SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106882; File No. SR-Phlx-2026-73]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule General 8 Regarding Fees for Interfirm Cabinet Connectivity

November 12, 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 November 3, 2026, Nasdaq PHLX LLC ("Nasdaq Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III 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 Rule General 8, Section 1(b) to provide that the installation fee and ongoing monthly fee for interfirm cabinet connectivity will apply separately to each of the two customers connected through an interfirm cabinet connectivity order, as described further 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.

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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

The Exchange proposes to amend Rule General 8, Section 1(b) to provide that the installation fee and ongoing monthly fee for interfirm cabinet connectivity will apply separately to each of the two customers connected through an interfirm cabinet connectivity connection, as described below. Currently, the Exchange assesses the applicable installation fee and ongoing monthly fee only to the customer that submits the order. The other customer that accepts and participates in the connection is not separately assessed those fees. Under the proposal, each customer participating in a new interfirm cabinet connectivity connection will be assessed the existing $550 installation fee and $385 ongoing monthly fee for its respective leg of the connectivity path. For interfirm cabinet connectivity connections already in place as of the implementation date, the accepting customer will be assessed the ongoing monthly fee, but not the installation fee, for its respective leg, and the fees assessed to the ordering customer will not change.

Background

The Exchange's data center campus consists of the original data center ("NY11"), an initial expansion area ("NY11-4"), and a second expansion area ("NY11-5") (collectively, the

"Data Center" or "Data Center Campus"). Interfirm Cabinet Connectivity is a fiber-based connectivity service that links cabinets used by two different colocation customers ("Interfirm Cabinet Connectivity") throughout the Data Center Campus. The interfirm cabinet connection consists of two customer-side legs that meet at the Nasdaq-provided distribution point:[3] one leg extends from the first customer's cabinet to the Nasdaq-provided distribution point, and the other extends from the Nasdaq-provided distribution point to the second customer's cabinet.

Before the Exchange implemented equalized connectivity[4] throughout its Data Center, a customer would order Interfirm Cabinet Connectivity through the Nasdaq customer portal and identify the customer to which the ordering customer wanted to connect, with the ordering customer being solely responsible for both the installation and the ongoing monthly fiber connectivity fees. No separate installation or ongoing monthly fees were assessed, or are currently assessed, to the non-ordering customer for its side of the Interfirm Cabinet Connectivity.

With respect to provision and installation of the service, the fiber for the Interfirm Cabinet Connectivity was provided and installed by a third-party provider or by the customer. The Exchange did not provide or install such fiber or manage such services.

Equalization places greater emphasis on the way Interfirm Cabinet Connectivity is supervised and managed, with Nasdaq taking a more central role in those functions. While

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3 As used in this context, a "distribution point" is a designated passive cabling node within the Data Center's structured telecommunications architecture, where backbone or feeder cabling terminates, and from which downstream cabling is routed to customer cabinets or equipment locations. Distribution points serve as standardized, auditable locations used for organizing, patching, and managing connectivity.

4 Equalized connectivity refers to connectivity implemented using equalized cabling and infrastructure designed to support equidistant connectivity relative to other customer locations in the Data Center. The Equalization Project enhances the integrity of the Exchange's Data Center networks by establishing standardized connectivity requirements and providing for greater Exchange management oversight of those components. See Securities Exchange Act Release No. 34-101078 (Sept. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR-NASDAQ-2024-054) (describing the Equalization Project in greater detail).

customers still request the interfirm cabinet connection through the Nasdaq Customer Portal, the pre-existing fiber in the Interfirm Cabinet Connectivity has been replaced with Exchange-provided, equalized fiber. Under this structure, the Exchange supervises and audits the interfirm cabinet connection on an ongoing basis.[5]

As discussed above, the Interfirm Cabinet Connectivity consists of two customer-side legs that meet at the Nasdaq-provided distribution point: one leg extends from the first customer's cabinet to the Nasdaq-provided distribution point, and the other extends from the Nasdaq-provided distribution point to the second customer's cabinet. The Exchange provides and manages the cabling and standardized demarcation points and performs inventory management, implementation support, ongoing maintenance, monitoring, audit, and operational oversight for the connection.

Both customers must act before the connection is implemented: one customer initiates the Interfirm Cabinet Connectivity order through the Nasdaq Customer Portal, and the other customer accepts it. If the second customer does not accept the order, the connection is not implemented. Each participating customer consequently receives a distinct customer-side leg of a Nasdaq-provided, Nasdaq-managed, equalized connectivity path. Interfirm Cabinet Connectivity is optional and is not required for a customer to obtain colocation services or to connect to the Exchange's trading systems.

Proposal

The Exchange proposes to retain the existing installation and ongoing monthly fees for Interfirm Cabinet Connectivity and extend their application to the non-ordering, accepting

[5] The Exchange notes that a third-party provider, specifically the Data Center operator, runs the Interfirm Cabinet Connectivity. All other functions are performed by the Exchange.

customer side of the connection. Under the proposal, each customer participating in a new Interfirm Cabinet Connectivity connection will be assessed the existing $550 installation fee and $385 ongoing monthly fee for its respective leg of the connectivity path. For Interfirm Cabinet Connectivity connections already in place as of the implementation date, the accepting customer will be assessed the ongoing monthly fee, but not the installation fee, for its respective leg, and the fees assessed to the ordering customer will not change.

The Exchange anticipates implementing the proposed rule change during the first quarter of 2027 and will announce that implementation date through an Equity Trader Alert or other customer communication.

The Exchange believes that assessing the existing fees separately to each customer appropriately reflects the Exchange's increased role in managing Data Center connectivity following Equalization. The Exchange now provides the fiber and manages, supervises, monitors, and audits the connection after installation. The proposal also aligns the allocation of fees with the structure of the service: two separately provided and managed customer-side legs join at the Nasdaq-provided distribution point, and each customer must authorize and receive the benefit of its own leg. The proposal therefore assesses each customer for the Nasdaq-provided and Nasdaq-managed connectivity furnished to that customer.[6]

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[6] The Exchange notes that the structure proposed here parallels the structure the Exchange adopted for TNO Cross-Connect. A telecommunications company ("telco") connectivity path in the Data Center consists of two Nasdaq-provided and Nasdaq-managed legs that meet at a Nasdaq-provided distribution point: the TNO Cross-Connect, which runs from the telco's carrier cabinet to the distribution point, and the customer-side leg, which runs from the distribution point to the customer's cabinet. See Exchange Rule General 8, Section 1. As with TNO Cross-Connect, the Exchange proposes to assess each leg, because the Exchange provides and manages both and, with equalized connectivity, exercises greater management oversight over each component of the path. See Securities Exchange Act Release Nos. 105017 (Mar. 16, 2026), 91 FR 13349 (Mar. 19, 2026) (SR-Phlx-2026-13); 05767 (June 24, 2026), 91 FR 39131 (June 29, 2026) (SR-Phlx-2026-40). The Exchange notes, however, that unlike TNO Cross Connect, the proposed Interfirm Cabinet Connectivity offering is optional and not required for collocating with the Exchange.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[7] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[8] in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed fees are reasonable because each customer receives a distinct leg of an equalized connectivity path that the Exchange actively provides and manages. Each customer-side leg is a defined, Exchange-managed component of that path. Following equalization, the Exchange provides the fiber connectivity and administers the cabling, standardized demarcation points, inventory, and ongoing operational support associated with each leg, and it supervises and audits the connection on an ongoing basis. Each customer's leg is a component the Exchange implements, administers, monitors, and supports. Applying the existing $550 installation fee and $385 monthly fee to each customer is reasonable because each customer receives, and the Exchange manages, a distinct leg of the equalized path.[9] The

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7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(4) and (5).

9 The Exchange also believes that the proposed fees are reasonable when viewed against the fee another exchange charges for a similar service. NYSE offers a "Data Center Fiber Cross Connect" service, for which it charges the User that requests the service an initial charge of $500 plus a monthly charge of $600 for a single cross connect, or $7,700 over the first year. See NYSE Connectivity Fee Schedule (last updated Oct. 2, 2026), Section A (Co-Location Fees). By comparison, under the proposal each customer participating in a new Interfirm Cabinet Connectivity connection would pay $5,170 over the first year for its own leg (a $550 installation fee plus twelve monthly fees of $385), or approximately 33% less than NYSE's first-year charge for a single cross connect. This comparison is based solely on NYSE's published fee schedule, which does not identify a separate charge to any other party to the connection, and the Exchange makes no representation regarding NYSE's billing practices beyond what that schedule states. The Exchange offers this comparison as context. The proposal need not replicate NYSE's fee structure to be consistent with the Act. The Act does not require an exchange to adopt another exchange's approach to pricing a similar service. The question under Section 6(b)(4) is whether the proposed fees are reasonable and equitably allocated among the persons using the Exchange's facilities, and the proposal meets that standard. Each customer would pay the same, existing monthly fee for the Exchange-provided and Exchange-managed leg that it receives. For new connections, each customer would also pay the same,

Exchange believes this approach equitably allocates the fees among the customers that receive and use each Exchange-managed leg of the connection. Each customer receives connectivity through its respective leg of the connectivity path, and each customer is accordingly responsible for the fees associated with the connectivity provided to it. The fact that the two connectivity paths collectively facilitate communication between the customers does not alter the fact that each customer receives a separately identifiable connectivity service. The Exchange further believes that assessing each customer for its respective connectivity leg avoids requiring one customer to pay for the leg that another customer receives. The Exchange therefore believes that its methodology represents an equitable allocation of fees among the customers using Interfirm Cabinet Connectivity.

The amount of each fee is also reasonable because it is unchanged from the Fiber connectivity fee amounts currently assessed to the ordering customer for Interfirm Cabinet Connectivity and is the same amount charged for certain other Fiber connectivity offerings.[10]

The Exchange also believes that the proposal is reasonable because it supports a uniformly administered and auditable Interfirm Cabinet connectivity pathway within the Data Center. As the Exchange has explained, equalization is intended to enhance the integrity of the Data Center network by establishing standardized connectivity requirements for each component of the connectivity path and exercising greater management oversight over those components.[11]

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existing installation fee for its leg. No customer would be asked to bear the fees attributable to another customer's leg of the connection path. Under the Exchange's current model, the ordering customer alone pays the fees for a connection in which two customers each receive a leg. Under the proposal, neither customer subsidizes the other. Each pays the same fee for its own leg, and only for the leg it receives. For connections already established as of the implementation date, the accepting customer would pay the ongoing monthly fee for its leg but not the installation fee, because that one-time fee has already been assessed to the ordering customer when the connection was established. In that case, the ordering customer's fees would not change.

10 See Exchange Rule General 8.

11 See SR-Phlx-2026-40, supra note 6, 91 FR at 39132.

A standardized, Nasdaq-managed path in which the Exchange oversees the cabling, demarcation points, and supporting architecture enhances the Exchange's ability to monitor, maintain, and audit that connectivity.[12] Each customer-side leg of Interfirm Cabinet Connectivity is a component of that path. Assessing the existing fees to each customer for its own leg allocates those fees among the customers that receive and use each Exchange-managed leg of the path and does not alter the path's availability or operation.

The Exchange further believes the proposal is reasonable because Interfirm Cabinet Connectivity is an optional service. Customers are not required to purchase Interfirm Cabinet Connectivity to obtain colocation services or to connect to the Exchange's trading systems. Rather, a customer purchases the service only if it elects to establish a fiber connection between its cabinet and the cabinet of another colocation customer, and each customer may determine for itself whether the service, at the proposed fees, is appropriate for its business.

The Exchange believes that applying the fees separately to both customers is equitable and not unfairly discriminatory because both customers receive a substantially similar customer-side service and both benefit from the Exchange's provision and ongoing management of the equalized path. Under the current billing model, only the ordering customer pays even though the accepting customer also receives a Nasdaq-provided and Nasdaq-managed leg of the connection. The proposal allocates the fees to both beneficiaries and treats the ordering and accepting customers alike. Each customer would pay the same, existing fee for the Exchange-provided and Exchange-managed leg that it receives, and no customer would be asked to bear the fees attributable to another customer's leg of the connection.

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[12] See, e.g., SR-Phlx-2026-13, supra note 6, 91 FR at 13350; SR-Phlx-2026-40, supra note 6.

The Exchange also believes that it is reasonable, equitable, and not unfairly discriminatory not to assess the installation fee to the accepting customer for Interfirm Cabinet Connectivity connections already in place as of the implementation date. The installation fee is a one-time charge assessed when a connection is ordered and established. For a connection already in place, the connection has been established and the installation fee has already been assessed to the ordering customer. The Exchange therefore believes that it would be inappropriate to assess a one-time installation charge for a connection that is not being newly established. Those accepting customers will, however, be assessed the ongoing monthly fee beginning on the implementation date, which is consistent with the Exchange's rationale for assessing each customer for the Exchange-managed leg of the connection that it receives and uses. The distinction is drawn by whether a connection is in place as of the implementation date, and not by the identity, size, or trading activity of any customer, and it applies uniformly to every accepting customer with an existing connection.

The Exchange will apply the same fee amounts and billing methodology to all similarly situated customers. The proposal does not distinguish among customers based on their identity, trading activity, or anticipated use of the connection. Rather, each new customer will pay the same installation fee and monthly fee for its own leg of the standardized, equalized connectivity path.[13] Because both parties must affirmatively participate in the Nasdaq Customer Portal order process before implementation, as described above, each customer will have notice of the fee treatment before the Exchange provisions the connection.

[13] As discussed above and as proposed, existing Interfirm Cabinet Connectivity customers will each pay only the ongoing monthly fees. For such established Interfirm Cabinet Connectivity connections, the Exchange will not assess a second installation fee to the non-ordering 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 does not believe that the proposal will impose an undue burden on intramarket competition because it will apply the same fees to each customer participating in an Interfirm Cabinet Connectivity order. The proposal will eliminate the current difference in the ongoing monthly fee treatment of the ordering and accepting customers, each of which receives a customer-side leg of the Exchange-provided and Exchange-managed connection, and, for new orders, the difference in their installation fee treatment.

The proposal therefore will treat similarly situated customers consistently. Each customer participating in an Interfirm Cabinet Connectivity arrangement through a new order will be assessed the same installation and recurring monthly fees for its respective connectivity leg. For connections already in place as of the implementation date, the Exchange will not assess a one-time installation fee to the accepting customer because the connection has already been established, but the accepting customer will be assessed the same ongoing monthly fee as the ordering customer. This distinction turns on whether a connection is in place as of the implementation date and applies uniformly to all such connections. It does not favor or disadvantage any customer relative to another. The fees do not distinguish among customers based on their identity, business model, trading activity, or the identity of the customer with which they establish connectivity.

The Exchange also does not believe that the proposal will impose an undue burden on intermarket competition. Interfirm Cabinet Connectivity is an optional service that customers are not required to purchase to obtain colocation services or connect to the Exchange's trading systems. The proposal does not alter the availability or technical operation of the service.

Instead, it applies the existing fees separately to each customer that elects to participate in and receive a customer-side leg of the connection: for new orders, the existing installation fee and ongoing monthly fee, and for existing connections, the existing ongoing monthly fee.

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)(ii) of the Act.[14]

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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

[14] 15 U.S.C. 78s(b)(3)(A)(ii).

- Send an email to rule-comments@sec.gov. Please include file number SR-Phlx-2026-73 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-2026-73. 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-2026-73 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.[15]

Sherry R. Haywood,

Assistant Secretary.

[15] 17 CFR 200.30-3(a)(12).