

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106658; File No. SR-NASDAQ-2026-088]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Equity 4, Rule 4120 to Set Forth Specific Requirements for Halting and Opening Trading in Exchange-Traded Products During 23/5 Trading

October 13, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 1, 2026, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. 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 4, Rule 4120 to set forth specific requirements for halting and opening trading in an Exchange-Traded Product (“ETP”) during 23/5 trading.

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.

¹ 15 U.S.C. 78s(b)(1).

² 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

On April 10, 2026, the Commission approved Nasdaq's proposed rule change to extend the Exchange's trading hours for equity securities and ETPs to 23 hours per day, five days per week ("23/5 Trading").³ As set forth in the 23/5 Approval Order, the Exchange will conduct 23/5 Trading in two sessions: a "Day" Session, which comprises all existing trading hours of the Exchange, from 4:00 a.m. Eastern Time ("ET") until 8:00 p.m. ET,⁴ and a newly established "Night" Session, which will run from 9:00 p.m. ET until 4:00 a.m. ET.⁵

³ See Securities Exchange Act Release No. 105199 (Apr. 10, 2026) (SR-NASDAQ-2025-109) ("23/5 Approval Order").

⁴ The new Day Session will consolidate and encompass three daily trading sessions that occur on Nasdaq during each weekday from Monday through Friday. In particular, the Day Session will encompass the following. First, it will include the Pre-Market Hours session that Nasdaq currently conducts from 4:00 a.m. to 9:30 a.m. ET. See Rule Equity 1, Section 1(a)(9). Second, commencing at 9:30 a.m. with the execution of the Nasdaq Opening Cross, the Day Session will include Nasdaq's Regular Market Hours trading session, which runs until 4:00 p.m. See id. Third, commencing at 4:00 p.m. with the execution of the Nasdaq Closing Cross, the Day Session will include the Post-Market Hours trading session, which runs from 4:00 p.m. until 8:00 p.m. See id.

⁵ During weekdays, between the hours of 8:00 p.m.- 4:00 a.m. ET, the Exchange at present is closed to trading as it is during all weekend hours. Going forward, however, the Night Session will run between 9:00 p.m.- 4:00 a.m. ET during the weekdays, commencing each week with a Night Session that will begin at 9:00 p.m. ET on Sundays.

Under the Exchange’s current trading hours, an ETP that is being listed on Nasdaq for the first time commences trading at the start of Pre-Market Hours at 4:00 a.m. ET on the first day of trading. Alternatively, an ETP issuer may elect the optional Initial ETP Open process under Rule 4120(b)(1)(B)(viii) and (b)(4)(A)(i)d., pursuant to which the ETP is halted from 4:00 a.m. ET until it is released for trading via the Nasdaq Halt Cross under Rule 4753 between 9:40 a.m. and 9:45 a.m. ET.⁶

In the 23/5 Trading environment, the trading day for equity securities and ETPs will generally commence at the start of the Night Session at 9:00 p.m. ET on the calendar day immediately preceding each business day, and subject to a “Night-to-Day Handoff,” will continue through the Day Session that follows until the conclusion of the Day Session at 8:00 p.m. ET on that business day.⁷ However, the Exchange has determined that a 9:00 p.m. ET commencement of trading on the calendar day immediately preceding the first day of trading may not be appropriate for newly-listed ETPs that have not opted into the Initial ETP Open because the initial hours of the Night Session are expected to be characterized by comparatively lower liquidity and a reduced opportunity for price discovery compared to the Day Session. The Exchange therefore proposes to make clear in new subparagraph (vii) of Rule 4120(b)(1)(C) that for Nasdaq-listed ETPs where the issuer has not elected the Initial ETP Open set forth in Rule 4120(b)(1)(B)(viii) and (b)(4)(A)(i)d., the Exchange will halt trading at the commencement of

⁶ See Securities Exchange Act Release No. 103085, 90 FR 22424 (May 27, 2025) (SR-NASDAQ-2025-011) (“Initial ETP Open Approval Order”).

⁷ At the conclusion of the Night Session at 4:00 a.m. ET, the Exchange will conduct a Night-to-Day Handoff of de minimis duration during which trading will be momentarily in abeyance to permit the Exchange to transition between the technically and functionally separate systems underlying the Day Session and the Night Session and to avoid submitting overlapping quotation and transaction information to the Securities Information Processor. See Securities Exchange Act Release No. 105590 (June 1, 2026), 91 FR 33845 (June 4, 2026) (SR-NASDAQ-2026-047).

the Night Session on the first day of trading. Such Nasdaq-listed ETPs subject to a regulatory halt pursuant to new Rule 4120(b)(1)(C)(vii) will resume trading pursuant to the Nasdaq Halt Cross in Rule 4753 no earlier than the commencement of the Day Session (i.e. 4:00 a.m. ET) on the first day of trading of the ETP.

The proposed rule change will give the Exchange flexibility to open trading in newly-listed ETPs as early as 4:00 a.m. ET on the first day of trading after halting the ETP at the start of the Night Session at 9:00 p.m ET, which opening time would align with the Exchange's current 4:00 a.m. ET opening time for newly-listed ETPs that do not opt into the Initial ETP Open today.⁸ In general, however, the Exchange expects to initiate the regulatory halt at the start of the Night Session at 9:00 p.m. ET, and open trading in a newly-listed ETP at 9:00 a.m. ET on the following business day through the Nasdaq Halt Cross. The Exchange notes that the proposed 9:00 a.m. ET resumption time and opening process via Nasdaq Halt Cross for such ETPs are consistent with the resumption time and opening process for reverse stock splits that the Commission previously approved, particularly with respect to the resumption of trading at 9:00 a.m. ET pursuant to the Nasdaq Halt Cross.⁹

As described above, under the Exchange's current trading hours, an ETP that is being listed on Nasdaq for the first time commences trading at the start of Pre-Market Hours at 4:00 a.m. ET on the first day of trading as a passive consequence of the Exchange opening at that

⁸ The difference under this proposal is that the ETP would come out of the regulatory halt and open for trading at 4:00 a.m. ET pursuant to the Nasdaq Halt Cross whereas today, the ETP systematically opens for trading at the 4:00 a.m. ET opening time without the Nasdaq Halt Cross. The Exchange intends to work on system enhancements that would allow newly-listed ETPs to systematically open for trading at 4:00 a.m. ET in 23/5 Trading like they begin trading today (i.e., open without going through the Nasdaq Halt Cross), and will come in with a separate rule filing to implement this change.

⁹ See Securities Exchange Act Release No. 98878 (November 7, 2023), 88 FR 78081 (November 14, 2023) (SR-NASDAQ-2023-036) ("RSS Approval Order") (providing that, among other things, Nasdaq expects to "resume trading at 9:00 a.m. on the day the split is effective").

time, provided the ETP issuer did not opt into the Initial ETP Open to delay the opening of the ETP on launch day until Regular Market Hours. In 23/5 Trading, however, the Night Session concludes at 4:00 a.m. ET and the Day Session commences at 4:00 a.m. ET, separated only by the Night-to-Day Handoff of de minimis duration during which trading is momentarily in abeyance to permit the Exchange to transition between the technically and functionally separate systems underlying its two trading sessions. Any commencement of trading in a newly-listed ETP at the start of the Day Session at 4:00 a.m. ET would therefore require an affirmative release from the mandatory regulatory halt proposed in Rule 4120(b)(1)(C)(vii) at that time. The Exchange notes that many newly-listed ETPs are expected to continue to use the Initial ETP Open process under Rule 4120(b)(1)(B)(viii) and (b)(4)(A)(i)d., such that the regulatory halt under proposed Rule 4120(b)(1)(C)(vii) is expected to apply to only a subset of newly-listed ETPs.

Implementation

The Exchange proposes that the changes in this proposal would become operative at the commencement of 23/5 Trading.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ 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.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

As discussed above, the Exchange is seeking to amend rules related to halting and resuming trading in newly-listed ETPs for which Nasdaq is the primary listing exchange and that do not opt into the Initial ETP Open in the context of 23/5 Trading. The Exchange believes that establishing a regulatory halt rule will protect investors by giving the Exchange authority to act in situations where it is necessary to maintain fair and orderly markets by ensuring that the initial trades in a newly-listed ETP occur at a time when there is greater liquidity in the market and the opportunity for price discovery in the ETP will be more robust than during the Night Session. Deferring the commencement of trading in a newly-listed ETP from the start of the Night Session until no earlier than the commencement of the Day Session on the first day of trading of the ETP, when market participants like authorized participants and market makers that contribute to price discovery in ETPs are more present in the market, promotes just and equitable principles of trade and protects investors from the risk that initial prices in the ETP are established under materially less robust price discovery conditions. Further, by providing the Exchange with non-discretionary authority to halt trading in a newly-listed ETP that does not opt into the Initial ETP Open from the commencement of the Night Session, and by directing that trading in the ETP resume no earlier than the commencement of the Day Session through the Nasdaq Halt Cross under Rule 4753, the proposed rule change extends to newly-listed ETPs the same operational safeguard the Commission approved for reverse stock splits in the RSS Approval Order.¹²

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. The proposed rule change is not designed to address any competitive issue. Rather, its purpose is to establish an

¹² See supra note 8.

orderly framework for the first-day trading of newly-listed ETPs for which Nasdaq is the primary listing market in the 23/5 Trading environment, by extending the mandatory regulatory halt framework the Commission approved in the RSS Approval Order.

The proposed rule change does not impose any undue burden on intra-market competition because it will apply uniformly to all newly-listed ETPs for which Nasdaq is the primary listing market. The proposed rule change preserves issuer choice by carving out ETPs that have elected the Initial ETP Open so that the framework the Commission approved in Initial ETP Open Approval Order remains available to any ETP issuer. The proposed rule change does not impose any undue burden on inter-market competition as any other exchange may propose an analogous framework for the first day of trading of newly-listed ETPs on that exchange.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹³ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁴

At any time within 60 days of the filing of such proposed rule change, the Commission

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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. The Exchange has satisfied this requirement.

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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)¹⁵ of the Act to determine whether the proposed rule change should be approved or disapproved.

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. Please include file number SR-NASDAQ-2026-088 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 SR-NASDAQ-2026-088. 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

¹⁵ 15 U.S.C. 78s(b)(2)(B).

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-2026-088 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.¹⁶

Sherry R. Haywood,
Assistant Secretary.

¹⁶ 17 CFR 200.30-3(a)(12).