

# SECURITIES AND EXCHANGE COMMISSION

Release No. 34-105340

## Order Granting Application of 24X National Exchange LLC for a Limited Exemption from Exchange Act Rule 10b-10(a)(2)(i)(A) pursuant to Rule 10b-10(f)

April 30, 2026.

### I. Introduction

By letter dated April 29, 2026 (“the Application”), 24X National Exchange LLC (“24X” or the “Exchange”) requests a limited exemption from the requirements of Rule 10b-10(a)(2)(i)(A) under the Securities Exchange Act of 1934 (“Exchange Act”) on behalf of Members<sup>1</sup> that execute trades on the Exchange for their customers. As discussed in the Application, 24X is operating a fully automated electronic order book with a continuous, automated matching function that provides for strict price-time priority execution (“Trading System”).<sup>2</sup> The order book and 24X’s rules provide for post trade anonymity through settlement for trades executed through 24X.<sup>3</sup>

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<sup>1</sup> Unless otherwise defined in this order, defined terms used have the same meaning as described in the Application.

<sup>2</sup> See 24X Rule 11.8. 24X represents that the Exchange rules do not provide for any special order type that would be an exception to the strict price-time priority handling of orders as set forth in 24X Rule 11.8.

<sup>3</sup> As explained in the Application, the Exchange does not request an exemption from Rule 10b-10(a)(2)(i)(A) when it reveals the identity of a Member or a Member’s clearing firm: (i) for regulatory purposes or to comply with an order of a court or arbitrator; or (ii) when a registered clearing agency ceases to act for a Member or the Member’s clearing firm, and determines not to guarantee the settlement of the Member’s trades. See 24X Rule 11.12(f).

## II. Background<sup>4</sup>

### a. The Exchange

24X is registered as a national securities exchange under Section 6 of the Exchange Act.<sup>5</sup> The Members of the Exchange consist of those broker-dealers admitted to membership and entitled to enter orders in, and receive executions through, the Exchange's order book or otherwise.

The Exchange operates an order book for orders with a continuous, automated matching function, in compliance with the Exchange's rules and Regulation NMS under the Exchange Act.<sup>6</sup> Liquidity is derived from orders to buy and orders to sell submitted to the Exchange electronically by its Members from remote locations.

The order book and the Exchange's rules provide for strict price-time priority execution. Under 24X Rule 11.8, orders are prioritized on a strict price-time basis, first by price, then by time. Incoming orders are first matched for execution against orders in the 24X order book. Orders that cannot be executed are eligible for routing to away trading centers, if consistent with the terms of the orders.<sup>7</sup> All trades are executed through the Exchange's Trading System on an anonymous basis. The transaction reports

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<sup>4</sup> Background information is derived from the Application.

<sup>5</sup> See 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, Exchange Act Release No. 101777 (November 27, 2024); 89 FR 97092 (December 6, 2024) File No. 10-242.

<sup>6</sup> See 17 CFR 242.600 et seq.

<sup>7</sup> See 24X Rule 11.10. The Exchange understands that the exemptive relief would not apply to any situation in which the Trading System routes an order to an away trading center for execution, as such executions would be governed by the rules of the away trading center.

produced by the Trading System indicate the details of transactions executed in the Trading System but do not reveal the contra-party identities. Transactions executed in the Trading System are also cleared and settled anonymously.<sup>8</sup>

The order book's matching system algorithm permits orders originated by a Member to execute against other orders from the same participant on the same basis as orders from other Members. In the order book's handling of displayed orders, which is based on strict price-time priority, a Member could receive an execution against itself, and under the Exchange's Rules, the Member would not know that it was the contra-side of the trade at the time of execution.<sup>9</sup>

a. Rule 10b-10

Rule 10b-10 under the Exchange Act generally requires broker-dealers effecting a customer transaction in securities (other than U.S. savings bonds or municipal securities)<sup>10</sup> to provide a written notification to its customer, at or before completion of a securities transaction, that discloses information specific to the transaction. In particular,

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<sup>8</sup> Except for the conditions set forth in 24X Rule 11.12(f). See supra note 3.

<sup>9</sup> 24X permits a Member to prevent its incoming orders from being executed against its own trading interest. See 24X Rule 11.9(d). 24X represents that Members have the ability to use self trade prevention ("STP Modifier"). Once set, the Trading System will not execute the order against the Member's trading interest submitted under the same unique identifier. For example, if Member 1, a Member of the Exchange, submits an order to sell with the STP Modifier, the Trading System will determine whether Member 1 has a bid for the security under the same unique identifier that would match with the order to sell. If Member 1's bid would execute against Member 1's incoming order to sell, the Trading System will, in accordance with Member 1's instructions, cancel or adjust either or both of the orders.

<sup>10</sup> Municipal securities are subject to the transaction confirmations requirements under Rule G-15 of the Municipal Securities Rulemaking Board.

under Rule 10b-10(a)(2)(i)(A), when a broker-dealer acts as agent for a customer, for some other person, or for both a customer and some other person, the broker-dealer must disclose “[t]he name of the person from whom the security was purchased, or to whom it was sold, for such customer or the fact that the information will be furnished upon written request of such customer” (the “Contra-Party Identity Requirement”).

### III. Relief Sought

As explained in the Application, trades are executed with total anonymity on 24X, where the identity of the actual contra-party is not revealed when the trade is executed.<sup>11</sup> Because of this, Members will not know the identity of the party to whom they sold securities or from whom they purchased securities. Without this information, Members would not be able to comply with the Contra-Party Identity Requirement of Rule 10b-10(a)(2)(i)(A). To permit Members to utilize the Exchange without violating Rule 10b-10 under the Exchange Act, the Exchange, on behalf of its Members, is seeking an exemption under Rule 10b-10(f) from the Contra-Party Identity Requirement of Rule 10b-10(a)(2)(i)(A) when Members execute transactions at 24X, as described in the Application.

### IV. Conclusion

Based on the facts and representations contained in the Application, we find that it is appropriate and in the public interest and consistent with the protection of investors to grant the Exchange, on behalf of its Members, a limited exemption from the Contra-Party Identity Requirement in Rule 10b-10(a)(2)(i)(A).

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<sup>11</sup> Except for the conditions set forth in 24X Rule 11.12(f). See supra note 3.

IT IS HEREBY ORDERED, pursuant to Rule 10b-10(f) of the Exchange Act, that Members, based on the representations and facts contained in the Application, are exempt from the requirements of Rule 10b-10(a)(2)(i)(A) of the Exchange Act, to the extent that Members execute trades for their customers on the Exchange using the 24X Trading System. This exemption is limited to trades that Members execute on 24X using the post-trade anonymity feature described in the Application.<sup>12</sup>

The foregoing exemption is applicable as of the date of this Order and is subject to modification or revocation if at any time the Commission determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

Vanessa A. Countryman  
Secretary

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<sup>12</sup> This exemption does not apply: (a) to orders routed to an away trading center for execution; (b) under the circumstances described in note 3 supra; or (c) if the functionality of 24X's order book were to be changed to allow a broker-dealer to select or influence against whom its orders will be executed as described in the Application on pages 4-5 and note 12.

<sup>13</sup> 17 CFR 200.30-3(a)(32).