

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105255; File No. SR-NASDAQ-2026-029]

### **Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Add Class ETF Shares to the Definition of Exchange-Traded Product**

April 16, 2026.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on April 7, 2026, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### **I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange proposes to amend Equity 1, Section 1(a)(15) by adding Class ETF Shares (as defined below) to the definition of Exchange-Traded Product (“ETP”) (as defined below).

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

---

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to amend the definition of ETP<sup>4</sup> in Equity 1, Section 1(a)(15) by adding a reference to Rule 5703, which are the listing rules for Class ETF Shares.<sup>5</sup> The proposed changes would allow issuers of Nasdaq-listed Class ETF Shares to use an optional halt (“Initial ETP Open”) on the launch day of the Class ETF Shares and open trading using the Nasdaq Halt Cross.<sup>6</sup> Today, the Initial ETP Open is available only for equity securities that are designated as ETPs, as defined under Equity 1, Section 1(a)(15).

---

<sup>4</sup> As currently defined in Equity 1, Section 1(a)(15), the term “ETP” means a security listed on Nasdaq pursuant to Nasdaq Rules 5704, 5705, 5710, 5711, 5713, 5715, 5720, 5735, 5745, 5750 or 5760.

<sup>5</sup> The term “Class ETF Shares” means shares of the ETF Class issued by a Multi-Class Fund. The term “ETF Class” means the class of exchange-traded shares of a Multi-Class Fund that (i) operates as an exchange-traded fund pursuant to exemptive relief granted by order under the Investment Company Act of 1940 (“Multi-Class Fund Exemptive Relief”), and (ii) is in compliance with the requirements of Rules 5703(d)(ii) and 5703(d)(2)(A)(i)(2) on an initial and continued listing basis. The term “Multi-Class Fund” means a registered open-end management company that (i) pursuant to Multi-Class Fund Exemptive Relief, issues Class ETF Shares and one or more classes of shares that are not exchange traded, and (ii) is in compliance with the conditions and requirements of the Multi-Class Fund Exemptive Relief. See Rule 5703(c)(1) - (3).

<sup>6</sup> The “Nasdaq Halt Cross” is the process for determining the price at which Eligible Interest shall be executed at the open of trading for a halted security and for executing that Eligible Interest. See Rule 4753(a)(4). “Eligible Interest” shall mean any quotation or any order that has been entered into the system and designated with a time-in-force that would allow the order to be in force at the time of the Halt Cross. See Equity 4, Rule 4753(a)(5).

The Exchange received approval last year to generically list and trade Class ETF Shares pursuant to Rule 5703.<sup>7</sup> Class ETF Shares are shares of the ETF Class issued by a Multi-Class Fund, a registered open-end management company that, pursuant to Multi-Class Fund Exemptive Relief, issues Class ETF Shares and one or more classes of shares that are not exchange traded (i.e., mutual fund shares). Further, the ETF Class is required to operate as an exchange-traded fund pursuant to the terms of the Multi-Class Fund Exemptive Relief and must comply with the conditions and requirements of Rule 6c-11 under the Investment Company Act of 1940, except as noted in the Multi-Class Fund Exemptive Relief.<sup>8</sup>

In addition, the Exchange received approval last year to adopt the Initial ETP Open for ETPs.<sup>9</sup> The Initial ETP Open is designed to operate similarly to Nasdaq’s initial public offering opening process for corporate securities, with specified differences to account for the unique characteristics of ETPs. Under this functionality, an ETP issuer launching an ETP on the first day of trading has the option to delay the opening of the security pursuant to the Initial ETP Open process until Market Hours,<sup>10</sup> rather than opening at the start of Pre-Market Hours<sup>11</sup> at 4:00 a.m. ET. As discussed in the Initial ETP Approval Order, this optional functionality is designed to support efficient price discovery by enabling ETP issuers to enter a halt on launch

---

<sup>7</sup> See Securities Exchange Release No. 104252, 90 FR 54781 (November 28, 2025) (SR-NASDAQ-2025-037) (“Class ETF Share Approval Order”).

<sup>8</sup> See Rule 5703(d).

<sup>9</sup> See Securities Exchange Act Release No. 103085, 90 FR 22424 (May 27, 2025) (SR-NASDAQ-2025-011) (“Initial ETP Open Approval Order”).

<sup>10</sup> The term “Market Hours” means the period of time beginning at 9:30 a.m. Eastern Time (“ET”) and ending at 4:00 p.m. ET (or such earlier time as may be designated by Nasdaq on a day when Nasdaq closes early). See Equity 1, Section 1(a)(9).

<sup>11</sup> The term “Pre-Market Hours” means the period of time beginning at 4:00 a.m. ET and ending immediately prior to the commencement of Market Hours. See Equity 1, Section 1(a)(9).

day, for a specified time period, after which the ETP can be opened using the Nasdaq Halt Cross process under Rule 4753.<sup>12</sup>

The Exchange now proposes to add Rule 5703 in the ETP definition. By including Rule 5703, Class ETF Shares would be able to use the Initial ETP Open process on an optional basis, giving issuers of Class ETF Shares the same flexibility currently available to other ETP issuers. The Exchange believes that issuers of Class ETF Shares, like issuers of other ETPs, may benefit from the ability to delay the opening of their securities until Market Hours to take advantage of increased trading activity and potentially less volatile pricing conditions.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>13</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>14</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market by including Class ETF Shares listed under Rule 5703 in the definition of ETP, thereby enabling such securities to utilize the Initial ETP Open process. The Exchange believes that issuers of Class ETF Shares, like issuers of other ETPs, may benefit from the ability to delay the opening of their securities until Market Hours to take advantage of increased trading activity and potentially less volatile pricing conditions.

---

<sup>12</sup> See Initial ETP Open Approval Order at 22425.

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

<sup>14</sup> 15 U.S.C. 78f(b)(5).

The Exchange further believes that the proposed rule change promotes just and equitable principles of trade by treating Class ETF Shares consistently with other ETPs, including Exchange Traded Fund Shares<sup>15</sup> listed pursuant to Rule 5704, Index Fund Shares<sup>16</sup> listed pursuant to Rule 5705(b), and Managed Fund Shares<sup>17</sup> listed pursuant to Rule 5735. The Exchange believes these are non-controversial changes meant only to subject Class ETF Shares to the same provisions currently applicable to other ETPs like Exchange Traded Fund Shares, Index Fund Shares, and Managed Fund Shares, so that the treatment of these open-end management investment companies is consistent under the Exchange's rules.

**B. Self-Regulatory Organization's Statement on Burden on Competition**

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, the proposed rule change would extend the same Initial ETP Open process to cover Class ETF Shares, which would align the treatment of these products with other open-end management

---

<sup>15</sup> The term "Exchange Traded Fund Share" has the same meaning as it has in Rule 6c-11 under the Investment Company Act of 1940. See Rule 5704(a)(1)(B).

<sup>16</sup> The term "Index Fund Share" means a security: (i) that is issued by an open-end management investment company based on a portfolio of stocks or fixed income securities or a combination thereof, that seeks to provide investment results that correspond generally to the price and yield performance or total return performance of a specified foreign or domestic stock index, fixed income securities index or combination thereof; (ii) that is issued by such an open-end management investment company in a specified aggregate minimum number in return for a deposit of specified numbers of shares of stock and/or a cash amount, a specified portfolio of fixed income securities and/or a cash amount and/or a combination of the above, with a value equal to the next determined net asset value; and (iii) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such open-end investment company which will pay to the redeeming holder the stock and/or cash, fixed income securities and/or cash and/or a combination thereof, with a value equal to the next determined net asset value. See Rule 5705(b)(1)(A).

<sup>17</sup> The term "Managed Fund Share" means a security that (a) represents an interest in a registered investment company ("Investment Company") organized as an open-end management investment company or similar entity, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies; (b) is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value; and (c) when aggregated in the same specified minimum number, may be redeemed at a holder's request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined net asset value. See Rule 5735(c)(1).

investment companies listed on the Exchange such as Exchange Traded Fund Shares, Index Fund Shares, and Managed Fund Shares.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Pursuant to Section 19(b)(3)(A) of the Act<sup>18</sup> and Rule 19b-4(f)(6)<sup>19</sup> thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.<sup>20</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>21</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange represents that the proposed rule change does not alter the terms or conditions of the Initial ETP Open process or the listing standards applicable to Class ETF

---

<sup>18</sup> 15 U.S.C. 78s(b)(3)(A).

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

<sup>20</sup> In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. See id. The Exchange has satisfied this requirement.

<sup>21</sup> 17 CFR 240.19b-4(f)(6)(iii).

Shares under Nasdaq Rule 5703. The proposal seeks to extend the same existing functionality of Nasdaq's Initial ETP Open process, which already applies to other similar categories of ETPs, including Exchange Traded Fund Shares, Index Fund Shares, and Managed Fund Shares, to Class ETF Shares. As such, the proposal raises no novel legal or unique regulatory issues. Accordingly, waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because it will permit the Exchange to apply its Initial ETP Open to issuers of Class ETF Shares without unnecessary delay. The Commission hereby waives the 30-day operative delay and designates the proposed rule change operative upon filing.<sup>22</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-NASDAQ-2026-029 on the subject line.

---

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

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 SR-NASDAQ-2026-029. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NASDAQ-2026-029 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

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

**Sherry R. Haywood,**

*Assistant Secretary.*

---

<sup>23</sup> 17 CFR 200.30-3(a)(12).