

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 that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed rule change will not impose an undue burden on intramarket competition because the changes will impact all similarly situated market participants equally. The Exchange believes that the proposed rule change will not impose an undue burden on intermarket competition because it is intended to streamline Exchange rules by removing unnecessary and outdated requirements that other exchanges have similarly eliminated or otherwise do not have in their rules.¹⁴

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

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁵ and Rule 19b-4(f)(6) thereunder.¹⁶ Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁷ and Rule 19b-4(f)(6)¹⁸ thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)¹⁹ normally does not become operative prior to 30 days after the date of the filing. However, pursuant

to Rule 19b4(f)(6)(iii),²⁰ the Commission may 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 states that waiver of the operative delay is consistent with the protection of investors and the public interest because it would allow the Exchange to remove outdated, overly burdensome obligations without delay, which it believes will result in a more streamlined rule set to the benefit of market participants. According to the Exchange, other exchanges have similarly eliminated or do not have similar requirements and the Exchange believes these posting and publication requirements are no longer relevant or necessary based on the Exchange's current processes for evaluating OTP and Floor Broker applications. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because the proposal does not raise any novel regulatory issues and will allow the Exchange to streamline its rules by removing outdated and redundant processes. Accordingly, the Commission hereby waives the operative delay and designates the proposed rule change to be operative upon filing.²¹

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 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:

²⁰ 17 CFR 240.19b-4(f)(6)(iii).

²¹ For the purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-NYSEARCA-2026-29 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-NYSEARCA-2026-29. 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-NYSEARCA-2026-29 and should be submitted on or before April 13, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²²

Vanessa A. Countryman,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105047; File No. SR-NASDAQ-2025-072]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Order Approving a Proposed Rule Change, as Modified by Amendment No. 2, To Amend the Exchange's Rules To Enable the Trading of Securities on the Exchange in Tokenized Form

March 18, 2026.

I. Introduction

On September 8, 2025, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission

²² 17 CFR 200.30-3(a)(12).

¹⁴ See notes 6 & 10, *supra*.

¹⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁶ 17 CFR 240.19b-4(f)(6).

¹⁷ 15 U.S.C. 240.19b-4(f)(6).

¹⁸ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange 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.

¹⁹ 17 CFR 240.19b-4(f)(6).

(“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b–4 thereunder,² a proposed rule change to amend the Exchange’s rules to enable the trading of securities on the Exchange in tokenized form. The proposed rule change was published for comment in the **Federal Register** on September 22, 2025.³ On November 3, 2025, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ On December 12, 2025, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act,⁶ to determine whether to approve or disapprove the proposed rule change.⁷ On December 29, 2025, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced and superseded the original filing in its entirety. On January 20, 2026, the Exchange filed Amendment No. 2 to the proposed rule change, which replaced and superseded the original filing, as modified by Amendment No. 1, in its entirety. The proposed rule change, as modified by Amendment No. 2, was published for comment in the **Federal Register** on January 30, 2026.⁸ This order approves the proposed rule change, as modified by Amendment No. 2.

II. Description of the Proposal, as Modified by Amendment No. 2⁹

The Exchange proposes amending its rules to enable the trading of securities on the Exchange in tokenized form during the pendency of a tokenization pilot program (“DTC Pilot”) operated by the Depository Trust Company (“DTC”) pursuant to the terms of a December 11,

2025 No-Action Letter.¹⁰ Nasdaq market participants that are eligible to participate in the DTC Pilot (“DTC Eligible Participants”) would be able to trade tokenized versions of certain equity securities and exchange traded products on the Exchange that are eligible for tokenization as part of the DTC Pilot (“DTC Eligible Securities”).¹¹ According to Nasdaq, while they are actively assessing multiple methods of tokenization and trading of tokenized securities,¹² the proposed rule change describes and applies to one method by which DTC Eligible Securities can trade on Nasdaq, using DTC to clear and settle trades in token form, per order handling instructions that DTC Eligible Participants may select upon entering their orders for DTC Eligible Securities on Nasdaq.¹³

First, Nasdaq proposes to amend its definition of a security in Equity 1, Section 1, to mean, in part, a “security” as that term is defined in Section 3(a)(10) of the Act that is either listed on the Exchange or traded on the Exchange pursuant to unlisted trading privileges.¹⁴ Further, under the proposed rule, a security may be traded in the Nasdaq Market Center in either traditional form (*i.e.*, digital representation of ownership and rights, but without utilizing blockchain technology) or, for the duration and under the terms of the DTC Pilot, in tokenized form (*i.e.*, digital representation of ownership and rights that utilizes blockchain technology).¹⁵ Under the proposed rule, a share of a tokenized DTC Eligible Security would be tradable in the Nasdaq Market Center together with, on the same order book as, and with the same execution priority as, its traditional counterpart, but only if the tokenized security is fungible with, shares the same CUSIP number with and trading symbol, and affords its shareholders the same rights and privileges as does a share of an equivalent class of the traditional security.¹⁶ According to the Exchange,

DTC Eligible Securities that would be eligible to trade on the Exchange would be limited to, for purposes of this proposal, (i) securities in the Russell 1000 Index at the time the service launches as well as any additions to the index thereafter and notwithstanding the subsequent removal of any securities from the index; and (ii) ETFs that track major indices, such as the S&P 500 index and Nasdaq-100 index.¹⁷ Nasdaq would publish Equity Trader Alerts periodically to identify a current list of DTC Eligible Securities that may trade in tokenized form on the Exchange.¹⁸

Second, the Exchange proposes to amend its Order Entry Rule, at Equity 4, Rule 4756, to describe how a DTC Eligible Participant can communicate its desire to clear and settle a DTC Eligible Security in tokenized form.¹⁹ Under the proposed rule, a DTC Eligible Participant that wishes for its order in a DTC Eligible Security to clear and settle in tokenized form must notate its preference upon entry of the order in the System by selecting a flag that the Exchange designates for this purpose, in accordance with the Exchange’s procedures.²⁰ When a DTC Eligible Participant enters an order for a DTC Eligible Security with the tokenization flag selected, the Exchange, as an agent or designee of such DTC Eligible Participant, would communicate the DTC Eligible Participant’s tokenization preference to DTC on a post-trade basis.²¹ The flag would indicate the DTC Eligible Participant’s preference as to what form the security should take (*i.e.*, token or traditional) and it also may include other information or instructions that DTC may require the DTC Eligible Participant to enter, in accordance with DTC’s rules, policies, and procedures, and the terms of the No-Action Letter, to effectuate the flag, such as the DTC Eligible Participant’s selection of a blockchain and a digital wallet address for a tokenized DTC Eligible Security.²² DTC would then carry out the DTC Eligible Participant’s tokenization preference as set forth in the flag, as well as any instructions attendant thereto to the extent that the flag or instruction is executable in accordance with DTC’s rules, policies,

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 103989 (Sept. 16, 2025), 90 FR 45426. Comments received on the proposed rule change are available at: <https://www.sec.gov/comments/sr-nasdaq-2025-072/srnasdaq2025072.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 104173, 90 FR 51424 (Nov. 17, 2025). The Commission designated December 21, 2025, as the date by which the Commission shall approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 104384, 90 FR 58646 (Dec. 17, 2025).

⁸ See Securities Exchange Act Release No. 104693 (Jan. 27, 2026), 91 FR 4138 (“Amendment No. 2”). Capitalized terms not defined in this order are defined in the Exchange’s rules.

⁹ For a more complete description of the proposal see Amendment No. 2 *supra* note 8.

¹⁰ See *id.* at 4138; see also No-Action Letter Request Related to The Depository Trust Company’s Development of the DTCC Tokenization Services from Jeffrey S. Mooney, Associate Director, Division of Trading and Markets, to Brian Steele, Managing Director, President, Clearing & Securities Services, DTCC, and Nadine Chakar, Managing Director, Global Head of DTCC Digital Assets, DTCC, dated December 11, 2025, including incoming letter from DTCC on behalf of DTC (“No-Action Letter”) at <https://www.sec.gov/files/tm/no-action/dtc-nal-121125.pdf>.

¹¹ See Amendment No. 2 *supra* note 8 at 4140.

¹² See *id.* at 4140 n.10.

¹³ See *id.* at 4140.

¹⁴ See Proposed Equity 1, Section 1(a)(2).

¹⁵ See *id.*

¹⁶ See *id.* and Amendment No. 2 *supra* note 8 at 4141–42.

¹⁷ See Amendment No. 2 *supra* note 8 at 4143.

¹⁸ See Proposed Rule Section 1(a)(2).

¹⁹ See Proposed Rule 4756(a)(5) and Amendment No. 2 *supra* note 8 at 4142.

²⁰ See *id.*

²¹ See *id.*

²² See *id.* The Exchange would issue an Equity Trader Alert prior to requiring a DTC Eligible Participant to enter any such information or instructions to the flag, other than its tokenization preference. See *id.*

and procedures, and the terms of the No Action Letter.²³

As proposed, Nasdaq's systems would not determine whether a market participant is a DTC Eligible Participant or whether a security is a DTC Eligible Security at the time of order entry and selection of the tokenization flag.²⁴ Nasdaq also would not determine whether DTC is able to execute a tokenization order for other reasons, including because the DTC Eligible Participant wishes to mint the token to a blockchain that is not compatible with the DTC Pilot or deposit it into a wallet that is not registered with DTC.²⁵ Thus, if at the time of order entry, a market participant is not a DTC Eligible Participant, the security selected for tokenization is not a DTC Eligible Security, or there are other reasons why DTC cannot execute a tokenization preference or instruction, DTC would settle the executed order in traditional (non-tokenized) form, in accordance with DTC's rules, policies, and procedures.²⁶

Third, Nasdaq proposes to amend its Book Processing Rule, at Equity 4, Rule 4757, to state that the mere fact that an order contains tokenized securities or indicates a preference to clear and settle DTC Eligible Securities in token form would not affect the priority in which the Exchange executes that order.²⁷

Fourth and finally, the Exchange proposes to amend its Order Routing Rule, at Equity 4, Rule 4758, to state that when the Exchange routes orders in DTC Eligible Securities that DTC Eligible Participants have designated for clearing and settlement in token form, in accordance with the Exchange's order entry rules and procedures, the Exchange would communicate this tokenization instruction to DTC upon receiving an execution for an order that was routed to another trading venue.²⁸

Nasdaq states that apart from the above, as far as Nasdaq's systems and matching engine are concerned, the Exchange's trading procedures and behavior would be the same regardless of whether a DTC Eligible Participant opts to trade tokenized or traditional shares of a DTC Eligible Security.²⁹ For example, according to Nasdaq, the following aspects of its trading system and procedures would not change when trading tokenized securities:

- All Exchange order types and attributes would be available for use by tokenized securities.
- All Exchange routing strategies would be available for orders in tokenized securities.
- Orders in tokenized securities may participate in all of the Exchange's trading sessions as well as in its Opening and Closing Crosses, subject to generally applicable eligibility criteria.
- Participants may utilize their existing connectivity to enter orders in tokenized securities.
- The Exchange's fee schedule would not vary based upon whether shares that Participants execute are tokenized or traditional in nature.
- Market data feeds would not differentiate between tokenized and traditional shares.
- The Exchange would comply with any Commission requirements to report tokenization data to the Consolidated Audit Trail.
- Market surveillance of tokenized and traditional securities would rely upon the same underlying data, which would continue to be accessible by Nasdaq and FINRA.
- Trades in tokenized securities handled by DTC would continue to settle on a T+1 basis.
- Nasdaq's clearly erroneous and risk management measures would cover tokenized securities.
- Trading of tokenized securities would not be expected to alter the existing proxy distribution process.³⁰

According to Nasdaq, its proposal would become effective once the requisite infrastructure and post-trade settlement services have been established by DTC.³¹ Further, Nasdaq would alert its Members in an Equity Trader Alert at least 30 calendar days before the Exchange begins trading DTC Eligible Securities in tokenized form on its market.³²

III. Discussion and Commission Findings

The Commission finds that the Exchange's proposal, as modified by Amendment No. 2, is consistent with

³⁰ See *id.* at 4142–43. According to DTC, a DTC Eligible Participant may need to issue a de-tokenization instruction or DTC may need to force convert the tokenization entitlement into a book-entry entitlement in order to receive a distribution or replacement security or to issue instructions in relation to the corporate action. In such situations, DTC would, to the extent feasible, provide the relevant participants with advance notice of the need to provide such instruction or DTC's need to take such action. See No Action Letter *supra* note 10, attached incoming request at 10–11; see also Amendment No. 2 *supra* note 8 at 4143 n.23.

³¹ See Amendment No. 2 *supra* note 8 at 4143.

³² See *id.*

the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.³³ In particular, the Commission finds the proposed rule change, as modified by Amendment No. 2, is consistent with Section 6(b)(5) of the Act.³⁴ Section 6(b)(5) of the Act requires that the rules of a national securities exchange be designed, among other things, to prevent fraudulent and manipulative acts and practices, 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 Commission received comment letters on Nasdaq's proposed rule change, all of which were submitted prior to the filing of Amendment No. 2 and most of which were submitted prior to the No-Action Letter.³⁵ While some commenters commended Nasdaq on its proposal to accommodate and incorporate tokenization and generally agreed that tokenized securities should trade within the existing regulatory framework,³⁶ some of these commenters discussed the lack of information available regarding the DTC proposed process for settling tokenized securities.³⁷ Commenters also raised

³³ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³⁴ 15 U.S.C. 78f(b)(5).

³⁵ See letters from Brent Taylor, dated September 13, 2025 ("Taylor Letter"); Benjamin L. Schiffrin, Director of Securities Policy, Better Markets, Inc., dated October 14, 2025 ("Better Markets Letter"); Katie Kolchin, CFA, Managing Director, Head of Equity & Options Market Structure, and Gerald O'Hara, Vice President & Assistant General Counsel, SIFMA, dated October 14, 2025 ("SIFMA Letter"); Morrison C. Warren, James Audette, Elizabeth S. Boison, Christian Brockman, Chapman and Cutler LLP on behalf of The Digital Chamber, dated October 14, 2025 ("TDC Letter"); Peter Curley, Head of Global Regulatory Affairs, Ondo Finance Inc., dated October 14, 2025 ("Ondo Letter 1"); Patrick Sexton, EVP, General Counsel, and Corporate Secretary, Cboe Global Markets, Inc., dated November 26, 2025 ("Cboe Letter"); and Peter Curley, Head of Global Regulatory Affairs, Ondo Finance Inc., dated December 15, 2025 ("Ondo Letter 2"). In Ondo Letter 2, Ondo withdrew its original objection to Nasdaq's proposal in Ondo Letter 1 in light of the information contained in the No-Action Letter. See Ondo Letter 2.

³⁶ See Cboe Letter at 1 and SIFMA Letter at 1–3; see also Taylor Letter (recommending, in part, the Commission consider a pilot tokenization sandbox with Nasdaq as an initial pilot).

³⁷ See Cboe Letter at 1 (stating there is more to learn on the mechanics of the post-trade tokenization process envisioned by DTC), SIFMA Letter at 3 (stating that SIFMA looks forward to reviewing more details about the technical and operational aspects of the proposal when information regarding the DTC process is available), and TDC Letter at 2 and 6 (stating the lack of details regarding DTC's requisite infrastructure and post-

²³ See *id.*

²⁴ See *id.*

²⁵ See *id.*

²⁶ See *id.*

²⁷ See *id.*

²⁸ See Proposed Rule 4758(a)(1)(A) and Amendment No. 2 *supra* note 8 at 4142.

²⁹ See Amendment No. 2 *supra* note 8 at 4142.

competitive concerns and questioned how the Commission would ensure that the regulatory framework remains technologically neutral and does not inadvertently pick winners and losers,³⁸ and raised concerns regarding issuer choice.³⁹ Other commenters made recommendations outside the scope of the Nasdaq proposal.⁴⁰ Finally, one commenter objected to Nasdaq's proposal as being unnecessary.⁴¹ This commenter raised general concerns regarding tokenizing securities such as some provisions of securities laws being potentially inapplicable, the risk of prices diverging from the price of the traditional security, market surveillance concerns, and tokenized securities potentially not offering holders the same rights as shareholders in the underlying company.⁴² The commenter agreed that "Nasdaq's proposal is better than having tokenized securities that do not offer the same rights and privileges as traditional securities trade on unregulated crypto exchanges," but questioned why having tokenized securities trading on Nasdaq was "necessary at all."⁴³

As described above, some commenters expressed concerns regarding the lack of detail as to how the DTC proposed process would affect tokenization in Nasdaq's original filing before the issuance of the No-Action Letter.⁴⁴ However, the incoming letter from DTCC on behalf of DTC provides sufficient detail to address these concerns. Moreover, Nasdaq, in Amendment No. 2, provided more detail than the original filing regarding the

trade settlement services makes it difficult for shareholders and regulators to fully assess the Nasdaq proposal's impact on market structure, competition, and innovation).

³⁸ See TDC Letter at 1–3.

³⁹ See *id.* at 3 (stating that "issuer choice should be a central consideration that is thoughtfully and thoroughly examined before any final rules can be considered"); Taylor Letter (stating that tokenization experiments that proceed without issuer coordination risk fragmenting liquidity); and see also Better Markets Letter at 3 (stating that tokenized stocks may be issued by a third party and it is not clear with whom investors are investing).

⁴⁰ See Taylor Letter (recommending the Commission adopt the Swiss approach to tokenized securities); Choe Letter at 1 (stating that it is worth considering whether any move toward tokenization should be an industry-wide initiative backed by Commission rulemaking and holistic regulatory review); TDC Letter at 11–12 (recommending in part regulatory sandboxes, pilot programs, conditional exemptive relief, and principles-based technology-neutral regulations).

⁴¹ See Better Markets Letter at 1.

⁴² See *id.* at 2–3.

⁴³ See *id.* at 5.

⁴⁴ See also Letter from Brett M. Kitt, Vice President, Deputy General Counsel, Nasdaq, dated December 29, 2025, at 6 (stating that the No-Action Letter, DTC's no-action request letter, and informational materials on DTC's website should together suffice to address most questions and concerns) ("Nasdaq Response Letter").

tokenization process by, in part, (i) clarifying the information required from DTC Eligible Participants for DTC to effectuate a tokenization request,⁴⁵ (ii) tailoring its proposal to the DTC Pilot by clarifying that only DTC Eligible Participants can request to tokenize DTC Eligible Securities,⁴⁶ and (iii) providing more detail regarding tokenization and post-trade processing.⁴⁷ Accordingly, one commenter, who had previously raised concerns about the lack of public information regarding the DTC initiatives, concluded that "there is now sufficient information in the public domain to allow interested parties to comment intelligently on the Proposal and for the Commission to determine whether the proposed rule change by Nasdaq is consistent with the requirements of" the Act in light of the information contained in DTCC's incoming letter.⁴⁸ This commenter withdrew its original objection to Nasdaq's proposal.⁴⁹

Further, while commenters expressed views regarding the Commission's approach to securities tokenization, this order is limited to the Nasdaq proposal, which would allow securities to clear and settle in tokenized form pursuant to the DTC Pilot.⁵⁰ Nasdaq, in its response to commenters made clear "that its tokenization proposal is not exclusive but rather is one of multiple forms that currently exist or may come to exist."⁵¹ Further, Nasdaq has stated that other forms of tokenization and clearance and settlement are under discussion.⁵² However, to the extent that Nasdaq plans to adopt any alternative to the DTC Pilot, it would file a proposed rule change with the Commission.⁵³

While comments were expressed regarding the risks of tokenization, such as prices diverging between tokenized

⁴⁵ See Proposed Rule 4756(a)(5).

⁴⁶ See Proposed Section 1(a)(2) and Proposed Rule 4756(a)(5).

⁴⁷ See Amendment No. 2 *supra* note 8 at 4143–44.

⁴⁸ See Ondo Letter 2 at 1.

⁴⁹ See *id.*

⁵⁰ Nasdaq has represented that the proposal is intended to offer "a means by which market participants can utilize the DTC pilot tokenization program when trading on the Exchange." See Amendment No. 2 *supra* note 8 at 4144. Moreover, the "post-trade settlement services, including the eligibility of a member's orders to be settled in tokenized form, will be determined by DTC's policies and procedures and the No Action Letter." See *id.*

⁵¹ See Nasdaq Response Letter *supra* note 44 at 1.

⁵² See Amendment No. 2 *supra* note 8 at 4143 n.24.

⁵³ See *id.* at 4140 n.10 and 4143 n.24. In addition, this proposed rule change does not address whether and how Nasdaq may choose to trade non-fungible tokenized instruments in the future pursuant to a proposed rule change. See *id.* at 4142 n.20.

and traditional securities, holders of tokenized securities not receiving the same rights as shareholders in the underlying company, provisions of securities laws being potentially inapplicable, and market surveillance concerns,⁵⁴ these concerns have been addressed. Pursuant to the Nasdaq proposal, a tokenized share of a DTC Eligible Security must be fungible with, share the same CUSIP number and trading symbol with, and afford its shareholders the same rights and privileges as a share of an equivalent class of the traditional security for it to trade on Nasdaq.⁵⁵ Further, Nasdaq has represented that it would trade DTC Eligible Securities "within the confines of existing securities laws and rules"⁵⁶ and that its trading system and procedures, except as described above, would be the same regardless of whether a security is tokenized.⁵⁷ A tokenized share of a DTC Eligible Security and its traditional counterpart would trade on the same order book and with the same execution priority.⁵⁸ Moreover, market data feeds would not differentiate between tokenized and traditional shares and market surveillance of tokenized and traditional securities would rely upon the same underlying data, which would continue to be accessible by Nasdaq and FINRA.⁵⁹

Based on the foregoing, the Commission therefore finds that the proposal, as modified by Amendment No. 2, is consistent with the Act and the requirements that the rules of an exchange be designed, among other

⁵⁴ See Better Markets Letter at 2–4. See also SIFMA Letter at 2 n.5 (stating that "issuing and trading tokenized securities outside the core protections of the federal securities laws and regulations also could increase investors' exposure to fraud, manipulation, and undisclosed conflicts of interest") and TDC Letter at 9 (raising the question of how surveillance tools will be adapted for blockchain-based trading).

⁵⁵ See Proposed Section 1(a)(2), and Amendment No. 2, *supra* note 8 at 4141–42. A tokenized DTC Eligible Security would be deemed to provide the same rights and privileges as a traditional security if, among other things, it conveys an equity interest in an underlying company, a right to receive any dividends that the company issues to its shareholders, a right to exercise any voting rights that shareholders are due, and a right to receive a share of the residual assets of the company upon liquidation. See Amendment No. 2, *supra* note 8 at 4141. Further, as discussed above, Nasdaq has represented that it would submit a proposed rule change if it decides to trade non-fungible tokenized instruments in the future. See *supra* note 53.

⁵⁶ See Amendment No. 2 *supra* note 8 at 4141.

⁵⁷ See *id.* at 4142–43. Nasdaq has also represented that if Nasdaq develops functionality to allow it to check for eligibility to tokenize at order entry, it would submit a rule proposal to effectuate that functionality.

⁵⁸ See Proposed Section 1(a)(2), and Amendment No. 2, *supra* note 8 at 4141.

⁵⁹ See Amendment No. 2 *supra* note 8 at 4143.

things, to prevent fraudulent and manipulative acts and practices, 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.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁶⁰ that the proposed rule change (SR–NASDAQ–2025–072), as modified by Amendment No. 2, be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶¹

Vanessa A. Countryman,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105040; File No. SR–NYSEARCA–2026–27]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Exchange Rules 5.32–O, 5.35–O, and 6.8–O Regarding Options on Certain Crypto Assets

March 18, 2026.

Pursuant to Section 19(b)(1) ¹ of the Securities Exchange Act of 1934 (“Act”) ² and Rule 19b–4 thereunder, ³ notice is hereby given that, on March 10, 2026, NYSE Arca, Inc. (“NYSE Arca” 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 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 Rule 5.32–O (Terms of FLEX Options), Rule 5.35–O (Position Limits for FLEX Options) and Rule 6.8–O (Position Limits) in connection with options overlying the following Exchange-Traded Fund Shares, as applicable:

Grayscale Bitcoin Trust, Grayscale Bitcoin Mini Trust, Bitwise Bitcoin ETF, iShares Bitcoin Trust, Fidelity Wise Origin Bitcoin Fund, ARK21Shares Bitcoin ETF, Grayscale Ethereum Trust ETF, Grayscale Ethereum Mini Trust ETF, Bitwise Ethereum ETF, iShares Ethereum Trust ETF, and Fidelity Ethereum Fund. The proposed rule change is available on the Exchange’s website at www.nyse.com 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 self-regulatory organization 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 those 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 parts 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 Exchange proposes to amend Rule 5.32–O(f)(1) (Terms of FLEX Options), Rule 5.35–O (Position Limits for FLEX Options), and Commentary .06(f) to Rule 6.8–O (Position Limits) in connection with the following options overlying Exchange-Traded Fund Shares, as applicable: Grayscale Bitcoin Trust, Grayscale Bitcoin Mini Trust, Bitwise Bitcoin ETF, iShares Bitcoin Trust, Fidelity Wise Origin Bitcoin Fund, ARK21Shares Bitcoin ETF, Grayscale Ethereum Trust ETF, Grayscale Ethereum Mini Trust ETF, Bitwise Ethereum ETF, iShares Ethereum Trust ETF, and Fidelity Ethereum Fund (collectively “the Crypto Assets”). This filing is based on similar proposals submitted by Nasdaq ISE, LLC (“ISE”),⁴ Miami International

Securities Exchange, LLC (“MIAX”),⁵ and Nasdaq PHLX LLC (“Phlx”).⁶

Background

On November 20, 2024, the Exchange filed to list and trade option contracts on the iShares Bitcoin Trust, the Fidelity Wise Origin Bitcoin Fund, and the ARK21Shares Bitcoin ETF.⁷ Also on November 20, 2024, the Exchange filed to list and trade options contracts on the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, and the Bitwise Bitcoin ETF.⁸ On April 9, 2025, the Exchange filed to list and trade the Grayscale Ethereum Trust, the Grayscale Ethereum Mini Trust, and the Bitwise Ethereum ETF.⁹ Also on April 9, 2025, the Exchange filed to list and trade options on the iShares Ethereum Trust ETF and the Fidelity Ethereum Fund.¹⁰ These immediately effective filings permitted the Exchange to list and trade options on the Crypto Assets subject to a 25,000 contract position and exercise limit and a restriction on the trading of FLEX options.

On July 29, 2025, the Commission approved a rule filing to eliminate the 25,000-contract position and exercise limit for the Grayscale Bitcoin Trust ETF options and apply the position limits in Exchange Rule 6.8–O, Commentary .06(a)–(e) to options on the Grayscale Bitcoin Trust ETF and to permit options on the Grayscale Bitcoin Trust ETF to trade as FLEX Equity

⁵ See Securities Exchange Act Release No. 34–104738 (Jan. 29, 2026), 91 FR 5000 (Feb. 03, 2026) (SR–MIAX–2026–04) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 307, Position Limits, and Rule 309, Exercise Limits, Regarding Position and Exercise Limits on Options Overlying Certain Crypto Assets).

⁶ See Securities Exchange Act Release No. 34–104650 (Jan. 21, 2026), 91 FR 3265 (Jan. 26, 2026) (SR–Phlx–2026–02) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Remove Restrictions on Certain Crypto Assets).

⁷ See Securities Exchange Act Release No. 101712 (Nov. 22, 2024), 89 FR 94794 (Nov. 29, 2024) (SR–NYSEArca–2024–100) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to List and Trade Option Contracts on the iShares Bitcoin Trust, the Fidelity Wise Origin Bitcoin Fund, and the ARK21Shares Bitcoin ETF).

⁸ See Securities Exchange Act Release No. 101713 (Nov. 22, 2024), 89 FR 94839 (Nov. 29, 2024) (SR–NYSEArca–2024–101) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to List and Trade Option Contracts on the Grayscale Fund, the Grayscale Bitcoin Mini Trust BTC, and the Bitwise Bitcoin ETF).

⁹ See Securities Exchange Act Release No. 102817 (Apr. 11, 2025), 90 FR 16283 (Apr. 17, 2025) (SR–NYSEArca–2025–31) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rules 5.3–O, 5.4–O, and 6.8–O).

¹⁰ See Securities Exchange Act Release No. 102818 (Apr. 11, 2025), 90 FR 16181 (Apr. 17, 2025) (SR–NYSEArca–2025–32) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rules 5.3–O, 5.4–O, and 6.8–O).

⁶⁰ 15 U.S.C. 78s(b)(2).

⁶¹ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.

⁴ See Securities Exchange Act Release No. 34–104648 (Jan. 21, 2026), 91 FR 3282 (Jan. 26, 2026) (SR–ISE–2026–01) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Remove Restrictions on Certain Crypto Assets).