or personally or by mail, if a physical address is listed for the relevant Applicant below. Hearing requests should be received by the Commission by 5:30 p.m., Eastern time, on June 1, 2026, and should be accompanied by proof of service on the Applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary at *Secretarys-Office@sec.gov*.

**ADDRESSES:** The Commission: *Secretarys-Office@sec.gov.* Applicants: Eric R. Mansell, Adams Street Advisors, LLC, *emansell@adamsstreetpartners.com,* with copies to: Nicole M. Runyan, P.C., and Brad A. Green, P.C., at *nicole.runyan@kirkland.com* and *brad.green@kirkland.com,* respectively.

**FOR FURTHER INFORMATION CONTACT:** Rachel Loko, Senior Special Counsel, at (202) 551–6825 (Division of Investment Management, Chief Counsel's Office).

**SUPPLEMENTARY INFORMATION:** For Applicants' representations, legal analysis, and conditions, please refer to Applicants' application, dated April 1, 2026, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field on the SEC's EDGAR system. The SEC's EDGAR system may be searched at *https://www.sec.gov/search-filings.* You may also call the SEC's Office of Investor Education and Assistance at (202) 551–8090.

For the Commission, by the Division of Investment Management, under delegated authority.

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

[FR Doc. 2026–09232 Filed 5–8–26; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–105380; File No. SR–C2–2026–013]**

## Self-Regulatory Organizations; Cboe C2 Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Rule Regarding Trading Permit Holders and Associated Persons of a Trading Permit Holder Who Are or Become Subject to a Statutory Disqualification

May 6, 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 May 4, 2026, Cboe C2 Exchange, Inc. (the ''Exchange'' or ''C2'') filed with the Securities and Exchange Commission (''SEC'' or ''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

Cboe C2 Exchange, Inc. (the ''Exchange'') proposes to amend its rule regarding Trading Permit Holders and associated persons of a Trading Permit Holder who are or become subject to a statutory disqualification. The text of the proposed rule change is provided in Exhibit 5. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/options/regulation/rule_filings/bzx/*) [sic], 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 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.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

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

1. Purpose

The Exchange is proposing to amend Exchange Rule 3.5, the Exchange's eligibility proceedings section regarding statutory disqualifications, to conform (with certain exceptions) to rules of the Financial Industry Regulatory Authority, Inc. (''FINRA'') [3] and to industry standard rules.[4] [5] The Exchange's proposal also includes the proposed Statutory Disqualification Circular (''SD Circular'') that outlines the applicable eligibility procedures. The amended rules would incorporate by reference the procedures in the SD Circular. As further detailed in the SD Circular, the need for a Trading Permit Holder (''TPH'') to file an application with the Exchange for approval, notwithstanding the disqualification would depend on (i) the type of disqualification; (ii) the date of disqualification; and (iii) whether the firm or individual is seeking admission, readmission or continuation in the securities industry.

By way of background, Section 3(a)(39) of the Act defines the term ''statutory disqualification'' and the circumstances that can cause a person (either a Member, or a person associated with a Member) to be subject to a statutory disqualification.[6] Absent relief, a statutory disqualification would preclude a TPH or person associated with a TPH from certain activities, including membership in a self-regulatory organization (''SRO'').

There is, however, a well-established process through which a TPH (or a person associated with a broker-dealer) may continue to operate in the securities industry (and either become a TPH of, or continue as a TPH of, one or more SROs) despite being subject to a statutory disqualification.[7]

In particular, SEC Rule 19h–1 [8] describes several ways an SRO may seek

[3] *See* Securities Exchange Act Release No. 59586 (March 17, 2009), 74 FR 12166 (March 23, 2009) (SR–FINRA–2008–045); Securities Exchange Act Release No. 59722 (April 7, 2009), (SR–FINRA–2009–022).

[4] *See, e.g.,* NYSE Rules 9520–9550 or IEX Rule Series 9.520.

[5] The Exchange initially submitted the proposed rule change on April 28, 2026 (SR–C2–2026–012). On May 4, 2026, the Exchange withdrew that filing and submitted this filing.

[6] 15 U.S.C. 78c(a)(39).

[7] *See* FINRA Regulatory Notice 09–19 (''Amendments to FINRA Rule 9520 Series to Establish Procedures Applicable to Firms and Associated Persons Subject to Certain Statutory Disqualifications'').

[8] 17 CFR 240.19h–1.

relief for a member (or prospective member) that is subject to a statutory disqualification, including whether an SRO must file a notice with the Commission in order to allow the disqualified firm to become or continue as a member with the SRO (a ''19h–1 Notice'').

The existing Rule 3.5(b) and (c) provides that either (i) a TPH shall submit an application to the exchange within 10 days of becoming subject to a statutory disqualification or, (ii) alternatively, if the Exchange becomes aware that a TPH or associated person of a TPH is subject to a statutory disqualification, then, in either event, the Exchange shall then appoint a panel of three TPHs to conduct a hearing concerning the matter. The existing Rule 3.5(d), (e), (f), (g), and (h) provisions specify the procedural elements of the hearing itself and the process for a final decision.

Currently, FINRA processes statutory disqualification applications on behalf of the Exchange.[9] Notably, having different rules has led to outcomes where FINRA is not required to process an application and/or an applicable 19h–1 Notice under its rules, but the Exchange (or FINRA acting on the Exchange's behalf) is required under its existing Rule 3.5. As such, the Exchange proposes to, in large part, conform to FINRA Rule Series 9520 Eligibility Proceedings in order to prevent different outcomes when FINRA is reviewing potential statutory disqualifications on behalf of the Exchange. The Exchange also notes that its existing Rule 3.5 is an outlier when compared to industry standards, as other exchanges have adopted rules similar to FINRA's. This may lead to inconsistent results when a firm is a member of multiple exchanges and/or FINRA.[10]

To aid in further conformity between the Exchange and FINRA, the Exchange further proposes that it shall also rely on the no-action letter issued to FINRA in 2009 that provides interpretive guidance regarding (i) the effect of certain time-limited bars or license revocations, (ii) the effect of bars by State securities commissions that are based solely upon a disciplinary action taken by an SRO, (iii) the notice requirements for willful violations of the Municipal Securities Rulemaking Board and aiding and abetting violations, and (iv) enforcement action to the Commission under Exchange Action 15A(g)(2) or Rule 19h–1(a) if an SRO does not file a notice with the Commission for any person subject to a statutory disqualification under Section 3(a)(39) that an SRO is proposing to admit or continue in membership or association with a member under specific circumstances.[11] Due to FINRA's No-Action Letter, there have been instances where review of the same circumstances had resulted in different outcomes regarding when a notice is required pursuant to Rule 19h–1.[12] Specifically, the No-Action Letter makes clear certain instances where they will grant no-action relief if FINRA does not file a 19h–1 Notice with the Commission. For example, the Commission explicitly grants no-action relief if FINRA does not file a 19h–1 Notice if the subject person is subject to a statutory disqualification solely due to a finding of a willful violation of the CEA or the rules or regulations thereunder, provided that the sanctions are no longer in effect. The FINRA No-Action Letter ultimately requires fewer 19h–1 Notices to be filed.

The Exchanges notes that other exchanges, such as The Nasdaq Stock Market LLC (''Nasdaq''), Investors Exchange (IEX) and New York Stock Exchange (''NYSE''), have already adopted similar changes to more materially align their rules with FINRA's.

Proposed Rule 3.5 would govern eligibility proceedings for persons subject to statutory disqualifications. Proposed Rule 3.5(a) would add certain definitions relating to eligibility proceedings that are not currently part of the Exchange's rules, including ''Application,'' ''disqualified TPH,'' ''disqualified person,'' ''sponsoring TPH,'' and ''Exchange staff.'' The Exchange notes that this is substantially similar to FINRA's Rule 9521, with the following exceptions: (i) ''member'' has been replaced with ''TPH;'' (ii) references to FINRA By-Laws have been replaced with references to the Exchange Act and Exchange rules (where applicable); (iii) a new term of Exchange staff has been added to account for the relationship between the Exchange and FINRA, where the Exchange has a regulatory services agreement in place with FINRA and FINRA may act within the bounds of the agreed upon services; (iv) the definition of a disqualified TPH differs; and (v) proposed Rule 3.5(a)(1) does not include reference to FINRA By-Laws.

The Exchange proposes to define ''disqualified TPH'' as a TPH that is or becomes subject to a disqualification under Section 3(a)(39) of the Exchange Act. This differs from the definition in FINRA Rule 9521(b)(2), which includes various other industry participants in addition to existing members in the definition. The Exchange limited its definition to TPHs, as the Exchange has jurisdiction over TPHs.[13]

Further, while the Exchange differs from FINRA in that it does not include reference to FINRA By-Laws or Exchange Rules under proposed Rule 3.5(a)(1), the Exchange believes this language better suits the intended purpose of this section. Specifically, proposed Rule 3.5 specifies procedures to be followed in the event of a statutory disqualification as defined in Section 3(a)(39) of the Exchange Act. FINRA's equivalent Rule 9521 states that the Rule 9520 Series sets forth procedures for a person to become or remain associated with a member, notwithstanding the existence of a statutory disqualification as defined in Article III, Section 4 of the FINRA By-Laws and for a current member or person associated with a member to obtain relief from the eligibility or qualification requirements of the FINRA By-Laws and FINRA rules. Such actions hereinafter are referred to as 'eligibility proceedings.'' While the Exchange only references statutory disqualification events in its equivalent rule, for its purposes, it believes it is more fitting as

[9] FINRA processes these applications on behalf of the Exchange pursuant to a Regulatory Services Agreement (''RSA'') between the Exchange and FINRA.

[10] *See, e.g.,* NYSE Rule 9520, IEX Rule 9.520 and Nasdaq Rule 9520.

[11] *See* Financial Industry Regulatory Authority, Inc., SEC No-Action Letter, 2009 SEC No-Act. (March 17, 2009) (''FINRA No-Action Letter'').

[12] For example, the FINRA No-Action Letter grants FINRA relief from notice requirements regarding a member's continued association with a disqualified person when the statutory disqualification is based on willful violations of the CEA. Because of the relief granted by the No Action Letter and pursuant to Regulatory Notice 09–19, FINRA would not require a member to file an application. However, the Exchange's current Rule 3.13 does not offer relief from application requirements for the firm to continue its association with an associated person, notwithstanding their disqualification. Relief is also not provided under the Exchange Act Rule 19h–1(a)(3)(iii), since the disqualifying event is a finding by the CFTC of a willful violation of the CEA and not a finding by the SEC or SRO of a willful violation of the Exchange Act, among others. As such, a notice pursuant to Rule 19h–1 for the Exchange is required, but is not required for FINRA.

[13] The Exchange notes the definition excludes TPH applicants (the Exchange understands FINRA's definition also does not apply to FINRA member applicants), because the Exchange would address a disqualification of a TPH applicant as part of the TPH application process, and the Exchange would not file a 19h–1 Notice with the Commission for a TPH applicant. The proposed rule language, like FINRA's, indicates the provisions that are applicable to a TPH applicant. If the Exchange approves the TPH application of an applicant that is or becomes subject to a disqualification, the firm would then be a TPH that could take advantage of the provisions of the proposed rule that apply to a disqualified TPH. The Exchange understands this is consistent with FINRA's process with respect to member applicants that are or become subject to a disqualification.

different procedures would be followed in the event a TPH, or TPH applicant, is ineligible for other reasons.[14]

Proposed Rule 3.5(b) is largely mirrored off of FINRA's Rule 9522; however, there were adjustments made to account for updating rule references, adjusting ''member'' to ''TPH'', and replacing the ''National Adjudicatory Council'' with the ''Appeals Committee.'' First, the proposed Rules 3.5(b)(1)[15] and 3.5(b)(2) would govern the initiation of an eligibility proceeding by the Exchange and the obligation for a TPH to file an application to initiate an eligibility proceeding if it or a TPH's associated person[16] has been subject to certain disqualifications.

Next, Rule 3.5(b)(3) sets out the process for a withdrawal of an application and Rule 3.5(b)(4) sets out prohibitions against ex parte communications when Exchange staff has initiated the eligibility proceedings. The Exchange notes that its rule text does differ from FINRA's; however, this is due to FINRA having a panel that reviews the matter prior to an appeal and thus, ex parte communication concerns arise before appeals. Under the Exchange's proposed rule, with Exchange staff making determinations, a firm will need to talk to the Exchange and FINRA while their application is pending. Thus, the Exchange proposes to note that the proposed ex parte communications provision shall become effective only when an appeal is initiated. Further, under the proposed Rule 3.5(b)(5), the Exchange could approve a written request for relief from the eligibility requirements under certain circumstances. Specifically, Rule 3.5(b)(5)(A) describes certain circumstances of which a matter may be approved by the Exchange staff without the filing of an application. This provision is the same as the corresponding provisions of FINRA, Nasdaq, and IEX, with one exception. Specifically, under proposed Rule 3.5(b)(5)(A)(iii), Exchange staff may approve a written request for relief without the filing of an application if a disqualified TPH or sponsoring TPH is a TPH or seeking to become a TPH is a member of both the Exchange and another SRO and the other SRO intends to file a Notice under Exchange Act Rule 19h–1 approving the membership continuance of the disqualified TPH or, in the case of a sponsoring TPH, the proposed association or continued associated of the disqualified person and Exchange staff concurs with that determination. This proposed provision is the same as that of Nasdaq, FINRA, and IEX, except it applies to those seeking to become a TPH in addition to TPHs, while the corresponding rules of Nasdaq, FINRA, and IEX apply solely to members of those SROs. However, other organizations have acknowledged this gap in their rules, noting it would be their practice to apply this provision to prospective members as well as members. Therefore, despite the differences in the rule text of these other organizations, the Exchange believes the outcome under its proposed rule would be the same as both IEX and Nasdaq from a practical perspective.[17]

Proposed Rule 3.5(b)(5)(B) covers matters that may be approved by[18] the Exchange staff after the filing of an application. Notably, under proposed Rule 3.5(b)(5)(B) the Exchange staff may approve an application with respect to disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the Act or arising under Section 3(a)(39)(E) of the Act. Proposed Rule 3.5(b)(6) specifies the process for implementing an interim plan of heightened supervision during the application process for a disqualified person.

Proposed Rules 3.5(b)(7) and 3.5(b)(8) cover the process for determining that an application is substantially incomplete and the consequences for not remedying an application in a timely manner.[19] In the event an applicant fails to remedy an application under Rule 3.5(b)(8), Exchange staff will serve a written notice on the sponsoring TPH of its determination to reject the application and the sponsoring TPH must promptly terminate association with the disqualified person. Under FINRA's Rule 9522, there is reference to FINRA's application fee and that FINRA shall refund the application fee, less $1,000 which shall be retained by FINRA as a processing fee. The Exchange notes, however, that the Exchange has its own application fee program reflected it its fee schedule that is distinct from FINRA's. As a result, the Exchange proposes to not include this in its proposed rule.

As further explained, proposed Rule 3.5(c) largely mirrors FINRA Rule 9523, with technical changes to account for different defined terms and functions across the SROs. This proposed rule would allow the Exchange staff (handled by FINRA) to recommend a supervisory plan to which the disqualified TPH, sponsoring TPH, and/or disqualified person, as the case may be, may consent and by doing so, waive the right to appeal if the plan is accepted and right to claim bias or prejudgment, or prohibited ex parte communications. If such a supervisory plan were rejected, proposed Rule 3.5(d) would allow a request for review by the applicant to the Appeals Committee and would provide that a filing of an application for review would not stay the effectiveness of final action by the Exchange unless the Commission otherwise ordered.

Proposed Rule 3.5(c) is covered under two parts: (i) to cover all disqualification except those arising solely from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the Exchange Act and (ii) to cover disqualifications that arise solely from findings or orders specified in Section 15(b)(4)(D), (E) or (H). The Exchange notes that the latter (proposed Rule 3.5(c)(2)) is intended to cover events where an application is required under the SD Circular, as under the proposed

[14] *See, e.g.,* Rule 3.2(c) specifying that the Exchange may place conditions on a continuance (or may revoke TPH status) of a TPH (or associated person of a TPH) for violating an agreement with the Exchange. The Exchange understands FINRA similarly follows procedures set forth in other applicable rules (such as FINRA Rule 9555) in the event a FINRA member or member applicant is ineligible for other reasons.

[15] The Exchange notes that for instances in which Exchange staff will not issue written notice to TPHs or applicants for membership with respect to disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act (when a TPH or application for membership under Exchange Rules is not required to file an application pursuant to the SD Regulatory Circular), information regarding the disqualifying event and the resolution of any fines, sanctions, or undertakings related to the disqualification are recorded in WebCRD.

[16] Under proposed Rule 3.5(b)(1)(C), if a TPH fails to file the application or, where appropriate, the written request for relief, within the 10-day period, the registration of the disqualified person shall be revoked and the sponsoring TPH must promptly terminate association with the disqualified person.

[17] *See, e.g.,* Securities Exchange Act Release No. 101799 (November 29, 2024), 89 FR 96698 (December 5, 2024) (SR–IEX–2024–26), where IEX states ''In the course of reviewing this membership application, IEX identified that its rules do not specifically address this situation, which has not previously occurred with respect to IEX. Specifically, the Exchange believes that its rules regarding the process by which a prospective Member that is subject to a statutory disqualification can be approved for membership on IEX notwithstanding the statutory disqualification could be enhanced to provide additional clarity and more clearly align with the processes set forth in Rule 19h–1 for a membership applicant that is subject to a statutory disqualification.''

[18] The Exchange notes that approval of such an application allows for a TPH's continued participation on the Exchange.

[19] Proposed Rule 3.5(b)(7) applies to applications that are deemed substantially incomplete if they do not include information related to an interim plan of heightened supervision. Plans of heightened supervisions are issued solely for associated persons (and not TPHs), and thus this provision applies solely to associated persons.

rule, events arising from findings or order specified in Section 15(b)(4)(D), (E) or (H) of the Exchange Act do not typically require an application unless otherwise specified in the SD Circular.

The text of the proposed rule change is similar to that in FINRA's counterpart rules, except for conforming and technical changes and except as follows. First, under proposed Rule 3.5(c), if the disqualified TPH, sponsoring TPH, and/or disqualified person executed a letter consenting to a supervisory plan, it would be submitted to the Exchange staff. Under FINRA's rule, the letter is submitted to FINRA Office of General Counsel, which submits it to the Chairman of the Statutory Disqualification Committee, acting on behalf of the NAC; the Chairman may accept or reject the plan or refer it to the NAC for action. The Exchange does not propose to utilize the NAC or the Statutory Disqualification Committee Chairman for this purpose. The Exchange believes that its staff can provide an appropriate review. The staff is performing this same function today when it reviews statutory disqualification decisions reached by FINRA subject to an RSA Agreement between the Exchange and FINRA. In addition, under FINRA's rule, the waiver of bias or prejudgment is with respect to the Department of Member Regulation, the FINRA General Counsel, the NAC and any member thereof, while under proposed Rule 3.5(c), the waiver would be with respect to the Exchange staff, the Exchange, the Appeals Committee, or any member of the Appeals Committee.

Next, under proposed Rule 3.5(d), if the Exchange staff rejects the plan, the TPH or applicant may request a review by the Appeals Committee.[20] This differs from FINRA's process, which provides for a hearing before the NAC and further consideration by the FINRA Board of Directors. Because the Exchange does not propose to utilize the NAC, the Exchange proposes instead that any appeal be heard by the Appeals Committee. FINRA Rule 9525 also allows for discretionary review by the FINRA Board and the Exchange does not propose to adopt a comparable rule. The Exchange believes that the Exchange staff's role in the process will provide sufficient oversight and independence.

The Exchange does not propose to adopt the text of FINRA Rule 9526, which provides for expedited proceedings by the FINRA Board of Governors in certain instances. The Exchange believes that its proposed rules for review can be carried out in a timely manner and would sufficiently protect investors. The Exchange historically has not provided an expedited statutory disqualification review.

Lastly, the Exchange also notes that it will adopt a definition of ''associated person'' in Rule 1.1, specifically as it pertains to statutory disqualifications. This rule will be similar to the definitions of associated persons implemented by other exchanges to specifically apply to the process of statutory disqualifications.[21] Currently, the Exchange's rule for associated person includes entities, meaning that an entity that is under common control of a TPH is considered a person associated with the TPH. As the proposed rule requires TPHs to submit an application for continuance as a TH if any person associated with the TPH becomes subject to a statutory disqualification, the Exchange's current rules require TPHs to file applications for affiliates under common control that would be subject to a statutory disqualification under securities law. In contrast, FINRA does not define ''Person Associated with a member'' or ''Associated Person of a Member'' as including affiliates under common control of the FINRA member.[22] Thus, a firm that is both an Exchange TPH and FINRA member, which has an affiliate under common control that would be subject to a statutory disqualification under securities laws, is required to file an application with the Exchange, but not with FINRA.

The Exchange proposes to adopt a similar definition to Nasdaq and IEX except that it shall (i) remove the reference to investment banking as that is not applicable for the Exchange's functions and (ii) remove subpoint (3) which specifies that for the purposes of another exchange rule of Nasdaq and IEX[23] (that is not the exchange's statutory disqualification rule), that it shall also include any other person listed in Schedule A of Form BD of a member. As the Exchange does not have this rule, the Exchange proposes not to include this subpoint (3) in its adopted definition of associated persons for the purpose of statutory disqualifications.

As noted above, other exchanges, such as Nasdaq, IEX and NYSE, have already adopted similar changes to more materially align its rules with FINRA's, and similar to the Exchange, have made some edits to align its proposed rules with existing exchange processes.[24]

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[25] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[26] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[27] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers, because the rule applies uniformly to all TPHs and does not unfairly discriminate against any TPH or type of market participant. The Exchange also believes the proposed rule change is consistent with Section 6(b)(1) of the Act,[28] which provides that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act and to enforce compliance by the Exchange's TPHs and persons associated with its TPHs with the Act, the rules and regulations thereunder, and the rules of the Exchange.

[20] The Exchange's proposed Rule 3.5(d) closely aligns with NYSE Rule 9524 except for conforming and technical changes.

[21] *See* IEX Rule 1.160(y)(2) and Nasdaq General 3, Rule 1002(b)(2).

[22] FINRA Regulation, Inc. By-laws, Article I, paragraph (ee) defines the terms ''person associated with a member'' or ''associated person of a member'' in relevant part as: ''(2) a sole proprietor, partner, officer, director, or branch manager of a member, or other natural person occupying a similar status or performing similar functions, or a natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by a member, whether or not any such person is registered or exempt from registration with the Corporation under these By-Laws or the Rules of the Corporation; and (3) for purposes of Rule 8210, any other person listed in Schedule A of Form BD.''

[23] *See* IEX Rule 8.210 and Nasdaq General 5, Rule 8210.

[24] *See, e.g.,* Securities Exchange Act Release No. 61703 (March 12, 2010), 75 FR 13620 (March 22, 2010) (SR–NASDAQ–2010–023) and Securities Exchange Act Release No. 68678 (January 16, 2013), 78 FR 5213 (January 24, 2013) (SR–NYSE–2013–02).

[25] 15 U.S.C. 78f(b).

[26] 15 U.S.C. 78f(b)(5).

[27] *Id.*

[28] 15 U.S.C. 78f(b)(1).

In particular, the proposed rule change will better enable the Exchange to streamline the administration of its statutory disqualification program and better protect investors and the public interest, as it will eliminate the need for TPHs or associated persons of TPHs to submit Statutory Disqualification Applications for prior statutory qualifications that have been resolved. Similar to Nasdaq, IEX and NYSE, the Exchange proposes to harmonize its description of statutory disqualification to align its application of statutory disqualification to FINRA.[29] This proposal would avoid potentially different outcomes for members of both FINRA and the Exchange with respect to ineligibility for membership and association.

The proposed changes will provide greater harmonization between Exchange and FINRA rules of similar purpose, resulting in less burdensome and more efficient regulatory compliance for dual members. As previously noted, in many instances the proposed rule text is substantially similar to FINRA's current rule text, which already has been approved by the Commission, and in many other cases the differences between current FINRA rules and the proposed rules would be strictly technical in nature. Further, in other instances, such as the Exchange's proposed Rule 3.5(d), the Exchange's rule closely follows NYSE's Rule 9524.

*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 proposed rule change is not designed to address any competitive issues but rather is designed to provide greater harmonization between Exchange and FINRA rules of similar purpose for investigations and disciplinary matters, resulting in less burdensome and more efficient regulatory compliance for dual members and facilitating FINRA's performance of its regulatory functions under the RSA.

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

The Exchange neither solicited nor received comments on the proposed rule change.

[29] *See supra* note 12.

**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 Act [30] and Rule 19b–4(f)(6) thereunder.[31] 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 Act [32] and Rule 19b–4(f)(6) thereunder.[33]

A proposed rule change filed under Rule 19b-4(f)(6) [34] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),[35] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the Exchange and its affiliates can have uniform proposed rules in place at the same time. The Exchange notes that its proposed rule is mirrored off the revised rule for Cboe Exchange, Inc., which will become operative on May 18, 2026, and it is in the best interest of participants to have a uniform change carried out across all Cboe exchanges [36] on the same date to avoid confusion. Further, the Exchange states that waiver of the operative delay will permit the Exchange to harmonize its rules regarding statutory disqualifications with the industry as soon as practicable, allowing for consistent outcomes for industry participants across exchanges and FINRA. For these reasons, and because the proposed rule change does not raise any new or novel regulatory issues, the Commission finds that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.[37]

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 will institute proceedings under Section 19(b)(2)(B) [38] 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–C2–2026–013 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–C2–2026–013. 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

[30] 15 U.S.C. 78s(b)(3)(A)(iii).

[31] 17 CFR 240.19b–4(f)(6).

[32] 15 U.S.C. 78s(b)(3)(A).

[33] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, 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.

[34] 17 CFR 240.19b–4(f)(6).

[35] 17 CFR 240.19b–4(f)(6)(iii).

[36] The Exchange notes that the Exchange's affiliated exchanges, Cboe BZX Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe BYX Exchange, Inc and Cboe EDGA Exchange, Inc. are also proposing this revised new rule for statutory disqualifications.

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

[38] 15 U.S.C. 78s(b)(2)(B).

publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–C2–2026–013 and should be submitted on or before June 1, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[39]

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

[FR Doc. 2026–09255 Filed 5–8–26; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–105389; File No. SR–BOX–2026–11]**

## Self-Regulatory Organizations; BOX Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Establish Fees for Industry Members Related to Reasonably Budgeted CAT Costs of the National Market System Plan Governing the Consolidated Audit Trail for the Period From May 1, 2026 Through December 31, 2026

May 6, 2026.

Pursuant to Section 19(b)(1) under the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on April 24, 2026, BOX Exchange LLC (the ''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 the Substance of the Proposed Rule Change

The Exchange is filing with the Securities and Exchange Commission (''Commission'') a proposed rule change to establish fees for Industry Members [3] related to reasonably budgeted CAT costs of the National Market System Plan Governing the Consolidated Audit Trail (the ''CAT NMS Plan'' or ''Plan'') for the period from May 1, 2026 through December 31, 2026. These fees would be payable to Consolidated Audit Trail, LLC (''CAT LLC'' or the ''Company'') and referred to as CAT Fee 2026–1, and would be described in a section of the Exchange's fee schedule entitled ''Consolidated Audit Trail Funding Fees.'' The fee rate for CAT Fee 2026–1 would be $0.000001 per executed equivalent share. CAT Executing Brokers will receive their first monthly invoice for CAT Fee 2026–1 in June 2026 calculated based on their transactions as CAT Executing Brokers for the Buyer (''CEBB'') and/or CAT Executing Brokers for the Seller (''CEBS'') in May 2026. As described further below, CAT Fee 2026–1 is anticipated to be in place for eight months, and is anticipated to recover approximately two-thirds of the costs set forth in the reasonably budgeted CAT costs for 2026. The text of the proposed rule change is available from the principal office of the Exchange, and also on the Exchange's internet website at *https://rules.boxexchange.com/rulefilings.*

### 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 July 11, 2012, the Commission adopted Rule 613 of Regulation NMS, which required the self-regulatory organizations (''SROs'') to submit a national market system (''NMS'') plan to create, implement and maintain a consolidated audit trail that would capture customer and order event information for orders in NMS securities across all markets, from the time of order inception through routing, cancellation, modification or execution.[4] On November 15, 2016, the Commission approved the CAT NMS Plan.[5] Under the CAT NMS Plan, the Operating Committee has the discretion to establish funding for CAT LLC to operate the CAT, including establishing fees for Industry Members to be assessed by CAT LLC that would be implemented on behalf of CAT LLC by the Participants.[6] The Operating Committee adopted a revised funding model to fund the CAT (''CAT Funding Model''). On March 16, 2026, the Commission approved the CAT Funding Model after concluding that the model satisfied the requirements of Section 11A of the Exchange Act and Rule 608 thereunder.[7]

The CAT Funding Model provides a framework for the recovery of the costs to create, develop and maintain the CAT, including providing a method for allocating costs to fund the CAT among Participants and Industry Members. The CAT Funding Model establishes two categories of fees: (1) CAT fees assessed by CAT LLC and payable by certain Industry Members to recover a portion of historical CAT costs previously paid by the Participants (''Historical CAT Assessment'' fees); and (2) CAT fees assessed by CAT LLC and payable by Participants and Industry Members to fund prospective CAT costs (''CAT Fees'').[8]

Under the CAT Funding Model, Participants, CEBBs and CEBSs are subject to fees designed to cover the ongoing budgeted costs of the CAT, as determined by the Operating Committee. ''The Operating Committee will establish fees ('CAT Fees') to be payable by Participants and Industry Members with regard to CAT costs not previously paid by the Participants ('Prospective CAT Costs').'' [9] In establishing a CAT Fee, the Operating Committee will calculate a ''Fee Rate''

[39] 17 CFR 200.30–3(a)(12), (59).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] An ''Industry Member'' is defined as ''a member of a national securities exchange or a member of a national securities association.'' *See* Exchange Rule 16010 (Consolidated Audit Trail—Definitions). *See also* Section 1.1 of the CAT NMS Plan. Unless otherwise specified, capitalized terms used in this rule filing are defined as set forth in the CAT NMS Plan and/or the CAT Compliance Rule. *See* Exchange Rule Series 16000 (CONSOLIDATED AUDIT TRAIL COMPLIANCE RULE).

[4] Securities Exchange Act Rel. No. 67457 (July 18, 2012), 77 FR 45722 (Aug. 1, 2012).

[5] Securities Exchange Act Rel. No. 79318 (Nov. 15, 2016), 81 FR 84696 (Nov. 23, 2016) (''CAT NMS Plan Approval Order'').

[6] Section 11.1(b) of the CAT NMS Plan.

[7] Securities Exchange Act Rel. No. 105003 (Mar. 16, 2026), 91 FR 13410 (Mar. 19, 2026) (''CAT Funding Model Approval Order''). This CAT Funding Model replaced the prior funding model that was approved by the Commission on September 6, 2023. Securities Exchange Act Rel. No. 98290 (Sept. 6, 2023), 88 FR 62628 (Sept. 12, 2023).

[8] Under the CAT Funding Model, the Operating Committee may establish CAT Fees related to CAT costs going forward. Section 11.3(a) of the CAT NMS Plan. This filing only establishes CAT Fee 2026–1 related to reasonably budgeted CAT costs for the period from May 1, 2026 through December 31, 2026 as described herein; it does not address any other potential CAT Fees related to CAT costs. Any such other CAT Fee will be subject to a separate fee filing. In addition, under the CAT Funding Model, the Operating Committee may establish one or more Historical CAT Assessments. Section 11.3(b) of the CAT NMS Plan. This filing does not address any Historical CAT Assessments.

[9] Section 11.3(a) of the CAT NMS Plan.