 9:30 a.m. ET, on trade date, shall be designated as “.T” trades to denote their execution outside normal market hours, and shall be accompanied by the time of execution;

(iv) transactions reported pursuant to this provision of the Plan shall be included in the calculation of total trade volume for purposes of determining net distributable operating revenue, but shall not be included in the calculation of the daily high, low, or last sale.

C. Late trades shall be reported in accordance with the rules of the Participant in whose Market the transaction occurred and can be reported between the hours of 4:00 a.m. and 8:00 p.m.

D. The Processor shall collect, process and disseminate Quotation Information in Eligible Securities at other times between 4:00 a.m. and 9:30 a.m. ET, and after 4:00 p.m. ET, when any Participant or FINRA Participant is open for trading, until 8:00 p.m. ET (the “Additional Period”); provided, however, that the national best bid and offer quotation will not be disseminated before 4:00 a.m. or after 8:00 p.m. ET. Participants that enter Quotation Information or submit Transaction Reports to the Processor during the Additional Period shall do so for all Eligible Securities in which they enter quotations.

Accordingly, transactions executed from midnight to 4:00 a.m. are required to be reported on the trade date of the transactions, and transactions executed after 8:00 p.m. and before midnight are required to be reported “on the next business day (T+1).” Although the Plan does not define the term “business days,” the UTP Plan only operates Monday through Friday, not including certain holidays that fall on Monday through Friday. Accordingly, as a practical matter, the UTP Plan provides the means to report transactions executed during the 24X Market Session:

- Transactions executed from midnight to 4:00 a.m. on Monday, Tuesday, Wednesday, Thursday and Friday on 24X would be required to be transmitted to the Processor for the UTP Plan between 4:00 a.m. and 9:30 a.m. ET, on the trade date. 24X would comply with this requirement to report these transactions executed during the 24X Market Session on a delayed basis in accordance with the UTP Plan.
- Transactions executed after 8:00 p.m. and before midnight on Sunday, Monday, Tuesday, Wednesday and Thursday on 24X would be required to be transmitted to the Processor

for the UTP Plan between the hours of 4:00 a.m. and 8:00 p.m. ET on the next business day (T+1). 24X also would comply with this requirement to report these transactions executed during the 24X Market Session on a delayed basis in accordance with the UTP Plan.

## **2. Transaction Reporting Pursuant to the CTA Plan**

The CTA Plan provides for the collection, consolidation and dissemination of last sale information related to transactions in Eligible Securities from the Participants.<sup>21</sup> The CTA Plan requires Participants to report last sale information related to transactions in Eligible Securities in accordance with the CTA Plan.<sup>22</sup> Unlike the UTP Plan, the language of the CTA Plan does not specify a mechanism for collecting, consolidating and disseminating transaction information during the proposed hours of operation of the 24X Market Session. However, 24X understands the CTA Plan operates in the same manner as the UTP Plan with regard to the reporting of transactions during the 24X Market Session. Specifically, 24X understands that the CTA Plan operates as follows:

- Last sale information for transactions executed from midnight to 4:00 a.m. on Monday, Tuesday, Wednesday, Thursday and Friday on 24X would be required to be transmitted to the Processor for the CTA Plan between 4:00 a.m. and 9:30 a.m. ET, on the trade date. 24X would comply with this requirement to report these transactions executed during the 24X Market Session on a delayed basis in accordance with the CTA Plan.
- Last sale information for transactions executed after 8:00 p.m. and before midnight on Sunday, Monday, Tuesday, Wednesday and Thursday on 24X would be required to be transmitted to the Processor for the CTA Plan between the hours of 4:00 a.m. and 8:00 p.m. ET on the next business day (T+1). 24X would comply with this requirement to report these transactions executed during the 24X Market Session on a delayed basis in accordance with the CTA Plan.

## **F. Request for Exemption**

For the reasons discussed herein, 24X requests the following temporary conditional exemptive relief to allow for the quoting of transactions during the 24X Market Session:

- (1) With regard to quotation reporting, 24X requests that the Commission use its exemptive authority:

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<sup>21</sup> Section VIII of the CTA Plan.

<sup>22</sup> Section VIII(A) of the CTA Plan.

(a) under Rule 602(f) of Regulation NMS under the Exchange Act<sup>23</sup> and/or Section 36 of the Exchange Act<sup>24</sup> to provide temporary conditional exemptive relief from Rule 602(a)(1)(i) of Regulation NMS in connection with quoting activity on 24X during the 24X Market Session; and

(b) under Rule 608(e) of Regulation NMS<sup>25</sup> and/or Section 36 of the Exchange Act to provide temporary conditional exemptive relief from compliance with the requirements regarding the reporting of quotations in Eligible Securities pursuant to Section VIII(A) of the UTP Plan and Section VI of the CQ Plan with regard to quoting activity on 24X during the 24X Market Session,

in each case, until the UTP Plan and the CQ Plan establish a mechanism to collect, consolidate and disseminate quotations during the 24X Market Session.<sup>26</sup>

(2) 24X requests that the Commission use its exemptive authority under Section 36 of the Exchange Act to provide temporary conditional exemptive relief from the requirement in Section 19(g)(1) of the Exchange Act to allow the trading during the 24X Market Session without 24X complying with the following:

(a) the requirement in 24X Rule 11.5(c) that states:

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

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<sup>23</sup> Rule 602(f) of Regulation NMS states that the Commission may exempt from the provisions of Rule 602, either unconditionally or on specified terms and conditions, “any responsible broker or dealer, electronic communications network, national securities exchange, or national securities association if the Commission determines that such exemption is consistent with the public interest, the protection of investors and the removal of impediments to and perfection of the mechanism of a national market system.”

<sup>24</sup> Section 36 of the Exchange Act provides, in relevant part, that the “Commission, by rule, regulation, or order, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of this title or of any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors.”

<sup>25</sup> Rule 608(e) of Regulation NMS states that that “[t]he Commission may exempt from the provisions of this section, either unconditionally or on specified terms and conditions, any self-regulatory organization, member thereof, or specified security, if the Commission determines that such exemption is consistent with the public interest, the protection of investors, the maintenance of fair and orderly markets and the removal of impediments to, and perfection of the mechanisms of, a national market system.”

<sup>26</sup> To the extent that the quotation reporting requirements are met for any part of the 24X Market Session, then the exemption for such part would reach its conclusion. For example, if the UTP and CQ Plans have implemented a mechanism for collecting, consolidating and disseminating quotations for the hours from 8 p.m. through midnight, but not for quoting from midnight to 4 a.m., then the exemption would no longer be in effect for the hours from 8 p.m. through midnight. It would remain in effect for midnight to 4 a.m.

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.

(b) the requirement in 24X Rule 11.16 that states that “The 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.”

24X requests the temporary conditional exemptive relief described above subject to the following conditions:

- (1) 24X will make publicly available a proprietary real-time data feed that includes (a) quotation information with the data elements required by the UTP and CQ Plans for the 24X Market Session, and (b) last sale information with the data elements required by the UTP and CTA Plans, at no cost.
- (2) 24X would make clear on its website that consolidated market data is not currently available with regard to quoting activity in the 24X Market Session, and that quotation information during the 24X Market Session is only available via 24X’s proprietary data feeds.
- (3) 24X will satisfy the requirements of Rules 601 and 602 of Regulation NMS as well as the requirements of the UTP, CQ and CTA Plans with regard to the quoting and transaction activity during its Pre-Market Session, Core Market Session and Post-Market Session.
- (4) 24X will satisfy the requirements of Rule 601 of Regulation NMS as well as the requirements of the UTP and CTA Plans with regard to transaction activity during the

24X Market Session by reporting the transaction activity in the 24X Market Session on a delayed basis as currently required under the UTP and CTA Plans.

(5) 24X will provide the SEC with quarterly data regarding the volume of quoting and trading activity during the 24X Market Session while this exemptive relief is in effect.

(6) National Securities Clearing Corporation shall have in place rules approved by the Commission permitting it to clear and settle trades occurring during the 24X Market Session.

## **1. Facilitation of Fair Competition**

### **a. Facilitation of Competition in U.S. Markets**

The proposed exemption would assist the SEC in its goal of facilitating fair competition among exchange markets, and between exchange markets and markets other than exchange markets.<sup>27</sup> Given the substantial, ongoing delays of the Equity Data Plans noted above, requiring 24X to comply with Rules 602 under Regulation NMS and the Plans with regard to quoting activity during the 24X Market Session before beginning operation of the 24X Market Session and when there are alternative ways for investors to obtain the same information may impose a significant and unnecessary barrier to such competition by prohibiting a new entrant in the market from offering investors new trading opportunities. For example, the UTP Plan would need to be amended to permit the Processor to collect, consolidate and disseminate quotations during the 24X Market Session, and such an amendment is subject to a unanimous vote of the Participants in the UTP Plan, which includes the existing national securities exchanges, each of which offers alternative competing markets. Accordingly, the proposed exemption would allow 24X to begin operating the 24X Market Session while discussions regarding such an amendment were to take place, without compromising the availability of 24X market information to investors.<sup>28</sup>

### **b. Facilitation of Competition in World Markets**

The proposed exemption also would assist the U.S. markets in competing with non-U.S. markets. Allowing overnight trading on a U.S. registered national securities exchange may attract order flow that would otherwise be directed to overseas markets. As discussed below, the SEC has previously provided exemptive relief to assist U.S. exchanges in capturing trading that

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<sup>27</sup> Section 11(a)(1)(ii) of the Exchange Act.

<sup>28</sup> Furthermore, the proposed exemption would be consistent with the SEC's actions in other contexts that recognize the need for different treatment of new entrants to the market that may have a lower volume of trading activity. For example, under Section 5 of the Exchange Act, an exemption from registration as a national securities exchange may be granted to an exchange on the basis of low volume, or expected low volume. *See* Exchange Act Release No. 28899 (Feb. 20, 1991), 56 Fed. Reg. 8377 (Feb. 28, 1991) (granting the Arizona Stock Exchange a limited volume exemption from exchange registration) ("AZX Release").

occurs in non-U.S. markets, thereby allowing the enhancement of the competitive position of U.S. markets.

## 2. SEC Precedent for Exemptive Relief from Reporting Requirements

The proposed relief is in line with other exemptive relief provided by the SEC to facilitate the introduction of new competitive after-hours offerings by exchanges. In each case, the SEC recognized the practical difficulties of reporting data pursuant to the existing reporting requirements and provided appropriate exemptive relief to allow for new trading offerings to commence operation. 24X urges the Commission to utilize its exemptive authority to provide such relief to 24X for its 24X Market Session as it has done for prior after-hours offerings.

For example, the SEC provided exemptive relief from the transaction reporting requirements under Rule 11Aa3-1 (the predecessor to Rule 601) to the NYSE for its after-hours crossing sessions.<sup>29</sup> In providing such relief, the Commission noted the importance of consolidated market data goals, but recognized that there may be “significant timing and implementation difficulties involved in developing the systems necessary to accomplish these goals.”<sup>30</sup> Furthermore, the Commission recognized that the relief would provide significant competitive benefits to the market because the NYSE’s proposal is “designed to recapture what has come to be known as the ‘offshore fax market.’”<sup>31</sup> The SEC later provided similar exemptive relief to NYSE Arca, Inc. for its after-hours crossing section, and allowed NYSE Arca to provide certain trade data via its own website.<sup>32</sup> The 24X Market Session would similarly seek to capture trading that occurs in non-U.S. markets.

The SEC also provided exemptive relief from transaction reporting requirements under Rule 11Aa3-1 (the predecessor to Rule 601) for the NASD’s NASDAQ International Service (“NASDAQ International”).<sup>33</sup> NASDAQ International supported an early-hours trading session, from 3:30 a.m. to 9:00 a.m. EST, on each U.S. business day that coincided with the business hours of the London financial markets. Although the SEC emphasized the importance of consolidated market data, it nevertheless recognized the need for some flexibility in reporting in recognition of competitive realities. It stated that “in recognition of the desirability of repatriating order flow, the Commission, on occasion, has adopted a flexible approach in interpreting regulatory requirements during the start-up phase of proposals that the Commission believes will bring some benefit to the markets.”<sup>34</sup> Furthermore, in granting this exemptive

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<sup>29</sup> See Letter from William H. Heyman, Director, Division of Market Regulation, SEC, to Catherine Kinney, Executive Vice President, Equities/Audit, New York Stock Exchange (May 24, 1991).

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> See Letter from Robert L.D. Colby, Acting Director, Division of Market Regulation, SEC, to Timothy Elliott, Assistant General Counsel – Regulatory, Archipelago Holdings, Inc. (April 6, 2006).

<sup>33</sup> Exchange Act Release No. 29812 (Oct. 11, 1991), 56 Fed. Reg. 52082 (Oct. 17, 1991) (“NASDAQ International Release”); see also Letter from Frank J. Wilson, Vice President and General Counsel, National Association of Securities Dealers, to Christine A. Sakach, Branch Chief, National Market System Branch, Division of Market Regulation, SEC (Aug. 15, 1991); Exchange Act Release No. 44915 (Oct. 2, 2001), 66 Fed. Reg. 53752 (Oct. 16, 2001).

<sup>34</sup> Nasdaq International Release.

relief, the SEC also noted the economic benefit of the NASD using its own reporting system, rather than the CTA/CQ Plans, to report data related to the NASDAQ International. Specifically, the Commission stated that “[a]lthough the CTA/CQ plans address the reporting of trades after ‘normal operating hours,’ the Commission recognizes that economically it is more efficient for the NASD to disseminate through its system as opposed to paying for CTA/CQ to remain open.”<sup>35</sup>

The SEC granted the Wunsch Auction Systems, Inc. (“WASI”, later referred to as the Arizona Stock Exchange) a limited volume exemption from registration as a national securities exchange.<sup>36</sup> WASI proposed to offer auctions that would take place outside the trading hours of the New York Stock Exchange. As a part of the exemption from exchange registration, the SEC noted that “[t]here is currently no real-time transaction reporting service, including CTA and NASDAQ, that is available to systems that, like the Wunsch System, trade outside the NYSE’s normal trading hours. Thus, it is not feasible for WASI to report trades to the CTA and the NASDAQ/NMS reporting systems.”<sup>37</sup> Accordingly, WASI was not required to publicly report its trades to the Consolidated Tape but only reported them to the NASD for regulatory purposes under a special arrangement. Such trades were made publicly available immediately after the 5:00 p.m. auction via a vendor, the Bridge Data Service.<sup>38</sup>

## **G. Conclusion**

In conclusion, 24X is ready, willing and able to provide investors with quotation and transaction data for the 24X Market Session. But, the current process of the Equity Data Plans of developing, proposing, and adopting such requirements has led to significant delays and provides no comfort that the Equity Data Plans will implement a solution allowing investors to trade overnight on a U.S. national securities exchange in a timely fashion. As the exchange innovator in this space, 24X should not be delayed in commencing the 24X Market Session any longer given its willingness to take the measures described above to provide overnight trading to investors with appropriate quotation and transaction transparency.

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<sup>35</sup> *Id.*

<sup>36</sup> See AZX Release.

<sup>37</sup> *Id.* at 8381, n.50.

<sup>38</sup> Market 2000: An Examination of Current Equity Market Developments, Appendix III, Quotation and Transaction Reporting, Securities and Exchange Commission (January 1994) at A III - 4.

Ms. Vanessa Countryman

December 15, 2025

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Thank you for your attention to this matter. Please contact me at david@24exchange.com if you have any questions or comments.

Respectfully submitted,

/s/ David Sassoon

David Sassoon

General Counsel

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