of the Act[28] and paragraph (f)(2) of Rule 19b–4 thereunder.[29] At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–FINRA–2026–021 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–FINRA–2026–021. 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 (*http://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of FINRA. 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–FINRA–2026–021 and should be submitted on or before October 14, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[30]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–19392 Filed 9–22–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106421; File No. SR–BTNL–2026–001]

Self-Regulatory Organizations; Bitnomial Exchange, LLC; Notice of a Filing of a Proposed Rule Change Relating to Security Futures Product Listing Standards, Customer Margin and Related Rules

September 18, 2026.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 (the ''Act'') and Rule 19b–7 thereunder,[1] notice is hereby given that on September 18, 2026, Bitnomial Exchange, LLC (''Bitnomial'' or the ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change 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. The proposed rule amendments will be filed concurrently with this SEC filing in two requests for approval by a vote of the Commodity Futures Trading Commission (''CFTC'') under Regulation 41.24(b), using the procedures of Regulation 40.5. The Exchange will submit its rules and procedures as BTNL–2026–105; Bitnomial Clearinghouse, LLC will submit the Chapter 8 amendments to Rules 803 and 806 as BTNL–2026–106.[2]

I. Self-Regulatory Organization's Description and Text of the Proposed Rule Change

The Exchange, a CFTC-designated contract market and national securities exchange notice-registered under Section 6(g) of the Act,[3] proposes amendments establishing generic listing standards and related requirements for cash-settled security futures products (''SFPs'') on individual equity securities. The generic standards govern eligible underlying securities, permitted contract types, funding, pricing, settlement and customer margin. The proposal includes the funding and settlement procedures in Exhibit 4, Attachment 4–B.

The amendments reproduced in Exhibit 4 cover the following provisions:

Rule	Proposed change
101—Definitions	Adds BD, SEA and SEC definitions; uses Contract termination in the settlement-price definitions.
303—Participant admission requirements	Adds required broker-dealer registration and Exchange Act statutory-disqualification screening.
402—Business conduct provisions	Adds an issuer-officer/director trading prohibition and a prohibition on trading while possessing material nonpublic information about the issuer or underlying security.
405—Position Limits	Requires SFP limits or accountability under CFTC Regulation 41.25(b)(3), applying each trading date to perpetual security futures contracts.
501—Market operations provisions	Makes SFP market hours, trading halts and resumptions subject to Rule 515.
502—Contracts Offered	Authorizes cash-settled SFPs subject to Rule 515; provides for perpetual contracts without scheduled expiration and termination of trading with final settlement.
509—Settlement Prices	Amends general price definitions and settlement provisions; makes SFP final settlement subject to Rule 515.4 and perpetual SFP funding and daily settlement subject to Rule 515.6.
515—Security Futures Products Offered	Establishes listing standards, corporate-action adjustments, final settlement, customer notice, funding and daily-settlement mechanics, market hours, index methodology, halts and resumptions, and standard Contract Specifications.
607—Notice to the Respondent, the CFTC, the SEC, and the Public.	Adds prompt SEC notice of final disciplinary sanctions to the extent required.
803—Clearing Membership	Adds customer SFP broker-dealer registration and statutory-disqualification conditions, with conforming punctuation.

[28] 15 U.S.C. 78s(b)(3)(A).

[29] 17 CFR 240.19b–4(f)(2).

[30] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(7); 17 CFR 240.19b–7.

[2] 7 U.S.C. 7a–2(c); 17 CFR 41.24(b), 41.22 and 40.5.

[3] 15 U.S.C. 78f(g).

Rule	Proposed change
806—Responsibilities of Clearing Members	Specifies SFP customer-fund segregation in Rule 806.1 and requires collection of customer margin under the joint SEC/CFTC rules in Rule 806.21, with conforming punctuation.

The affected existing rules have not previously been filed with the Commission pursuant to Section 19(b) of the Exchange Act.

The customer-margin amendment in Rule 806.21 is included in this proposed rule change and in the rule text in Exhibit 4.

Exhibit 4 contains the proposed text, with brackets for deletions and underscoring for additions. The text will be available at *https://bitnomial.com/exchange/,* at the Exchange's principal office, and through the Commission's filing record.

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 comments concerning it. The statements may be examined at the places specified in Item IV below. The Exchange has summarized their principal points below.

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

1. Purpose

(a) Generic Security-Futures Framework and Intended Perpetual Products

The Exchange is establishing rules for its security-futures business following its notice registration. The proposal adds security-futures requirements to the Exchange's existing rules for electronic trading, clearing, membership, surveillance and discipline. It affects Participants, Clearing Members, intermediaries serving their customers, and investors trading the products. The proposal covers cash-settled security futures on individual equity securities, with standard Contract Specifications for perpetual futures under Rule 515.10. Options on security futures and security-based swaps are outside this filing; this proposal does not request authority to operate a general securities marketplace.[4]

The generic listing standards govern the eligibility of underlying securities and the permitted Contract terms. Rules 502.1 and 502.2 address product-submission routes, and Rule 502.3.6 authorizes cash-settled security futures products subject to Rule 515. Rules 515.1 and 515.2 establish initial and maintenance listing standards; Rule 515.3 specifies corporate-action adjustments; Rule 515.4 governs termination and final cash settlement; and Rule 515.5 requires customer notice. Rule 515.6 incorporates the Securities Perpetual Pricing procedures directly into the Exchange Rules and states the principal funding and daily-settlement mechanics. Rule 515.7 sets market hours, Rule 515.8 describes the underlying index, Rule 515.9 governs halts and resumptions, and Rule 515.10 sets out standard Contract Specifications, including unit size, tick size and the position limit. Contract Specifications must incorporate the pricing procedures as part of the Contract's Rules. The pricing procedures are included in Exhibit 4, Attachment 4–B and take precedence over inconsistent general daily-settlement provisions of Rule 509. Final settlement remains subject to Rule 515.4. Each Contract must comply with the proposed rules and the applicable standards for its underlying security.

Once the generic standards are effective, the Exchange will submit individual products to the CFTC for approval under Regulation 41.23(b), using the procedures of Regulation 40.5. Each product submission must include the applicable security-futures certifications under Regulation 41.22 and satisfy the conditions for trading in Regulation 41.25.[5] A separate SEC proposed-rule-change filing would not be required solely to list an individual product if its underlying security, contract type, funding methodology, pricing, settlement and other terms conform to the effective generic standards and the listing involves no additional rule change requiring an SEC filing. The Exchange will assess any product or rule change outside the generic standards for additional SEC filing requirements. Applicable product certifications, reporting and other regulatory obligations continue to apply.

The Exchange and Clearinghouse will file separate requests for approval by a vote of the CFTC under Regulation 41.24(b), using Regulation 40.5 procedures, concurrently with this SEC filing. The Exchange's request, BTNL–2026–105, covers the listing, trading and related rules and procedures, including the 15.25% SFP customer-margin floor implemented in the Exchange's procedures. The Clearinghouse's request, BTNL–2026–106, covers the Chapter 8 amendments to Rules 803 and 806, including the obligation to collect customer margin under the joint SEC/CFTC rules. For its initial single-stock perpetual futures, the Exchange intends to use separate Regulation 41.23(b) product-approval applications, beginning with BTNL–2026–107. The product applications will address individual contract terms and supporting analysis and are outside this generic-rule filing. The rules governing perpetual funding, position limits, continued listing and settlement remain part of this filing.

The amendments operate alongside existing rules. Rules 303 and 803 add eligibility requirements for Participants and Clearing Members. Rules 402, 405 and 501 add securities-specific protections to trading controls. Rules 502, 509 and 515 govern contract listing, settlement and other SFP requirements. Rule 607 extends disciplinary reporting to the SEC, and Rule 806 addresses customer accounts and collection of customer margin. The conflict safeguards discussed in subsection (g) also apply to the Exchange's SFP business.

(b) Underlying Securities and Listing Standards

Section 6(h)(3) of the Act and Section 2(a)(1)(D) of the Commodity Exchange Act (''CEA'') establish the applicable SFP listing requirements.[6] Rule 515.1 establishes initial eligibility, limited to issued and outstanding common stock or qualifying American Depositary Receipts (''ADRs'') registered under Section 12 of the Act, with a compliant issuer and an underlying listed on a national securities exchange and

[4] Exchange Act Sections 3(a)(55), (56) and (68), and 6(h)(6), 15 U.S.C. 78c(a)(55), (56), (68) and 78f(h)(6). See also SEC/CFTC, Joint Request for Comment on Further Implementation of Portfolio Margining and Cross-Margining of Securities and Derivatives, June 30, 2026, footnote 14 (stating that the Commissions have not exercised their authority to permit options on security futures).

[5] 7 U.S.C. 7a–2(c); 17 CFR 41.22, 41.23(b), 41.25 and 40.5. Product approval does not dispense with applicable SFP certifications or pre-trading requirements.

[6] 15 U.S.C. 78f(h)(3); 7 U.S.C. 2(a)(1)(D).

reported as a national market system security.[7]

The proposed initial quantitative tests require at least seven million publicly held shares, at least 2,000 holders, estimated deliverable supply exceeding 20 million shares, market capitalization of at least $100 billion, and average daily transaction value of at least $450 million over the prior six months (or at least $1 billion over the prior month for a security with a shorter listing history). The underlying must close at or above $3 for the five consecutive business days preceding listing. ADRs must meet one of the specified surveillance-sharing or trading-volume tests or have joint SEC/CFTC authorization. When-issued and otherwise contingent securities are excluded.

The maintenance tests include continued Section 12 registration, at least 6.3 million publicly held shares and 1,600 holders, average daily transaction value of at least $200 million in the prior quarter (with the specified $1 billion shorter-history test), deliverable supply exceeding 20 million shares, capitalization of at least $50 billion, and a requirement that the underlying has not closed below $3 per share for five consecutive Trading Days. Compliance with the maintenance standards is required on a continuing basis. Rule 515.2 permits the Exchange to prohibit opening transactions following a failure and to terminate trading in the affected Contract under Rule 515.4. Rule 515.5 requires customer notification when the Exchange announces that an underlying no longer satisfies maintenance standards.

(c) Position Limits

Rule 405.5 requires the Exchange to establish SFP position limits or accountability levels under CFTC Regulation 41.25(b)(3), publish them in Contract Specifications, and apply them at least during the last three trading days of an expiring contract month or, for a perpetually settled security futures contract, each trading date.[8] It also addresses positions exceeding limits solely because of a Rule 515.3 adjustment.

Rule 515.10.1 specifies a standard position limit of 200,000 contracts for the proposed single-stock perpetual futures, as reflected in the Contract Specifications and applied each trading date under Rule 405.5. At 100 shares per contract, this represents 20,000,000 shares. The limit must satisfy the applicable deliverable-supply requirements and be no less restrictive than comparable options limits. Any proposed increase would be evaluated under the applicable manipulation and listing standards and submitted through the applicable rule-amendment process.

(d) Perpetual Funding and Settlement

The proposed SFP trading schedule is 24/5. Rule 515.7 sets the weekly session from 19:00 Central Prevailing Time (CPT) on Sunday through 17:00 CPT on Friday, in place of Rule 501's default hours, subject to National Stock Exchange holidays and maintenance windows published on the Exchange's website and the trading halts described below. Trading may occur outside the underlying security's primary listing market's regular session.

Rule 515.10.1 states the standard Contract terms directly in the Rulebook. One Contract represents 100 shares, and the minimum trading unit is one ten-thousandth of a Contract, equivalent to 0.01 share. Prices are quoted in U.S. dollars per share. The minimum tick is $0.01 per share, equal to $1.00 per full Contract or $0.0001 per minimum trading unit. The template also specifies the 200,000-contract position limit and 25-contract reportable position level.

Rule 515.6 incorporates the Securities Perpetual Pricing procedures into the Exchange Rules and requires their incorporation into Contract Specifications. The rule explains the index input, funding schedule, premium measurement, rate calculation, payment direction, daily-settlement calculation, closing valuations and unavailable-input treatment. The detailed pricing procedures, included in Exhibit 4, Attachment 4–B, take precedence over inconsistent general daily-settlement provisions of Rule 509; final settlement on termination remains governed by Rule 515.4.

Funding calculation and payments. Funding occurs at 03:00, 11:00 and 19:00 CPT each calendar day, including weekends and holidays when trading is closed. During open trading, the Exchange records a Premium sample every 15 seconds, whether or not a trade occurs. Each sample compares bid-side and ask-side Contract Impact Prices with the underlying Index Price. Each impact price uses available depth from the best price outward, capped at USD 50,000 notional on that side. The final included price level may be partial, and available nonzero depth below the cap is used.

The weighted average Premium gives each included sample its original chronological weight within the Funding Interval. Closed, halted and maintenance periods contribute neither samples nor weights. An open-market sample with an unavailable eligible Index Price or an empty side of the Contract order book is assigned a zero Premium and retains its full weight. The denominator is the sum of the included sample weights; it equals 1,844,160 only when all 1,920 scheduled periods in an eight-hour interval contain samples. If no sample in the entire interval has an available Index Price and determinable impact prices on both sides, the last calculated Funding Rate carries forward, even if zero-valued samples were recorded; if no rate has yet been calculated, the rate is zero.

When a new rate can be calculated, the Funding Rate equals the weighted average Premium plus an adjustment equal to the fixed 0% interest component minus that average, with the adjustment constrained to −0.001% through 0.001%. An average Premium within 0.001% of zero therefore produces a zero Funding Rate. Outside that range, the Funding Rate equals the excess and retains its sign. The adjustment range does not cap the total Funding Rate.

A positive Funding Rate requires longs to pay shorts; a negative rate requires shorts to pay longs; and a zero rate produces no payment. The dollar payment is the absolute Funding Rate, converted to a decimal, multiplied by the absolute net open position for the Trading Account immediately before the Funding Time, the 100-share Contract multiplier and the applicable Settlement Price in dollars per share. Each payment uses its own Funding Rate and Settlement Price. The Clearinghouse applies the payments through the next applicable Variation Margin cycle and sums payments falling within that cycle. Payments are not settled bilaterally between Members. Later revisions to the underlying index do not alter a Funding Adjustment. Under Rule 515.6.9, methodology amendments operate prospectively and do not alter completed intervals.

Daily and closing settlement. Under Rule 515.6.6, the Settlement Price uses the median, or middle value, of the underlying Index Price, the Index Price plus the average Contract-to-index basis, and a Contract-price measure, with tick rounding under Rule 509.5. The Settlement Period is the two and one-half minutes immediately preceding the applicable valuation time, comprising ten 15-second sample periods. The basis measure averages the Contract bid-ask midpoint less the Index Price over open-trading samples with both quotes and an eligible index observation. The Contract-price measure uses the volume-weighted average price (VWAP)

[7] 15 U.S.C. 78l.

[8] 17 CFR 41.25(b)(3).

of trades, or, if there are no eligible trades, the time-weighted bid-ask midpoint over open-trading portions with both quotes. Quotes retained while trading is closed, halted or under maintenance are excluded. Observations first available at or after valuation are excluded.

If the Contract-price measure is unavailable but the Index Price and average basis are available, settlement uses the Index Price plus that basis. If the Index Price or average basis is unavailable but the Contract-price measure is available, settlement uses that measure. If neither measure is available but the Index Price is available, settlement uses the Index Price. If no price can be calculated under that waterfall, the last Settlement Price carries forward. If no previous Settlement Price exists, the Exchange determines and publishes an initial price before the first settlement. The Exchange and Clearinghouse retain their applicable authority to address unavailable, erroneous or unreliable prices, subject to Rule 515.

Rule 515.6.7 also requires a closing valuation at each scheduled weekly or holiday close. For Friday's 17:00 CPT close, the Settlement Period is 16:57:30 to 17:00 CPT. Friday's 19:00 Funding Rate uses observations from 11:00 to 17:00 CPT; the closed period from 17:00 to 19:00 contributes no samples or weights. An uninterrupted six-hour observation window contains 1,440 samples with weights totaling 1,037,520. The calculated rate is applied without a six-eighths adjustment. Friday's 19:00 funding payment uses that rate and the closing Settlement Price. Both carry forward through subsequent closed-market Funding Times, including the Sunday 19:00 reopening Funding Time for a standard weekend. The first scheduled Funding Time using resumed trading is Monday 03:00, subject to the calculation and fallback provisions. The closing valuation creates no additional Funding Time; funding remains a separate payment at each scheduled Funding Time during the closure.

Underlying index. Rules 515.1 and 515.10 require Contract Specifications to identify the applicable CF Hybrid Equity Index and incorporate the CF Hybrid Equity Indices Methodology Guide published by CF Benchmarks.[9] Rule 515.8 explains the calculation. CF Benchmarks selects one source at a time: national-stock-exchange quotations during covered pre-market, regular and after-hours sessions, and Blue Ocean ATS quotations during covered overnight sessions. Each second during scheduled publication, the index is the midpoint of the bid and offer from the same quotation record, subject to the methodology's contingency rules. The source and holiday schedule and interruption treatment appear in the incorporated guide, supplied as Exhibit 4, Attachment 4–A. The index is used to calculate funding and daily settlement; final settlement uses the underlying-market reference required by Rule 515.4. Continued index publication does not override a trading halt.

Corporate actions. Rule 515.3.1 requires adjustments preserving, as nearly as practicable, the economic position of holders immediately before a Corporate Action. Rule 515.3.2 requires distribution cash adjustments through the next Variation Margin cycle, from shorts to longs, equal per Contract to the per-share amount or Exchange-determined value times the Trading Unit, without duplicate settlement-price basis adjustments. Ordinary cash dividends produce a cash adjustment on the ex-dividend date.

Rules 515.3.3–515.3.10 specify the treatment by event. Splits and reverse splits rescale each open position by the post-action/pre-action share ratio, retain the standard Trading Unit and divide the variation-margin settlement-price basis by that ratio. Same-security stock dividends are treated as splits. Other-security or property distributions, distributed rights or warrants, spin-offs, special cash dividends and returns of capital produce cash adjustments for the amount or value distributed. Share-count changes in rights issues and qualifying reorganizations may also rescale positions. The Exchange determines appropriate treatment for split-offs and voluntary exchange offers, including elections and proration, subject to Rule 515.4. Ticker changes update Contract identifiers. A merger or similar transaction that cancels, converts or exchanges the underlying, or causes it to cease to be outstanding, triggers termination under Rule 515.4.4.

Termination and final settlement. Rule 502.4 permits termination of a perpetual Contract and requires final settlement of all open positions, subject to Rule 515.4 for SFPs. Rule 515.4 requires final cash settlement whenever trading is terminated, including discretionary termination, and retains the specified delisting, suspension, registration, maintenance, corporate-transaction, insolvency and fair-and-orderly-market triggers. The Exchange announces the termination date and time as far in advance as practicable; all trading ceases at that time.

The Final Settlement Price must satisfy SEC Rule 6h–1(b) and CFTC Regulation 41.25(c), including the underlying regular-session opening-price standard, the permitted alternatives when that price is unavailable, and the conditions on the Clearinghouse's authority to determine a final price.[10] The Securities Perpetual Pricing procedures explain the permitted alternatives, including settlement after the next opening becomes available. The final-settlement requirements apply independently of the median calculations used for daily settlement and funding.

The general amendments to Rule 509.1's Floating Market Price fallback sequence and Rule 509.7's options-pricing model also appear in Exhibit 4. The Rule 509 amendments do not create an SFP final-settlement exception to Rule 515.4 or change the priority of the pricing procedures under Rule 515.6.

(e) Trading, Surveillance and Discipline

Rule 402.17 prohibits trading an SFP by an officer or director of its underlying issuer within the meaning of Section 16 of the Act, and by anyone holding material nonpublic information about the issuer or underlying security.[11] The trading restriction is imposed by Rule 402.17; Section 16 does not itself impose an identical blanket prohibition for all transactions.

Rules 501.3 and 515.9 require SFP trading halts and coordinated resumptions, including regulatory halts of the underlying security, consistent with SEC Rule 6h–1 and CFTC Regulation 41.25(b)(2).[12] The Exchange is a member of the Intermarket Surveillance Group (''ISG''). Rule 209 authorizes the exchange of surveillance reports, Participant information and investigation assistance with other markets and regulators. Rules 503, 510 and 511 require registered User IDs, Participant and Clearing Member front-end audit trails, and customer-type indicators. Participant and Clearing Member records complement the Exchange's own order, trade and position records; Rule 512 separately governs public trading information.

The SFP surveillance program will compare Contract orders, executions and positions with activity in the underlying security and related securities, including listed options, and to issuer news and corporate actions.

[9] CF Benchmarks Ltd., *CF Hybrid Equity Indices—Methodology Guide,* Sections 4–6, supplied as Exhibit 4, Attachment 4–A and incorporated through Contract Specifications under Rule 515.1.

[10] 17 CFR 240.6h–1(a)(1) and (b); 17 CFR 41.25(c).

[11] 15 U.S.C. 78p.

[12] 17 CFR 240.6h–1; 17 CFR 41.1 and 41.25(b)(2).

Surveillance staff will review unusual price or volume movements, concentrated positions, wash trading, disruptive order activity, potential insider trading, and trading intended to influence funding, daily settlement or final settlement. Surveillance staff will also monitor compliance with the Rule 515 initial and maintenance liquidity tests and the 200,000-contract position limit. Average daily transaction value demonstrates activity over the measurement period; it does not establish uniform liquidity throughout the 24/5 trading week.

Surveillance will cover the scheduled trading week, including periods outside the underlying market's regular session. The Exchange will evaluate the availability, depth and integrity of the national-stock-exchange and Blue Ocean ATS inputs used during each interval. The Exchange has information-sharing coverage for the relevant underlying, options and index-source markets, including the information needed to investigate potential manipulation of index inputs. Item II.A.2(I)–(J) describes the coordinated-surveillance procedures and audit-trail records used in such investigations.

The Exchange will work with the SEC to provide data to evaluate the effectiveness of the product and its potential impact on the underlying.

Chapter 6 establishes investigation and disciplinary procedures. Rule 607 adds prompt SEC notice of final disciplinary sanctions to the extent required by Section 19(d) and Rule 19d–1.[13] The investigation, disciplinary and reporting provisions apply equally to affiliated and unaffiliated firms.

(f) Intermediaries, Customer Accounts and Clearing

Rules 303 and 803 require applicable broker-dealer registration and add the statutory-disqualification test under Section 3(a)(39) of the Act.[14] Rule 806.1 requires SFP customer funds to be held in futures accounts subject to CEA Section 4d segregation unless the Clearinghouse permits securities-account treatment under SEC Rule 15c3–3.[15] The exception does not waive applicable securities-account requirements. The associated customer-margin requirement in Rule 806.21 is included in this filing.

The contemplated cash–settled products will clear at Bitnomial Clearinghouse, LLC, a CFTC-registered derivatives clearing organization (''DCO''). The Exchange intends to rely on the statutory cash–settled SFP clearing-agency registration exemption under Section 17A(b)(7)(A), subject to the applicable conditions.[16]

Customer margin and clearing margin. Proposed Rule 806.21 requires Clearing Members to collect customer margin for security futures product positions at levels that comply with the margin rules jointly adopted by the CFTC and SEC.[17] Compliance with the Clearinghouse's risk-model requirement does not, by itself, satisfy the customer-margin rules. The proposed collection obligation supplements Rule 820's existing minimum-margin and customer-collection requirements. Rules 305.1.3–305.1.4 require Participants to comply with the Rules and the applicable rules of the clearinghouse accepting their contracts. Rules 806–808 establish Clearing Member compliance, financial-reporting and notification obligations; Chapter 6 provides disciplinary procedures.

Amount and operation. For SFPs, the Exchange will apply a 15.25% minimum initial and maintenance customer-margin floor to the current market value of each unhedged long or short position, subject to any higher applicable requirement and the joint rules' account and position treatment.[18] Required customer margin is recalculated as current market value changes.

The intermediary must determine account equity and required margin under the joint rules and require deposits when the requirement is not satisfied. Permissible deposits and valuation are governed by SEC Rule 404 and CFTC Regulation 41.46; account requirements by SEC Rule 402 and CFTC Regulation 41.44, withdrawals by SEC Rule 405 and CFTC Regulation 41.47, and undermargined accounts by SEC Rule 406 and CFTC Regulation 41.48.[19] Acceptance of an asset by the Clearinghouse for a different product or purpose does not establish its eligibility as customer margin for security futures.

Funding Adjustments are applied through Variation Margin in the next applicable cycle. The resulting credits and debits are reflected in customer account equity for purposes of the applicable margin calculations. The Exchange's 15.25% SFP customer-margin floor continues to apply.

The Clearinghouse and intermediaries may impose applicable higher requirements consistently with law. The proposal does not authorize new offsets below the amount that would apply if positions were margined separately. Such offsets require a compliant rule under SEC Rule 403(b)(2) and CFTC Regulation 41.45(b)(2), effective through the applicable approval processes.[20] Use of a portfolio risk model does not replace the required rule approval.

Affected persons and implementation. The customer-margin proposal affects Clearing Members carrying security futures for customers and their customers. Clearing Members remain responsible for administering customer-margin calculations, eligible collateral, collection and account restrictions under the joint SEC/CFTC rules. The obligation applies to affiliated and unaffiliated Clearing Members on the same basis, with no exception from margin collection, collateral eligibility or enforcement based on common ownership.

(g) Affiliated Futures Commission Merchant: Independent Oversight, Conflicts and Competition

Affiliation and the regulatory concern. NinjaTrader Clearing, LLC (''NinjaTrader'') is an affiliated futures commission merchant (''FCM'') and Clearing Member under common ultimate ownership with the Exchange. The affiliation creates potential incentives to favor NinjaTrader in access, information, commercial treatment or enforcement, and could disadvantage unaffiliated FCMs and introducing brokers competing for customer business. The Exchange addresses these risks through independent regulatory governance, outside FCM oversight, enforceable common-access rules, information barriers and conflict procedures.

Independent regulatory oversight. The Chief Compliance Officer/Chief Regulatory Officer (''CRO'') of the Exchange and Clearinghouse reports to the Board of Directors. The shared Board currently consists of five directors, four of whom are independent. Independent directors therefore hold a majority of the Board responsible for overseeing compliance, including matters involving an affiliated intermediary.

The Exchange Affiliate Conflict of Interest Policy, Document 210–100, will be in effect for the Exchange's security

[13] 15 U.S.C. 78s(d); 17 CFR 240.19d–1.

[14] 15 U.S.C. 78c(a)(39), 78o(b)(11).

[15] 7 U.S.C. 6d; 17 CFR 1.20 and 240.15c3–3.

[16] 15 U.S.C. 78q–1(b)(7)(A); 15 U.S.C. 78f(h)(3)(E)–(G).

[17] 17 CFR part 41, subpart E; 17 CFR 242.400–242.406.

[18] See 17 CFR 242.403(b)(1) and 17 CFR 41.45(b)(1) for the joint regulatory margin requirement. The 15.25% figure described here is the Exchange's customer-margin floor for SFPs.

[19] 17 CFR 242.402, 242.404–242.406; 17 CFR 41.44, 41.46–41.48.

[20] 17 CFR 242.403(b)(2); 17 CFR 41.45(b)(2); 15 U.S.C. 78g(c)(2)(B), 78s(b)(2).

futures product rules. The policy covers any affiliated FCM and expressly prohibits the Exchange from serving as the FCM's designated self-regulatory organization (''DSRO''). It also sets out affiliate information barriers, equal treatment and access requirements, separate personnel and governance, and escalation of identified conflicts by the CRO to the Regulatory Oversight Committee (''ROC'').

Under Rule 205.4, the Exchange's ROC consists entirely of Public Directors, reports to the Board, supervises the Chief Regulatory Officer and receives that officer's direct reports. The ROC monitors the sufficiency, effectiveness and independence of the regulatory program; oversees trade-practice and market surveillance, examinations and investigations; reviews regulatory resources and budget allocation and the hiring, termination and compensation of regulatory personnel; and reviews regulatory proposals. The ROC oversees both individual enforcement decisions and the resources needed to administer the regulatory program.

Four of the five current directors are independent; the proposal does not establish an 80% independence requirement in the Rulebook. Rule 202 contains the Public Director qualification process and requires periodic findings concerning material relationships. The conflict of interest policy requires at least two-thirds Public Directors on the Exchange Board and any committee to which the Board delegates responsibility. Rule 207 requires disclosure and abstention for specified named-party and financial-interest conflicts, with determinations and meeting records as provided in that rule. The director-qualification, disclosure and recusal requirements apply to decisions concerning NinjaTrader.

NinjaTrader's designated self-regulatory organization. The National Futures Association (''NFA'') serves as NinjaTrader's designated self-regulatory organization and primary self-regulatory supervisor of the FCM. The Exchange does not act as NinjaTrader's DSRO. NFA's independent FCM oversight exists alongside the Exchange's supervision of NinjaTrader's compliance with the rules applicable to its Exchange participation and clearing membership, including SFP rules. The CFTC remains the federal FCM regulator; applicable SEC authority and securities obligations also remain in place.

The DSRO designation assigns specified examination and financial-supervision functions under CFTC Regulation 1.52.[21] NFA also oversees NinjaTrader under its applicable member and SFP rules, alongside the Exchange's oversight of compliance with its own SFP rules. NFA's member and SFP responsibilities extend beyond its DSRO designation. The designation does not transfer every securities-law obligation to NFA, require NFA to examine every Exchange rule annually, or relieve the Exchange of its duty to supervise its affiliated member. Any allocation of Exchange Act responsibilities under Rules 17d–1 or 17d–2 would require a separate arrangement.[22]

Function	Allocation described by this filing
Independent governance of Exchange regulation.	Board oversight and the all-Public-Director ROC; direct CRO reporting under Rule 205.4.
NinjaTrader's primary FCM self-regulatory supervision.	NFA as DSRO and NFA member regulator, within the applicable designation and rules.
Compliance with Exchange and applicable Clearinghouse rules.	Bitnomial retains oversight, including surveillance, investigation, member information requirements and discipline.
Applicable SFP securities-law obligations	The Exchange and each intermediary retain their respective obligations; the DSRO designation does not transfer all SFP supervision to NFA.

Information barriers. Rule 1012.3 prohibits the affiliate and its customers from access to Exchange or Clearinghouse material nonpublic information and limits the affiliate's information access to that available to other Participants or Clearing Members, as applicable. The restrictions protect competing firms' trading and customer information as well as regulatory information. Rule 206 restricts use and disclosure of information obtained through official duties, and Rule 1001 addresses official trading and misuse of material nonpublic information.

The conflict of interest policy provides for separate personnel, offices, governing bodies and information systems and firewalls for the Exchange and the affiliated FCM, restricted access to nonpublic regulatory information, and escalation to the CRO and ROC. It limits the Exchange's access to the affiliate's nonpublic information to the same basis as for other Clearing Members. The Exchange and its Clearinghouse share a Board, as Rule 101 expressly provides; the policy requires separation of the Exchange and Clearinghouse from the affiliated FCM.

Equal access and treatment. Rule 1012 requires public disclosure of affiliations, prohibits preferential treatment and inherent advantages, and subjects affiliates to the same access criteria and Rules as comparable unaffiliated firms. Rule 205.3 prohibits discriminatory restrictions or burdens on access among similarly situated Participants or categories. Chapter 3 and Rule 803 govern participation and clearing eligibility through common criteria.

The equal-treatment requirements apply to admission, continued eligibility, trading and information access, and administration and enforcement of the SFP rules. Neither a customer nor an introducing broker is required by this proposal to use NinjaTrader. NinjaTrader has no exclusive right to SFP products or preferred order flow under the proposal. Competing intermediaries may obtain access through eligible firms on the same terms. Affiliation provides no exception from registration, customer protections, position limits, margin obligations or enforcement.

Under the conflict of interest policy, an affiliated FCM shall not be the sole Clearing Member. At least two existing unaffiliated Clearing Members are required before the FCM can become a Clearing Member, and the Exchange shall notify CFTC staff in a timely manner if that number falls below two. The unaffiliated-member requirement applies across the Exchange; it does not limit the affiliate's share of SFP customer business.

Wave Securities and PCX precedent. The Commission's 2001 order approving ArcaEx distinguished Wave Securities'

[21] 17 CFR 1.52, including the scope and retained responsibilities in paragraph (d).

[22] 17 CFR 240.17d–1 and 240.17d–2.

introducing-broker activity from its outbound order-routing function. For the introducing-broker activity, the Commission relied on Wave acting as a user/member on the same terms as other members, the availability of sponsored access from other members, nondiscrimination requirements and information barriers separating that activity from PCX and its facilities. On those facts, the Commission did not consider the introducing-broker function necessarily an exchange facility. It cautioned that the analysis would change if Wave became the sole or predominant source of sponsored access or the information barriers proved ineffective.[23]

The same order identified the conflict between an exchange's commercial interests and its regulatory responsibilities for an affiliated broker-dealer, and stated that the exchange must not be the SRO primarily responsible for examining that broker-dealer. NASD was the designated examining authority for Wave's functions that were not PCX facilities. By contrast, the order treated Wave's outbound routing function as a facility because it was uniquely linked to and endorsed by ArcaEx, with resulting Exchange oversight and rule-filing responsibilities.

The later 2005 Archipelago/PCX acquisition order addressed different ownership and operating arrangements. Its Wave and Arca Trading inbound-router exceptions were temporary and conditional, and it stated that an affiliated inbound-router function would be an exchange facility. Its permanent outbound-router discussion concerned an exchange facility, optional use and expanded NASD oversight under a separate regulatory allocation.[24] The conditions applicable to routing functions differ from the 2001 analysis of introducing-broker activity.

The Exchange addresses conflicts arising from NinjaTrader's participation as an affiliated FCM and Clearing Member as follows: NFA supervises the FCM within the scope of its authority; the Board, ROC and CRO oversee independent Exchange regulation; Rules 1012.2 and 1012.4 require equal treatment and common access; and Rule 1012.3 addresses information advantages. The conflict of interest policy's separation and unaffiliated-member conditions will apply alongside these protections for the Exchange's security futures product rules. The Exchange relies on the independent oversight, equal-treatment requirements and information barriers described above. The unaffiliated-member requirement does not, by itself, prevent an affiliate from becoming a predominant source of SFP access. The orders do not provide blanket authorization for affiliated FCMs, determine NinjaTrader's facility status, or make a CFTC DSRO designation equivalent to the NASD/PCX Exchange Act allocation. The present filing rests on the Exchange's Rulebook, the conflict of interest policy, governance and the regulatory responsibilities applicable to its SFP activity.

2. Statutory Basis

Section 6(b)(1): organization and enforcement capacity.[25] The CRO reports directly to a ROC composed entirely of Public Directors. The Board, currently comprising four independent directors out of five, oversees compliance. The ROC's review of regulatory resources and the conflict-disclosure and recusal requirements help protect regulatory decisions from the affiliate's commercial interests. Participant and Clearing Member obligations permit the Exchange to obtain information, and Chapter 6 establishes investigation and enforcement procedures. NFA supervises the affiliated FCM within the scope of its authority, while the Exchange retains its own enforcement responsibilities. SFP supervision must cover the applicable securities-law requirements as well as financial examinations.

Section 6(b)(5): investor protection and nondiscrimination.[26] Initial and continuing eligibility criteria, prohibitions on issuer-insider trading and trading on material nonpublic information, coordinated trading halts, settlement and adjustment provisions, registration screening and customer-account requirements are designed to protect investors and prevent fraudulent or manipulative conduct. Rule 1012's equal-treatment and information-access restrictions, Rules 206 and 1001, and Rule 207's conflict controls address the risk that an affiliated firm benefits from confidential information or favorable decisions. The equal-treatment and conflict requirements apply to SFP activity and protect customers, issuers, brokers and dealers from discriminatory treatment.

Section 6(b)(8): competition.[27] Affiliated and unaffiliated intermediaries must meet the same admission criteria and comply with the same SFP rules. Access to the market is not reserved for the Exchange's affiliate, and independent regulatory oversight helps prevent preferential access to information or favorable treatment in enforcement. The proposed eligibility, surveillance, registration and customer-protection requirements are necessary to protect investors and maintain fair and orderly markets. For the reasons described above and in Item II.B, the Exchange believes the proposal does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Section 6(h)(3): listing standards and conditions for trading. Section 6(h)(3) establishes the requirements for SFP listing standards and conditions for trading.[28] The following discussion addresses each statutory requirement in order, identifies the relevant proposed or existing Exchange provisions, and explains how the requirements apply to the proposed cash-settled security futures on individual securities. The Exchange will list a Contract only when the applicable statutory conditions and product-specific requirements have been satisfied.

(A) Registration of the underlying security. Paragraph (A) generally requires each underlying security, including each component of a narrow-based security index, to be registered under Section 12 of the Act, subject to joint SEC/CFTC modifications authorized by Section 6(h)(4).[29] Proposed Rule 515.1.1 requires Section 12 registration of the common stock or qualifying ADR at initial listing. Rule 515.2.1 requires continued registration, and Rule 515.4.2 requires termination of trading if that registration ceases, with final cash settlement under Rule 515.4. The present proposal covers individual equity securities; it does not authorize narrow-based, multi-security index futures. Use of a single-security reference index for funding and daily settlement does not dispense with registration of the underlying security.

(B) Payment and delivery arrangements for physical settlement. Paragraph (B) requires arrangements with a registered clearing agency for payment and delivery of the underlying

[23] Securities Exchange Act Release No. 34–44983 (October 25, 2001), 66 FR 55225, 55233–55235 (November 1, 2001), File No. SR–PCX–00–25, Sections IV.E.2, IV.E.2.a and IV.E.2.b. Official text: *https://www.govinfo.gov/content/pkg/FR-2001-11-01/html/01-27417.htm.*

[24] Securities Exchange Act Release No. 34–52497 (September 22, 2005), 70 FR 56949, 56958–56959 (September 29, 2005), File No. SR–PCX–2005–90, especially the distinct affiliated outbound- and inbound-router discussions and footnote 107. Official text: *https://www.govinfo.gov/content/pkg/FR-2005-09-29/html/E5-5314.htm.*

[25] 15 U.S.C. 78f(b)(1).

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

[27] 15 U.S.C. 78f(b)(8).

[28] 15 U.S.C. 78f(h)(3); 7 U.S.C. 2(a)(1)(D).

[29] 15 U.S.C. 78f(h)(3)(A), (4)(A); 15 U.S.C. 78l.

securities when an SFP is not cash settled.[30] Rule 502.3.6 limits the proposed SFP authorization to cash-settled products, and Rule 515.4 requires final cash settlement of all open positions upon termination. Accordingly, the proposal does not involve delivery of securities and does not trigger paragraph (B)'s physical-delivery arrangement requirement. A physically settled product would fall outside this proposed authorization and would require the applicable rule changes and delivery arrangements before listing.

(C) Standards no less restrictive than comparable options standards. Paragraph (C) requires SFP listing standards to be no less restrictive than comparable options listing standards.[31] Rule 515.1 establishes initial registration, issuer-compliance, exchange-listing, public-float, holder, deliverable-supply, capitalization, trading-value, price and ADR tests. Rule 515.2 provides continuing registration and quantitative maintenance tests; Rules 515.4 and 515.5 address termination and customer notice. The proposed $100 billion initial capitalization and $450 million six-month average daily transaction-value tests, together with the other criteria described in Item II.A.1(b), limit eligible underliers to highly capitalized and actively traded securities.

The statutory comparison applies to the standards as a whole, including continued eligibility and the consequences of a failure. High capitalization or trading-value thresholds alone do not establish compliance with every comparable options requirement. Before listing, the Exchange will substantiate the comparison for the applicable underlying, including continued issuer compliance, national-market-system status, ADR surveillance conditions and the treatment of maintenance failures. Rule 405.5 separately requires SFP position limits or accountability under CFTC Regulation 41.25(b)(3), applying each trading date to perpetual contracts. Rule 515.10.1 specifies a position limit of 200,000 contracts for the proposed single-stock perpetual futures. The position limit must satisfy the applicable deliverable-supply and options-comparability requirements.[32]

(D) Eligible types of underlying equity securities. Paragraph (D) generally limits security futures to common stock and other equity securities jointly determined appropriate by the SEC and CFTC, subject to their authority under Section 6(h)(4).[33] Rule 515.1.1 permits common stock and ADRs representing common stock or ordinary shares. Rule 515.1.9 imposes the specified ADR surveillance-sharing or trading-volume conditions or requires joint SEC/CFTC authorization, and Rule 515.1.10 excludes when-issued and other issuance-contingent securities. An ADR must also be within the equity-security classes permitted by the Commissions; meeting an Exchange liquidity test alone is not sufficient.

(E) Linked and coordinated clearing. Paragraph (E) addresses clearing arrangements that permit an SFP purchased on one market to be offset on another market trading that product.[34] The proposed products will clear at Bitnomial Clearinghouse, LLC. The Exchange intends to rely on the clearing-agency registration exemption in Section 17A(b)(7)(A), subject to its conditions, including CFTC regulation of the clearing agency and the limitation concerning the activities that would otherwise require SEC registration.[35] The registration exemption and the Clearinghouse's DCO registration do not, by themselves, establish an intermarket clearing link.

Section 6(h)(7) separately permits trading without the linked-clearing standard until the statutory compliance date, which is tied to the specified relative trading-volume threshold and joint notice by the Commissions. Section 6(h)(4)(B) also authorizes a joint exemption by order.[36] Before trading, the Exchange will document the applicability of the statutory deferral or any joint exemptive order on which it relies. If neither applies, the required linked and coordinated clearing provisions must be in place. The proposal does not provide for offsetting positions on another market through an established intermarket link.

(F) Broker-dealer suitability obligations. Paragraph (F) requires transactions to be effected only by a broker or dealer subject to suitability rules comparable to those of a national securities association registered under Section 15A(a).[37] Rules 303 and 803 require the applicable broker-dealer registration and statutory-disqualification screening. Substantive SFP suitability obligations arise under FINRA Rule 2370 for FINRA members and under NFA Compliance Rule 2–30(j) for NFA Members that are not also FINRA members and their Associates, in each case subject to the rule's scope.[38] The suitability rules cover customer information, account approval, recommendations, the customer's ability to understand and bear the risks, supervision and recordkeeping. Registration and disqualification screening are required in addition to compliance with the suitability rules.

The Exchange has SFP intermediary suitability checks in place. Before permitting an intermediary to conduct SFP activity, the Exchange verifies its applicable registration, membership and suitability regime, including the responsibility for account approval and supervision. The suitability review covers the futures commission merchants, introducing brokers, commodity trading advisors, commodity pool operators and associated persons that solicit, accept orders for or otherwise deal in SFP transactions within CFTC Regulation 41.22(d), subject to the exceptions permitted by the Exchange Act and its rules. Rules 303 and 803 govern admission; Rule 401.1 requires continuing compliance with applicable law, Rule 402.15 requires supervision, and Chapter 6 establishes enforcement procedures. As explained in Item II.A.1(g), NFA's DSRO designation alone does not establish the applicable suitability regime or allocate every SFP sales-practice obligation to NFA.

(G) Dual trading. Paragraph (G) subjects SFPs to the applicable prohibitions under CEA Section 4j and its rules or Exchange Act Section 11(a) and its rules, except as otherwise permitted.[39] The Exchange operates an electronic trading system, without an open-outcry trading floor. The floor-broker dual-trading prohibition addresses execution of customer and specified proprietary or controlled-account trades during the same trading session.[40]

CFTC Regulation 41.27(b)(2) separately addresses an electronic market that gives participants a time or place advantage or permits them to override the predetermined matching algorithm. The Exchange's SFP market gives participants no time or place advantage and no ability to override the

[30] 15 U.S.C. 78f(h)(3)(B).

[31] 15 U.S.C. 78f(h)(3)(C).

[32] 17 CFR 41.25(b)(3).

[33] 15 U.S.C. 78f(h)(3)(D), (4)(A).

[34] 15 U.S.C. 78f(h)(3)(E).

[35] 15 U.S.C. 78q–1(b)(7)(A); 15 U.S.C. 78f(h)(3)(E)–(G).

[36] 15 U.S.C. 78f(h)(7), (4)(B).

[37] 15 U.S.C. 78f(h)(3)(F); 15 U.S.C. 78o–3(a).

[38] FINRA Rule 2370(b)(16)–(19); NFA Compliance Rule 2–30, including paragraph (j), which applies to Members that are not also FINRA members and their Associates, subject to the rule's terms; 17 CFR 41.22(d).

[39] 15 U.S.C. 78f(h)(3)(G); 7 U.S.C. 6j; 15 U.S.C. 78k(a).

[40] 7 U.S.C. 6j(b); 17 CFR 41.22(e) and 41.27(a)(5), (b). Any exception must satisfy its applicable conditions under Regulation 41.27.

matching algorithm. Rule 504.7 provides for predetermined, nondiscretionary central-limit-order-book matching on a price-time-priority basis, or as otherwise specified in Contract Specifications; the SFP configuration and participant privileges do not trigger Regulation 41.27(b)(2). Accordingly, Regulation 41.27(b)(2) does not require a separate dual-trading prohibition for the proposed SFP market. The Exchange will reassess this treatment if matching features or participant privileges change and satisfy any resulting rule-approval requirement before using a feature that triggers paragraph (b)(2).

Rules 402.16 and 403 restrict misuse of nonpublic order information and prearranged or noncompetitive execution. Permitted pre-execution communications remain subject to Rule 403's customer-consent, information-use and order-entry conditions, and eligible block trades remain subject to Rule 505. Rules 503, 510 and 511 provide user, order and customer-type records for reviewing customer and proprietary activity. The Exchange will also confirm the applicable treatment under Exchange Act Section 11(a) and the conditions of any exception relied upon. Rule 401.1 requires compliance with applicable law, and Chapter 6 establishes enforcement procedures.

(H) Resistance to manipulation. Paragraph (H) requires that SFP trading not be readily susceptible to manipulation of the product's price or to causing or being used in manipulation of the underlying security or related options.[41] Rule 515's eligibility tests address concentration and underlying-market liquidity; Rule 405.5 governs position limits or accountability; and Rules 402.3–402.7 and 403 prohibit manipulative, deceptive and disruptive conduct. Proposed Rule 402.17 adds restrictions on trading by officers and directors of the underlying issuer and trading on material nonpublic information. Rules 515.1, 515.6 and 515.8 incorporate and describe the reference-index methodology and perpetual pricing procedures, including closing valuations and unavailable-input treatment. Rule 515.9 governs trading halts and resumptions, and Rule 515.10 states the standard Contract terms. Rule 515.4 makes final cash settlement subject to the regulatory underlying-opening-price standard.

The Exchange must also assess manipulation risk for each proposed product by reviewing funding and settlement inputs, available order-book depth, liquidity in the source markets, corporate actions and procedures for market interruptions. The review must cover trading outside the underlying market's regular session during the 24/5 trading week. The Exchange will assess the effectiveness of the rules using the product's design, trading data and surveillance coverage. As stated in Item II.A.1(e), the Exchange will work with the SEC to provide data to evaluate the product's effectiveness and potential impact on the underlying.

(I) Coordinated surveillance. Paragraph (I) requires procedures for coordinated surveillance among the SFP market, markets trading the underlying security and markets trading related securities to detect manipulation and insider trading.[42] The Exchange shares regulatory information with participating markets through its ISG membership. Rule 209 authorizes the exchange of surveillance reports and Participant information, assistance with investigations, and requests to Participants and Clearing Members for information needed by another market. Rule 313 authorizes inspection and production of records, including information concerning activity in related markets. Rule 515.1.9 imposes additional surveillance conditions for ADRs.

The Exchange has coordinated-surveillance procedures and information-sharing coverage in place for the relevant underlying and related securities markets, including options markets and the source markets contributing to the reference index. The procedures provide for regulatory information requests and responses to detect manipulation and insider trading, including potential influence on index inputs during the 24/5 schedule. The Exchange will maintain the relevant coverage as products and source markets change. The Regulation 41.22(g) certification rests on information-sharing coverage of the relevant markets under the ISG arrangements and Rule 209; ISG membership alone is not sufficient.

The Exchange's real-time monitoring, automated trade surveillance and position review will compare SFP orders, trades and positions with underlying and related-market activity, issuer news and corporate actions. As described in Item II.A.1(e), surveillance staff will review manipulation and insider-trading indicators, concentrations, wash trading, disruptive order patterns, and activity around funding and settlement observations. Staff will investigate alerts and referrals, obtain relevant records through the Exchange's rules and information-sharing arrangements, document the analysis and disposition, and escalate potential violations for action under Chapter 6. The Chief Regulatory Officer directs the regulatory response under the oversight of the all-Public-Director Regulatory Oversight Committee described in Rule 205.4. Surveillance findings may result in investigation, corrective action and discipline under Chapter 6.

(J) Audit trails. Paragraph (J) requires audit trails necessary or appropriate to facilitate the coordinated surveillance required by paragraph (I).[43] The Exchange's own order, trade and position records and the front-end records required of Participants and Clearing Members serve complementary purposes. Rule 503 requires unique, registered User IDs and identification of the user entering each order. Rule 510 requires front-end records of order entry, modification, cancellation and execution, including timestamps that cannot be modified by the person entering the order, retention for at least five years, and production in a standard format on request. Rule 511 requires the correct customer-type indicator. Rule 512's public market-data requirements are separate from these audit-trail obligations.

The Exchange maintains order-lifecycle records, retention and reconstruction controls. The SFP audit-trail program will link submissions, modifications, cancellations, rejections and executions with the relevant order identifiers, registered user, trading account, clearing firm and customer-type information, together with cleared trades, allocations and positions as applicable. The linked records allow the Exchange to reconstruct order and trading activity and compare it with activity in the underlying and related markets. Funding and settlement review will also use the relevant index observations and calculation records to examine whether order or trading activity influenced a payment or settlement price.

Exchange audit-trail records are subject to DCM Core Principle 10 and CFTC Regulations 38.550–38.553, with retention and production under Regulation 1.31; the separate Rule 510 obligations apply to Participants and Clearing Members.[44] Compliance review will compare participant and Exchange records, check user and account identification, and investigate gaps or

[41] 15 U.S.C. 78f(h)(3)(H).

[42] 15 U.S.C. 78f(h)(3)(I).

[43] 15 U.S.C. 78f(h)(3)(J).

[44] 7 U.S.C. 7(d)(10); 17 CFR 38.550–38.553 and 1.31; 17 CFR 41.22(g)–(h).

discrepancies. Rule 313 authorizes inspection and information requests, and Chapter 6 provides for remediation and enforcement of applicable requirements. The Exchange uses the order-lifecycle records and associated controls to maintain the audit trail required for coordinated surveillance under Regulation 41.22(h).

(K) Coordinated trading halts. Paragraph (K) requires procedures to coordinate halts with markets trading the underlying and related securities.[45] Rule 501.3 makes SFP halts and resumptions subject to Rule 515.9. Rule 515.9.1 requires a halt while a regulatory halt, as defined in CFTC Regulation 41.1 and SEC Rule 6h–1, is in effect in any underlying security.[46] Rule 515.9.2 also requires a halt whenever the primary listing exchange halts or pauses the underlying, expressly including news-pending and other regulatory halts, single-security pauses, market-wide circuit breakers and corporate-action halts. Under Rule 515.9.3, SFP trading may resume only after trading in each affected underlying has resumed on its primary listing exchange, within Contract Market Hours and subject to any continuing halt. Rule 515.9.4 states the Exchange's procedures for coordination with the primary listing exchange and other markets trading the underlying and related securities; Rule 209 authorizes the necessary information sharing. The halt and resumption requirements apply throughout the published 24/5 trading schedule. Continued index publication does not authorize trading during a halt; scheduled closures and the pricing procedures' funding and settlement carry-forwards do not override the halt requirements.

(L) Margin requirements. Paragraph (L) requires compliance with the joint margin regulations prescribed under Section 7(c)(2)(B) and expressly permits an exchange to require higher margin levels when necessary or appropriate.[47] Proposed Rule 806.21 requires Clearing Members to collect customer margin in compliance with the joint SEC/CFTC rules, supplementing Rule 820's margin-collection requirements. The Exchange will apply a 15.25% minimum initial and maintenance customer-margin floor for SFPs, subject to any higher applicable requirement and the joint rules' account and position treatment. Item II.A.1(f) explains current-market-value measurement, eligible deposits, account equity, deficiencies and funding adjustments. The proposal does not authorize otherwise unapproved offsets or treat a Clearinghouse risk-model result as a substitute for the customer-margin requirement.

Section 7(c)(2)(B): customer margin. The Exchange believes the customer-margin proposal is consistent with Section 7(c)(2)(B) and the joint security-futures margin rules.[48] Applying the Exchange's 15.25% SFP customer-margin floor to current market value, restricting deposits to eligible assets at permitted values, and requiring collection and action on deficiencies support financial integrity and protection against credit exposures. The applicable margin must also satisfy the statutory comparability requirements for exchange-traded options. The proposal does not seek approval of a portfolio model or offset methodology as independently satisfying the comparability requirements.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange permits multiple eligible intermediaries, whether affiliated or unaffiliated, to offer SFPs. Customers and introducing brokers are not required to use NinjaTrader or any other affiliate to access the Exchange's SFP market.

The proposed rules require underlying securities to meet liquidity and eligibility standards, intermediaries to satisfy applicable registration, account-control, customer-notice and compliance requirements, and traders to comply with position limits, trading halts and market-conduct rules. Such requirements limit the products eligible for listing and may require firms offering SFPs to incur compliance costs. The requirements are designed to protect investors, maintain financial integrity and orderly markets, and reduce the risk of manipulation. Eligibility and conduct requirements apply equally to affiliated and unaffiliated firms in comparable circumstances.

The customer-margin obligation and the Exchange's 15.25% SFP customer-margin floor apply without regard to affiliation. An affiliated firm receives neither a lower floor nor a special margin offset under the proposal. Higher margin requirements may be imposed to reflect risk, consistently with applicable rules, and may not be used to favor an affiliate.

NinjaTrader's affiliation could create incentives to favor it over competing FCMs and introducing brokers. As described in Item II.A.1(g), the Exchange addresses that risk through independent regulatory oversight, NFA supervision of the affiliated FCM, information barriers, equal access and prohibitions on preferential treatment. The Exchange believes that applying the same access, conduct and customer-protection requirements to comparable intermediaries, together with the safeguards governing its affiliate, prevents the proposal from imposing any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange is not soliciting public comments on the proposed rule change and has no written comments to submit. No materials are submitted under Exhibit 2 with this initial filing.

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

The Exchange's request, BTNL–2026–105, and the Clearinghouse's Chapter 8 request, BTNL–2026–106, will be filed concurrently with this SEC filing for approval by a vote of the CFTC under Regulation 41.24(b), using Regulation 40.5 procedures. Copies of the two requests are included as Exhibit 5, Attachments 5–A and 5–B, respectively. The Exchange and Clearinghouse expect CFTC approval of each request within the 45-day review period following receipt of that submission under Regulation 40.5(c)(1). The proposed rules remain subject to the applicable CFTC approvals.

Under Section 19(b)(7)(B), the proposed rule change becomes effective upon CFTC approval.[49] Trading will begin only after the applicable approvals for the SFP rules, including customer margin, separate product approvals, and other launch requirements have been satisfied.

At any time within 60 days of CFTC approval, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require refiling under Section 19(b)(1) if it appears that the change unduly burdens competition or efficiency, conflicts with the securities laws, or is inconsistent with the public interest and protection of investors.[50]

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing,

[45] 15 U.S.C. 78f(h)(3)(K).

[46] 17 CFR 240.6h–1; 17 CFR 41.1 and 41.25(b)(2).

[47] 15 U.S.C. 78f(h)(3)(L); 15 U.S.C. 78g(c)(2)(B).

[48] 15 U.S.C. 78g(c)(2)(B).

[49] 15 U.S.C. 78s(b)(7)(B).

[50] 15 U.S.C. 78s(b)(7)(C).

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 (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–BTNL–2026–001 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–BTNL–2026–001. 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 (*http://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–BTNL–2026–001 and should be submitted on or before October 14, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[51]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–19408 Filed 9–22–26; 8:45 am]

BILLING CODE 8011–01–P

[51] 17 CFR 200.30–3(a)(73).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106420; File No. SR–COIN–2026–002]

Self-Regulatory Organizations; Coinbase Derivatives, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Adoption of Coinbase Derivatives, LLC's Rules Governing Cash Settled Futures on Individual Equity Securities and Exchange-Traded Fund Shares, Including Perpetual Single-Stock Futures

September 18, 2026.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 (the "Act"),[1] notice is hereby given that on September 18, 2026, Coinbase Derivatives, LLC ("CDE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change 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. CDE has also filed this proposed rule change concurrently with the Commodity Futures Trading Commission ("CFTC"). The Exchange on September 18, 2026 submitted the proposed rule change to the CFTC for approval. The CFTC has not yet approved the proposed rule change.

I. CDE's Description and Text of the Proposed Rule Change

CDE is registered with the CFTC as a designated contract market under the CEA. CDE is making this filing in its capacity as a national securities exchange for security futures products ("SFPs") registered pursuant to the notice registration provisions of Section 6(g) of the Act[2] to establish the rules governing the SFPs it plans to list for trading. Under its notice registration, CDE plans to list cash settled futures on individual equity securities and exchange-traded fund shares, including perpetual single-stock futures, as set forth in this proposed rule change.

CDE is adopting new Chapter 12 (Security Futures Products) of the CDE Rulebook to establish the listing standards, contract terms, corporate-action adjustment procedures, and trading, clearing, and settlement rules pursuant to which the Exchange will list and trade cash settled futures on individual equity securities and exchange-traded fund shares, including perpetual single-stock futures (collectively, the "Proposed Rules"). Unlike a security futures product that provides for a fixed expiration and a scheduled final settlement, the contracts that CDE proposes to list under Chapter 12 (each, a "Contract") are perpetual security futures products that have no fixed expiration date; the Contracts are cash settled and do not provide for delivery of, or convey ownership in, the underlying security.

II. CDE'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. CDE's Statement of the Purpose of, and Statutory Basis for the Proposed Rule Change

1. Purpose

CDE proposes to adopt Chapter 12 (Security Futures Products) of the CDE Rulebook to allow the listing and trading of cash settled futures on individual equity securities and exchange-traded fund shares, including perpetual single-stock futures. Chapter 12 establishes, as an integrated framework, the listing standards, contract specifications, corporate-action adjustments, and trading, clearing, and settlement rules applicable to the Contracts. Proposed Chapter 12 comprises Rules 1201 through 1225. The Exchange will adopt under a separate rule filing pursuant to Section 19(b)(2) of the Act and Rule 19b–4

[1] 15 U.S.C. 78s(b)(7).

[2] 15 U.S.C. 78f(g). On September 1, 2026, CDE, in its capacity as a designated contract market under the Commodity Exchange Act, submitted a Form 1–N notice filing to the Commission to register as a national securities exchange for security futures products pursuant to the notice registration provisions of Section 6(g) of the Act. On September 8, 2026, the Commission issued a notice acknowledging receipt of such written notice and effectiveness of CDE's notice registration as a national securities exchange contemporaneously with CDE's submission of the 1–N notice on September 1, 2026. *See* Acknowledgement of Receipt of Notice of Registration as a National Securities Exchange Pursuant to Section 6(g) of the Securities Exchange Act of 1934 by Coinbase Derivatives, LLC (September 8, 2026) [Release No. 34–106295; File No. 10–252], *available at https://www.sec.gov/files/rules/other/2026/34-106295.pdf.*