

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105009; File No. SR-PHLX-2026-10]

## Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Expand the Exchange's Co-Location Services

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 3, 2026, Nasdaq PHLX LLC ("PHLX" 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 expand its co-location services by offering new cabinet and power options in the Exchange's expanded data center, as described here below.

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

### 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

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

<sup>2</sup> 17 CFR 240.19b-4.

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

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the Exchange’s expanded data center. The Exchange’s current data center consists of the original data center (“NY11”), an expansion area (“NY11-4”), and a future expansion area (“NY11-5”).

The Exchange submits this filing to propose a new service in NY11-5, as described below. The Exchange will submit a fee filing to establish fees for the services described herein.

***New Service in NY11-5: Liquid Cooled Cabinet***

Currently, co-location customers have the option of obtaining a cabinet capable of accommodating varying power options. Co-location customers may obtain a Cabinet and choose among varying power options as provided under Rule General 8, Section 1.<sup>3</sup>

The Exchange proposes to introduce an additional cabinet option in NY11-5. Specifically, the Exchange proposes to introduce a cabinet featuring liquid cooling,<sup>4</sup> a cooling method that uses liquid, rather than air, to absorb and transfer heat away from equipment, such as

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<sup>3</sup> See Rule General 8, Section 1(a)-(c).

<sup>4</sup> The proposed cabinets would offer liquid versus air cooling. Specifically, the liquid-cooling method uses pipes to circulate chilled water or specialized coolant to client equipment. Liquid cooling facilitates heat dissipation, allowing processors to operate more efficiently than those cooled by air-to-air heat exchange. Liquids have a much higher thermal conductivity and heat capacity, so they can absorb and move heat faster and in smaller volumes.

servers (“Liquid-Cooled Cabinet”).<sup>5</sup> As proposed, data center customers may either supply their own cabinets or elect to have Nasdaq provide the cabinets for the customer’s use in connection with the proposed Liquid-Cooled Cabinet service.<sup>6</sup> Depending on business needs of data center customers, a Liquid-Cooled Cabinet might be more attractive to data center customers because liquid cooling is more efficient and enables space optimization in ways that air cooling methods would struggle to support. For example, a Liquid-Cooled Cabinet could handle greater power densities within a given space than would air cooling. For data center customers, this translates into the ability to deploy more computing power within the same cabinet footprint. In effect, Liquid-Cooled Cabinets would allow data center customers to install more of the computing equipment that data center customers typically use within their cabinet than they would with air cooling methods because liquid cooling is more efficient at dissipating heat from a given cabinet space. The Exchange notes that data center customers prefer denser environments to minimize distance between equipment and thus maximize computing power within a given space. As proposed, the Liquid-Cooled Cabinet option would only be offered in NY11-5 because the

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<sup>5</sup> See proposed Rule General 8, Section 1(a). To effect this change, the Exchange proposes to amend Rule General 8, Section 1(a) as follows. First, the Exchange proposes to insert the proposed Liquid-Cooled Cabinet in the table at subparagraph (a) of Rule General 8, Section 1 by inserting the words “Liquid-Cooled Cabinet – Nasdaq Provided\*\*” and the words “Liquid-Cooled Cabinet – Customer Provided\*\*” immediately following the “Cabinet” entry in Rule General 8, Section 1(a). The Exchange further proposes to designate such entries with the symbol “\*\*” to make clear, as provided in the proposed footnote to Rule General 8, Section 1(a), that Liquid-Cooled Cabinets, both the Exchange as well as Customer provided, are available only in NY11-5. Pending the submission of a fee filing for the proposed Liquid-Cooled Cabinet, the Exchange proposes a non-substantive change to enter the acronym “TBD” under the column titled “NY11-4/-5 Installation Fee” as well as the column titled “Ongoing Monthly Fee.” The Exchange believes this proposed non-substantive change is appropriate to indicate that all such fees for the proposed Liquid-Cooled Cabinet have yet to be established. Finally, the Exchange proposes to enter “N/A” under the column titled “NY11 Installation Fee” to clarify that NY-11-related fees are not applicable to Liquid-Cooled Cabinets available only in NY11-5. See *id.*

<sup>6</sup> See proposed Rule General 8, Section 1(a). The proposal would permit customers to use either Nasdaq-provided Liquid-Cooled Cabinets or their own, unlike traditional air-cooled cabinets, which must be Nasdaq-provided. Providing the option for customer-provided cabinets is appropriate here because the Liquid-Cooled Cabinet is purpose-built for the customer within a dedicated enclosure specifically designed to suit the customer’s liquid-cooling infrastructure requirements for which a self-provided cabinet may, depending on the circumstances, be more appropriate to suit the customer’s needs.

required liquid-cooled infrastructure necessary to support the proposed cabinets is not available in other parts of the data center.<sup>7</sup> The Exchange notes that Liquid-Cooled Cabinets are offered as one other option for data center customers to choose from because traditionally cooled cabinets throughout the data center will continue to provide the level of thermal management appropriate for each cabinet offering that the Exchange provides.

As discussed above, the Exchange is offering the Liquid-Cooled Cabinets as a convenience to its customers and notes that use of colocation services, including the proposed Liquid-Cooled Cabinet service, is completely optional. Colocation services, including the proposed offering, are voluntary, and each customer may determine whether any colocation option is appropriate for its business needs.

#### ***NY11-5 Cabinet Power Circuits***

Rule General 8, Section 1(c) provides that the following five cabinet power circuit options are only available in (and that one of these must be selected for) NY11-4: Phase 1 20 amp 240 volt, Phase 1 32 amp 240 volt, Phase 1 40 amp 240 volt, Phase 3 20 amp 415 volt, and Phase 3 32 amp 415 volt.<sup>8</sup> The Exchange proposes to provide that the foregoing five cabinet power circuit options are also available for Liquid-Cooled Cabinets in NY11-5.<sup>9</sup>

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<sup>7</sup> To the best of the Exchange's knowledge, no other national securities exchange offers liquid-cooled cabinets as a colocation option.

<sup>8</sup> See Rule General 8, Section 1(c).

<sup>9</sup> The five cabinet power circuit options (Phase 1 20A/240V, 32A/240V, 40A/240V; Phase 3 20A/415V, 32A/415V) are available for both air-cooled and Liquid-Cooled Cabinets because the cabinet power they support (approximately 5–23 kW) remains within the thermal capabilities of traditional air-cooling systems. By contrast, the higher-power Phase 3 40A/415V and 60A/415V options (≈29–43 kW) discussed below exceed the threshold at which air cooling is efficient or practicable and therefore are limited to Liquid-Cooled Cabinets. To effect this change, the Exchange proposes to amend the footnotes to Rule General 8, Section 1(c) as follows. The Exchange proposes to modify the footnote designated with a single asterisk (“\*”) to add, immediately following the final sentence in that footnote, the following sentence: “These options are available also for Liquid-Cooled Cabinets in NY11-5.” In addition, and pending the submission of a proposal to establish fees for proposed Liquid-Cooled Cabinets in NY11-5, the Exchange proposes to clarify, in a new footnote to Rule General 8, Section 1(c) designated with a dagger symbol (“†”), that fees depicted under Rule General 8, Section 1(c) for cabinet power options that are designated

The Exchange further proposes to provide two new power options that will be available only for Liquid-Cooled Cabinets in NY11-5: Phase 3, 40 amp, 415 volt and Phase 3, 60 amp 415 volt.<sup>10</sup> These power circuit options are available only for Liquid-Cooled Cabinets in NY11-5 as an additional offering for customers seeking higher power options for their Liquid-Cooled Cabinets. Although different options will be offered throughout the data center due to differing power configurations, the new cabinet power options are not inherently preferable to the existing cabinet power options because customers have varying preferences for power circuits based on their operational needs and the Exchange does not anticipate material differences in equipment performance based on the power distribution. As between the various power circuit options, customers choose power based on their preferences and capacity needs.

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with the dagger symbol (“†”) are fees for other than Liquid-Cooled Cabinets in NY11-5. The Exchange believes these proposed changes are appropriate to clarify the applicability of fees under Rule General 8, Section 1(c) and to make clear that fees for cabinet power options applicable to Liquid Cooled Cabinets in NY11-5 have yet to be established. See proposed Rule General 8, Section 1(c).

<sup>10</sup> See proposed Rule General 8, Section 1(c). To effect this change, the Exchange proposes to enter under subparagraph (c) of Rule General 8, Section 1 the proposed cabinet power circuit options for NY11-5 by inserting “Phase 3 40 amp 415 volt\*\*\*” and “Phase 3 60 amp 415 volt\*\*\*” thereunder. The Exchange proposes to use the symbol triple asterisk (“\*\*\*”) to clarify that such cabinet power circuits are for use in in Liquid-Cooled Cabinets in NY11-5 only, as provided in the proposed footnote to Rule General 8, Section 1(c). Pending the submission of its fee filing for such Liquid-Cooled Cabinet service, the Exchange further proposes to clarify, in the columns titled “NY11-4/-5 Installation Fee” and “NY11-4/-5 Ongoing Monthly Fee (\$550 per kVA)” and using the acronym “TBD” in each instance, that the installation and ongoing monthly fees for such power circuits for Liquid-Cooled Cabinets in NY11-5 have yet to be determined. Finally, the Exchange proposes to enter “N/A” under the columns titled “NY11 Installation Fee” and “NY11 Ongoing Monthly Fee (\$550 per kVA)” to clarify that that NY11-specific fees are not applicable to power circuits available only for Liquid-Cooled Cabinets in NY11-5. The Exchange believes the foregoing changes are appropriate to clarify that fees for the proposed services have yet to be determined as well as to provide greater specificity with respect to the applicability of certain fees to the Exchange’s offerings, thereby facilitating comprehension of the Exchange’s connectivity schedule as well as its use. See id. See also supra note 9 and accompanying text (explaining the rationale for limiting these offerings to Liquid-Cooled Cabinets).

## ***Implementation***

Although the timing is subject to change,<sup>11</sup> the Exchange anticipates granting access to NY11-5 during the first quarter of 2026, on or about April 3, 2026. As discussed above, the Exchange will submit a fee filing to establish fees for the services described herein.

In concert with this filing, the Exchange will allow customers to place orders for Liquid-Cooled Cabinets in NY11-5, which orders would not be fee liable until fees for such services are established and customers are provided access to the space for their immediate use, whether to trade or otherwise, on or about April 3, 2026.<sup>12</sup> Allowing customers to place orders in advance of opening its doors will allow the Exchange to plan ahead for capacity and demand for services, as well as procure necessary equipment.

### 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. Today, the Exchange offers a cabinet option and varying power options for its data center colocation customers. The Exchange's proposal would expand these cabinet and power circuit options by introducing an additional cabinet featuring liquid cooling, as well as several options for powering such cabinet. Specifically, the proposal would benefit the

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<sup>11</sup> The Exchange will announce modifications to the proposed timing via the Nasdaq Customer Portal, which is the web portal used for order and inventory management of colocation services, and email communication to all colocation customers.

<sup>12</sup> Charging customers once access is provided is consistent with current practice and allows customers to set up equipment and begin using power.

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

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

public interest by providing collocation customers with a Liquid-Cooled Cabinet not offered by other exchanges, and one which offers customers the ability to deploy greater computing power with a defined cabinet space, as compared to air-cooled cabinets. Liquid-Cooled Cabinets are optional, however, because for many data center customers, air-cooled cabinets may be better suited to meet the requirements of their business operations. In general, the proposal is consistent with the Act because the Exchange's expansion of the data center, including the expansion of available cabinet options and related power will enable the Exchange to meet customer preferences and address customer demand for such services. In lieu of collocating directly with the Exchange, market participants may choose not to collocate at all or to collocate indirectly through a vendor.

The Exchange also believes that the proposal will not be unfairly discriminatory, consistent with the objectives of Section 6(b)(5) of the Act<sup>15</sup> because the expanded cabinet and related power options in the data center would be offered equally to all customers. Although optionality varies due to differing power configurations across the data center, any customer may order cabinets and power across the data center on the same terms as any other customer.

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 Exchange notes that this proposal does not concern itself with the speed at which customers can

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<sup>15</sup> Id.

trade or the Equalization Project<sup>16</sup> because its scope is limited to introducing a liquid-cooled cabinet option in NY11-5 and does not extend to data communications networks.<sup>17</sup>

Nothing in the proposal imposes any burden on the ability of other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer colocation services as a means to facilitate the trading and other market activities of those market participants who believe that colocation enhances the efficiency of their operations.

Nothing in the Proposal burdens intra-market competition because the Exchange's colocation services, including those proposed herein, are available to any customer that wishes to order cabinets and power, and all such customers can do so on a non-discriminatory basis. Use of any colocation service is completely voluntary, and each market participant is able to determine whether to use colocation services based on the requirements of its business operations.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)<sup>18</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>19</sup> in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any

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<sup>16</sup> The Equalization Project is an Exchange initiative to equalize cross connects across the Exchange's entire data center campus. See Securities Exchange Act Release No. 34-101078 (Sep. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR-NASDAQ-2024-054).

<sup>17</sup> See supra note 15 and accompanying text.

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

<sup>19</sup> 17 CFR 240.19b-4(f)(6). Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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.

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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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](mailto:rule-comments@sec.gov). Please include file number SR-PHLX-2026-10 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-PHLX-2026-10. 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-PHLX-2026-10 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>20</sup>

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

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<sup>20</sup> 17 CFR 200.30-3(a)(12).