B. Discussion of Exemptive Relief for Affiliated Counterparties

Section 36(a) of the Exchange Act authorizes the Commission, by rule, regulation or order, to exempt, either conditionally or unconditionally, any person, security or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of the Exchange Act or any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors. In addition, under Section 17A(b)(1) of the Exchange Act, the Commission, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any clearing agency or security or any class of clearing agencies or securities from any provisions of this section or the rules or regulations thereunder, if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of this section, including the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds.

For the reasons discussed below, the Commission finds this exemption necessary or appropriate in the public interest and consistent with the protection of investors, as required under Section 36, and with the purposes of Section 17A of the Exchange Act, including the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds, as required under Section 17A.

Commenters have explained that many affiliates of direct participants rely on repo transactions with that direct participant for purposes of liquidity, treasury, and collateral management. Many such affiliates are not banks, broker-dealers, or futures commission merchants, and are thus ineligible for the Inter-Affiliate Exclusion as adopted. Thus, absent this exemptive relief, these transactions between a non-bank/broker-dealer/futures commission merchant affiliate and the direct participant would be required to be cleared, even if the affiliate does not conduct any external customer-facing activity or subject the direct participant to any external risk.[61] According to commenters, such a requirement would impose serious costs and delays, consume balance sheet and clearing capacity, and increase risks to non-U.S. affiliates (and their customers) with liquidity and collateral needs during the hours in which no U.S. Treasury CCA is operating.[62]

Therefore, by allowing direct participants to utilize the Inter-Affiliate Exclusion for transactions with a broader array of affiliates, the exemption should better accommodate transactions within an affiliated group involving non-U.S. affiliates or foreign branches for purposes of treasury, liquidity, and collateral management. This will lower costs and reduce delays by not requiring the unnecessary clearing of inter-affiliate transactions when an affiliate that is not a bank, broker-dealer, or futures commission merchant enters into an inter-affiliate transaction with a direct participant. At the same time, the exemption does not apply to inter-affiliate transactions between a direct participant and an affiliate that is an ''investment company'' under the Investment Company Act of 1940, because such an affiliate may pose additional risk to the direct participant due to it taking market positions on the value of securities.[63]

IV. Conclusion

Accordingly, *It is ordered,* pursuant to Sections 17A and 36 of the Exchange Act, that the Commission grants a conditional exemption for the transactions described in Part II of this Order, from the definition of an eligible secondary market transaction in Rule 17ad–22(a), and an exemption as described in Part III of this Order from the definition of an eligible secondary market transaction in Rule 17ad–22(a).

By the Commission.

Dated October 30, 2026.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–22493 Filed 11–3–26; 8:45 am]

BILLING CODE 8011–01–P

[61] SIFMA Letter, *supra* note 10, at 7.

[62] *Id.* at 6–7, ISDA May 29 Letter, *supra* note 53, at 2; IIB Aug. 31 Letter, *supra* note 18, at 5.

[63] SIFMA Letter, *supra* note 10, at 7–8.

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106783; File No. SR–NASDAQ–2026–093]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Exchange's Transaction Fees at Equity 7, Sections 115 and 130, To Delete Obsolete References to the CORE FIX Order Entry Protocol

October 30, 2026.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (''Act'') [2] and Rule 19b–4 thereunder,[3] notice is hereby given that on October 22, 2026, The Nasdaq Stock Market LLC (''Nasdaq'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's transaction fees at Equity 7, Sections 115 and 130, to delete obsolete references to the CORE FIX order entry protocol.

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the 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] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

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

1. Purpose

The purpose of the proposed rule change is to amend the Exchange's transaction fees at Nasdaq Equity 7, Sections 115 and 130, to remove obsolete references to the CORE FIX order entry protocol.

On October 22, 2026, the Exchange filed with the Commission a proposal, with immediate effectiveness, to abandon plans to deploy the CORE FIX order entry protocol. The Exchange now proposes to delete from its equities fee schedule (Nasdaq Equity 7) all references to CORE FIX, which had been added to the fee schedule in anticipation of testing and deploying CORE FIX.

Specifically, the Exchange proposes to make the following changes:

1. In Equity 7, Section 115(f)(1), remove the reference and associated price for CORE FIX, including the tags to notes ''1'' and ''**'', as well as the corresponding notes ''1'' and ''**''. This rule established a fee of $575, per month, per port, for CORE FIX.

a. Note ''1'' read ''*Temporary 30-Day Fee Waiver for CORE FIX Ports. The Exchange shall offer users a 30-day waiver of the CORE FIX port fee for up to five newly added CORE FIX ports. This fee waiver shall be offered for a three-month period, beginning on the date when CORE FIX first becomes available on the Exchange, which such date the Exchange shall announce in an Equity Trader Alert.*''

b. And Note ''**'' read ''*Subject to Exchange Rule Equity 1, Section 1(a)(19), the first five Night Session CORE FIX ports ordered for an MPID will be provided without charge. Beginning with the sixth Night Session CORE FIX port ordered for the same MPID, the Exchange will assess the standard fee otherwise applicable to CORE FIX ports under this Section 115(g) of Rule Equity 7.*''

2. In Equity 7, Section 130(d)(1)(B), remove the tag to note ''1'', as well as the corresponding note ''1''. This rule establishes, in relevant part, a fee of $300 per port, per month, for subscribers that conduct tests of their access protocol connections through the Nasdaq Testing Facility. Note ''1'' read ''*Temporary 30-Day Fee Waiver for CORE FIX NTF Ports. The Exchange shall offer subscribers a 30-day waiver of the $300 NTF fee in this paragraph (d)(1)(B) of Section 130 for up to five newly added CORE FIX NTF ports. This fee waiver shall be offered for a three-month period, beginning on a date to be specified by the Exchange in an Equity Trader Alert.*''

3. Statutory Basis

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

The Exchange's proposed changes to its schedule of credits are reasonable in several respects. As a threshold matter, the Exchange is subject to significant competitive forces in the market for equity securities transaction services that constrain its pricing determinations in that market. The fact that this market is competitive has long been recognized by the courts. In *NetCoalition* v. *Securities and Exchange Commission,* the D.C. Circuit stated as follows: ''[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'. . . .'' [6]

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system ''has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.'' [7]

Numerous indicia demonstrate the competitive nature of this market. For example, clear substitutes to the Exchange exist in the market for equity security transaction services. The Exchange is only one of several equity venues to which market participants may direct their order flow. Competing equity exchanges offer similar tiered pricing structures to that of the Exchange, including schedules of incentives and fees that apply based upon members achieving certain volume thresholds.

Within this environment, market participants can freely and often do shift their order flow among the Exchange and competing venues in response to changes in their respective pricing schedules. As such, the proposal represents a reasonable attempt by the Exchange to increase its liquidity and market share relative to its competitors.

The Exchange's proposal is also reasonable, equitable and not unfairly discriminatory because it removes obsolete references to CORE FIX and related temporary waiver language from the fee schedule. The Exchange has determined not to deploy CORE FIX, and the provisions proposed for deletion therefore would not govern an active protocol or an active fee offering. Removing references to the CORE FIX port fee, Night Session CORE FIX ports, and CORE FIX NTF ports will not change the availability, pricing, or functionality of any service currently used by members, and will apply equally to all market participants. Instead, the proposal will make Equity 7, Sections 115 and 130 easier to navigate, understand, and administer by eliminating text that could otherwise create confusion regarding unavailable protocol functionality, obsolete fees, and waiver language that will not apply. For these reasons, the Exchange believes that the proposal is consistent with an equitable allocation of reasonable dues, fees, and other charges and is not designed to permit unfair discrimination.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or incentive opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to

[4] 15 U.S.C. 78f(b).

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

[6] *NetCoalition* v. *SEC,* 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (Dec. 2, 2008), 73 FR 74770, 74782–83 (Dec. 9, 2008) (SR–NYSEArca–2006–21)).

[7] Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

The proposal will not impose an undue burden on inter-market or intra-market competition. The proposed deletions are not designed to address a competitive issue, but rather to ensure that the Exchange's fee schedule accurately reflects the protocols and fees currently available to market participants. Because CORE FIX will not be deployed, no market participant will lose access to an available protocol, lose an applicable waiver, or become subject to a new or changed fee as a result of deleting the obsolete CORE FIX production, Night Session, and NTF references. The deletions will apply uniformly to all members and other market participants and will not disadvantage any category of Exchange participant. To the contrary, removing obsolete and inapplicable text will promote a clearer and more transparent fee schedule for all participants.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[8]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–NASDAQ–2026–093 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–NASDAQ–2026–093. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–NASDAQ–2026–093 and should be submitted on or before November 25, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[9]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–22456 Filed 11–3–26; 8:45 am]

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[8] 15 U.S.C. 78s(b)(3)(A)(ii).

[9] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106782; File No. SR–NasdaqTX–2026–052]

Self-Regulatory Organizations; Nasdaq Texas, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Exchange's Transaction Fees at Equity 7, Sections 115 and 130, To Delete Obsolete References to the CORE FIX Order Entry Protocol

October 30, 2026.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (''Act'') [2] and Rule 19b–4 thereunder,[3] notice is hereby given that on October 22, 2026, Nasdaq Texas, LLC (''Nasdaq Texas'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's transaction fees at Equity 7, Sections 115 and 130, to delete obsolete references to the CORE FIX order entry protocol.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/nasdaqtx/rulefilings,* and at the principal office of the Exchange.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the 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] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.