implementation. The Exchange will issue a Trader Update notifying market participants prior to implementing the enhancement described in SR–NYSE–2024–68.

2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with section 6(b) of the Act [5] in general, and furthers the objectives of section 6(b)(5) of the Act [6] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest by allowing the Exchange additional time to plan and implement the proposed enhancement.

The Exchange notes that the substance of the enhancement described in SR–NYSE–2024–68 is not changing, only the implementation timeline is changing with this proposal.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal to implement the enhancement described in SR–NYSE–2024–68 in the first quarter of 2025 does not impose an undue burden on intermarket or on intramarket competition. The proposed rule change will simply allow the Exchange additional time to properly plan and put into place the enhancement described in SR–NYSE–2024–68.

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

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

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

Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [7] and Rule 19b–4(f)(6) thereunder.[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 necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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–NYSE–2024–82 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–NYSE–2024–82. 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 submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also 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 copyrightprotection. All submissions should refer to file number SR–NYSE–2024–82 and should be submitted on or before January 21, 2025.

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

Vanessa A. Countryman,

Secretary.

[FR Doc. 2024–30913 Filed 12–27–24; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–102029; File No. SR–NASDAQ–2024–083]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change To Assume Operational Responsibility for Litigating Contested Disciplinary Proceedings Arising Out of Nasdaq-Led Investigations and Enforcement Activities and Amend Rules 9131 and 9810 (of General 5, the Nasdaq Discipline Rules) To Grant Nasdaq Regulation the Same Authority as FINRA In Contested Disciplinary Proceedings To Serve Complaints and Memoranda of Authority

December 23, 2024.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on December 11, 2024, The Nasdaq Stock Market LLC (''Nasdaq'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''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.

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

[6] 15 U.S.C. 78f(b)(5).

[7] 15 U.S.C. 78s(b)(3)(A).

[8] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[9] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

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

The Exchange proposes to assume operational responsibility for certain enforcement functions currently performed by the Financial Industry Regulatory Authority (''FINRA'') under the Exchange's authority and supervision. Specifically, the Exchange proposes to (1) assume operational responsibility for litigating contested disciplinary proceedings arising out of Nasdaq-led investigations and enforcement activities, and (2) amend Rules 9131 and 9180[sic] (of General 5, the Nasdaq Discipline Rules) to grant Nasdaq Regulation the same authority as FINRA in contested disciplinary proceedings to serve complaints and memoranda of authority.

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Section 6 of the Act requires that national securities exchanges enforce their members' compliance with federal securities laws and rules as well as the exchanges' own rules.[3] As a self-regulatory organization (''SRO''), Nasdaq must have a comprehensive regulatory program that includes the investigation and prosecution of rule violations. Since it became a national securities exchange, Nasdaq has contracted with FINRA through various regulatory services agreements (''RSAs'') to perform certain of these regulatory functions on its behalf. However, as the Commission has made clear, ''the Nasdaq Exchange bears the responsibility for self-regulatory conduct and primary liability for self-regulatory failures, not the SRO retained to perform regulatory functions on the Exchange's behalf.'' [4]

a. Background

In April 2019, Nasdaq received Commission approval to reallocate operational responsibility from FINRA to Nasdaq Regulation Department [5] for certain investigation and enforcement activity,[6] namely:

- investigation and enforcement responsibilities for conduct occurring on The Nasdaq Options Market,[7] and
- investigation and enforcement responsibilities for conduct occurring on Nasdaq's equity market only, *i.e.,* conduct not also on non-Nasdaq-affiliated equities markets.[8]

In March 2020, Nasdaq received Commission approval to reallocate operational responsibility from FINRA to Nasdaq Regulation for additional enforcement activity, namely the handling of certain contested disciplinary proceedings.[9] Specifically, Nasdaq requested and received authority to handle contested disciplinary proceedings arising out of Nasdaq-led investigation and enforcement activities that ''FINRA is unable or unwilling to handle due to strained resources or other similar limitations.'' [10] For those contested disciplinary proceedings over which Nasdaq did not request approval to assume operational responsibility, FINRA continues to litigate those matters under the Exchange's supervision.

b. Proposed Rule Change

Now the Exchange requests approval to (1) assume operational responsibility for litigating contested disciplinary proceedings arising out of Nasdaq-led investigations and enforcement activities, and (2) amend Rules 9131 and 9180[sic] (of General 5, the Nasdaq Discipline Rules) to grant Nasdaq Regulation the same authority as FINRA in contested disciplinary proceedings to serve complaints and memoranda of authority.

Reallocation of Operational Responsibility

The March 2020 Commission approval vested Nasdaq with the authority to litigate a subset of contested disciplinary proceedings pertinent to the Exchange (*i.e.,* those contested disciplinary matters arising out of Nasdaq-led investigations and enforcement activities that ''FINRA is unable or unwilling to handle due to strained resources or other similar limitations'').[11] This proposal expands Nasdaq's enforcement authority by enabling Nasdaq Regulation to litigate contested disciplinary proceedings arising out of Nasdaq-led investigations and enforcement activities in the first instance, regardless of FINRA's ability or willingness to handle the matter.

Nasdaq's assumption of broader operational responsibility for litigating contested disciplinary proceedings arising out of Nasdaq-led investigations and enforcement activities allows for the more immediate and efficient enforcement of federal securities laws and rules and Nasdaq's own rules. Nasdaq enjoys deep expertise in its own market structure and in surveillance on the Exchange. When a Nasdaq investigation identifies impermissible activity on its Exchange and Nasdaq cannot settle the matter with the responsible Nasdaq member, Nasdaq Regulation's assumption of the ability to litigate the contested disciplinary proceeding avoids the need for FINRA's Enforcement Department to familiarize itself with the Nasdaq-led investigation and consequently helps expedites the enforcement of Nasdaq's rules and the securities laws and rules with which Nasdaq members must comply.

The Exchange notes that this proposal would not change the disciplinary process or the procedural protections already afforded to Nasdaq members in contested disciplinary proceedings. For example, the rules applicable to the disciplinary process remain the same, and FINRA's Office of Hearing Officers

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

[4] Securities Exchange Act Release No. 53128 (January 13, 2006), 71 FR 3550, 3556 (January 23, 2006).

[5] Under Nasdaq Rule 9120(t), Nasdaq Regulation includes the Nasdaq Enforcement Department.

[6] Securities Exchange Act Release No. 85505 (April 3, 2019), 84 FR 14170, 14171 (April 9, 2016).

[7] As appropriate, Nasdaq Regulation coordinates with other SROs to avoid regulatory duplication in cross-market investigations, primarily through the Cross Market Regulation Working Group.

[8] With respect to the operational responsibilities described, Nasdaq Regulation already performed these functions for the Nasdaq PHLX LLC (''Phlx''), Nasdaq ISE, LLC (''ISE''), Nasdaq GEMX, LLC (''GEMX''), and Nasdaq MRX, LLC (''MRX'') because there is no comparable rule to Rule General 2, Section 7 on those markets. Nasdaq BX, Inc. (''BX''), which does have a comparable rule to Rule General 2, Section 7, received Commission approval to perform these functions in June 2019. *See* Securities Exchange Act Release No. 86051 (June 6, 2019), 84 FR 27387 (June 22, 2019).

[9] *See* Securities Exchange Act Release No. 88209 (February 13, 2020), 85 FR 9870 (February 20, 2020), as modified by Amendment No 1.; Securities Exchange Act Release No. 88516 (March 30, 2020), 85 FR 19042 (April 3, 2020).

[10] *Id.*

[11] *See supra* n. 9.

will continue to administer the hearing process for all contested disciplinary proceedings. Therefore, regardless of whether FINRA or the Exchange is responsible for litigating the matter, FINRA's Office of Hearing Officers will administer the hearing process.[12]

Nasdaq Rule General 2, Section 7 requires that Nasdaq obtain Commission approval if regulatory functions subject to RSAs in effect at the time that Nasdaq began to operate as a national securities exchange are no longer performed by FINRA or an affiliate thereof, or by another independent self-regulatory organization. Nasdaq believes that assuming operational responsibility for contested disciplinary proceedings arising out of Nasdaq-led investigations will further its regulatory program and benefit investors and the markets. Commission approval of the proposal would allow Nasdaq to deliver increased efficiencies in the regulation of its market and to more effectively and promptly regulate activity on its market.

Notwithstanding that approval, FINRA will continue to perform certain functions pursuant to a RSA,[13] including, among other things, the handling of certain contested disciplinary proceedings arising out of FINRA-led investigation and enforcement activities.[14]

Technical Amendments Permitting Nasdaq Regulation To Serve Complaints and Memoranda of Authorities

Nasdaq also proposes two technical updates to its Code of Procedure. Specifically, the proposed amendments will permit Nasdaq Regulation Department to serve (1) complaints and; (2) memoranda of authority in support of temporary cease-and-desist orders in contested disciplinary proceedings. Under the current rules, which Nasdaq adopted before the March 2020 rule change permitting Nasdaq Regulation to litigate certain contested disciplinary matters, only FINRA's Department of Enforcement may serve a respondent with either a complaint or a memorandum of authorities supporting a temporary cease-and-desist order. These technical amendments would avoid the need for FINRA to serve Nasdaq-authored complaints and memoranda of authority on respondents, streamlining litigation in contested disciplinary proceedings handled by Nasdaq Regulation. These technical amendments also align the two affected rules with the remainder of General 5 (the Nasdaq Discipline Rules), which rules grant Nasdaq Regulation and FINRA's Department of Enforcement equivalent powers.

Pursuant to Rule 9131(a) (contained in General 5), "a complaint shall be served on each Party by the [FINRA] Department of Enforcement." The proposed amendment would permit Nasdaq Regulation to also serve a complaint. Similarly, in contested disciplinary proceedings in which Nasdaq or FINRA seeks a temporary cease-and-desist order, Rule 9810(b)(2) (contained in General 5) permits only FINRA's Department of Enforcement to serve a memorandum of authorities in support of the temporary cease-and-desist request. This proposed amendment grants Nasdaq Regulation the same authority as FINRA's Department of Enforcement to serve a memorandum of authorities.

2. Statutory Basis

The Exchange believes that its proposals are consistent with Section 6(b) of the Act,[15] in general, and furthers the objectives of Section 6(b)(5) of the Act,[16] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

In addition, the Exchange believes that the proposals furthers the objectives of Section 6(b)(7) of the Act,[17] in particular, in that these changes will continue to provide for fair procedures for the disciplining of members and persons associated with members, the denial of membership to any person seeking membership therein, the barring of any person from becoming associated with a member thereof, and the prohibition or limitation by the Exchange of any person with respect to access to services offered by the Exchange or a member thereof.

The Exchange believes that its proposal is in keeping with those principles because it will ensure that contested matters retained by the Nasdaq Regulation Department are handled effectively, efficiently and with immediacy. Nasdaq will manage these cases directly in all instances, with Nasdaq retaining the option to refer cases to FINRA if Nasdaq's resources are constrained or if another circumstance warrants FINRA litigating a contested disciplinary proceeding under Nasdaq's supervision. This approach allows Nasdaq to take timely action when appropriate, enforce its rules, and uphold investor protection and market integrity. The proposed amendments, however, would not change or alter in any way the disciplinary processes around how contested matters are handled. Rather, they will result in more effective regulation because it will facilitate timely and more efficient action. Internalizing the litigation function in Nasdaq-led contested matters will also facilitate effective regulation because the Exchange will continue to bring to bear its overall market and surveillance expertise throughout the disciplinary proceedings. Permitting Nasdaq to serve (1) complaints and (2) memoranda of authority in support of temporary cease-and-desist orders are ministerial changes that will enable Nasdaq to more quickly and efficiently litigate contested disciplinary matters arising out of Nasdaq-led investigations.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is primarily administrative in nature and does not introduce any competitive concerns. Rather than addressing competitive issues, the purpose and effect of the proposed rule change is to enable Nasdaq to litigate contested disciplinary proceedings arising out of Nasdaq-led investigations and enforcement activities. Permitting Nasdaq to serve (1) complaints and (2) memoranda of authority in support of temporary cease-and-desist orders are ministerial changes and do not introduce any competitive concerns.

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

Within 45 days of the date of publication of this notice in the **Federal**

[12] FINRA's Office of Hearing Officers plays no role in uncontested disciplinary proceedings.

[13] In addition to work performed pursuant to a RSA, FINRA also performs work for matters covered by agreements to allocate regulatory responsibility under Rule 17d–2 of the Act.

[14] Although Nasdaq anticipates handling contested disciplinary proceedings arising out of Nasdaq-led investigations and enforcement activities, Nasdaq retains the right to refer particular matters arising out of Nasdaq-led investigations or enforcement activities to FINRA's Department of Enforcement to handle in appropriate circumstances.

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

[16] 15 U.S.C. 78f(b)(5).

[17] 15 U.S.C. 78f(b)(7).

Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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–2024–083 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–2024–083. 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 submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also 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–2024–083 and should be submitted on or before January 21, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[18]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2024–31340 Filed 12–27–24; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–101980; File No. SR–CboeEDGA–2024–050]

Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Update Its Fee Schedule Regarding Uncontrolled External Distributors

December 19, 2024.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on December 16, 2024, Cboe EDGA Exchange, Inc. (the "Exchange" or "EDGA") 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

Cboe EDGA Exchange, Inc. (the "Exchange" or "EDGA") proposes to update its Fee Schedule. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (*http://markets.cboe.com/us/equities/regulation/rule_filings/edga/*), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend the Market Data section of its Fee Schedule to adopt a new fee waiver for Uncontrolled External Distributors.[3] Particularly, the Exchange proposes to: (i) adopt a waiver of External Distribution fees for Uncontrolled External Distributors of the Summary Depth Feed and (ii) adopt fee waiver of External Distribution fees and Data Consolidation fees for Uncontrolled External Distributors of the Cboe One Summary Feed and Cboe One Premium Feed.[4]

EDGA Top and Summary Depth Data

By way of background, the Exchange offers the EDGA Top Data Feed, which is a data feed that offers top-of-book quotations and last sale information based on orders entered into the Exchange's System. The EDGA Top Data Feed benefits investors by facilitating their prompt access to real-time top-of-book information contained in EDGA Top Data. The Exchange's affiliated equities exchanges (*i.e.,* Cboe BYX, Inc. ("BYX"), Cboe BZX Exchange, Inc. ("BZX"), and Cboe EDGX Exchange, Inc. ("EDGX") (collectively, "Affiliates" and together with the Exchange, "Cboe Equities Exchanges") also offer similar top-of-book data feeds. Particularly, each of the Exchange's Affiliates offer top-of-book quotation and last sale information based on their own quotation and trading activity that is substantially similar to the information provided by the Exchange through the EDGA Top Data Feed.

In addition to EDGA Top Data Feed, the Exchange offers EDGA Summary Depth Data Feed, which is a data feed that offers aggregated two-sided quotations for all displayed orders

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[18] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] The Exchange initially adopted this fee waiver on December 2, 2024 (SR–CboeEDGA–2024–049). On December 16, 2024, the Exchange withdrew that filing and submitted this filing.

[4] For clarity, the Exchange also proposes to modify the applicable sections of its Fee Schedule for these data feeds to use numbered footnotes in lieu of asterisks.