All submissions should refer to file number SR–Phlx–2025–43. 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–Phlx–2025–43 and should be submitted on or before October 14, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–18253 Filed 9–19–25; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235–0067]

Agency Information Collection Activities; Proposed Collection; Comment Request; Extension: Form S–11—Registration Statement

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Form S–11 (17 CFR 239.18) is the registration statement form used to register securities issued in real estate investment trusts by issuers whose business is primarily that of acquiring and holding investment interest in real estate under the Securities Act of 1933 (15 U.S.C. 77a *et seq.*). The information collected is intended to ensure the adequacy of information available to investors in connection with securities offerings. We estimate that Form S–11 takes approximately 732.48 hours per response and is filed once per year by approximately 14 issuers, for a total of approximately 14 responses annually. We estimate that 25% of the 732.48 hours per response is carried internally by the issuer for annual reporting burden of 2,564 hours ((25% × 732.48 hours per response) × 14 responses). We estimate that 75% of the 732.48 hours per response is carried externally by outside professionals retained by the issuer at an estimated rate of $600 per hour for a total annual cost burden of $4,614,624 ((75% × 732.48 hours per response) × $600 per hour × 14 responses).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Written comments are invited on: (a) whether this proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Please direct your written comments on this 60-Day Collection Notice to Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Tanya Ruttenberg via email to *PaperworkReductionAct@sec.gov* by November 21, 2025. There will be a second opportunity to comment on this SEC request following the **Federal Register** publishing a 30-Day Submission Notice.

Dated: September 17, 2025.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–18242 Filed 9–19–25; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103989; File No. SR–NASDAQ–2025–072]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change To Amend the Exchange's Rules To Enable the Trading of Securities on the Exchange in Tokenized Form

September 16, 2025.

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 September 8, 2025, 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 and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend the Exchange's rules to enable the trading of securities on the Exchange in tokenized form. Specifically, proposed rules Equity 1, Section 1 and Equity 4, Rules 4756, 4757, and 4758 will clarify how Nasdaq trades tokenized securities.

The text of the proposed rule change is set forth below. Proposed new language is italicized; deleted text is in brackets.

* * * * *

The NASDAQ Stock Market LLC Rules

* * * * *

Equity Rules

EQUITY 1 EQUITY DEFINITIONS

Section 1 Equity Definitions

(a) When used in the Equity Rules, unless the context otherwise requires:

(1) No change.

(2) "Security" Unless the context requires otherwise, the term "security" shall mean a "security," *as that term is defined in section 3(a) (10) of the Securities Exchange Act of 1934, as amended, that is either* listed on the Exchange or traded on the Exchange pursuant to unlisted trading privileges. *A security may be traded in the Nasdaq Market Center in either traditional form (a digital representation of ownership*

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[20] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

and rights, but without utilizing distributed ledger (''blockchain'' technology)) or tokenized form (a digital representation of ownership and rights which utilizes blockchain technology). A share of a tokenized security shall be tradable in the Nasdaq Market Center together with, on the same Order Book as, and with the same execution priority as, its traditional counterpart, but only if the tokenized security is fungible with, shares the same CUSIP number with, and affords its shareholders the same material rights and privileges as does a share of an equivalent class of the traditional security.

* * * * *

EQUITY 4 EQUITY TRADING RULES

* * * * *

4756. Entry and Display of Quotes and Orders

(a) *Entry of Orders*—Participants can enter orders into the System, subject to the following requirements and conditions:

(1)–(4) No change.

(5) A Participant that wishes for its order to clear and settle in tokenized form shall notate its preference upon entry of the order in the System by selecting a flag that the Exchange designates for this purpose, in accordance with the Exchange's procedures. When a Participant enters an order with the tokenization flag selected, the Exchange will communicate the Participant's clearance and settlement instruction to The Depository Trust Company (''DTC''). DTC will then carry out the Participant's instruction in accordance with DTC's rules, policies, and procedures, or if it is unable to do so, it will make alternative clearing and settlement arrangements with the Participant.

(b) *Entry of Quotes*—Nasdaq Market Makers and Nasdaq ECNs can enter Quotes into the System from 4:00 a.m. to 8:00 p.m. Eastern Time. Quotes will be processed as Attributable Orders, with such time-in-force designation as the Nasdaq Market Maker or Nasdaq ECN may assign. Entry of Quotes will be subject to the requirements and conditions set forth in section (a) above.

* * * * *

4757. Book Processing

(a) Orders on the Nasdaq Book shall be presented for execution against incoming Orders in the order set forth below:

(1)–(4) No change.

(5) The mere fact that an order contains tokenized securities or indicates a preference to clear and settle securities in token form shall not affect the priority in which the Exchange executes that order.

* * * * *

4758. Order Routing

(a) *Order Routing Process*

(1) The Order Routing Process shall be available to Participants during System Hours, unless otherwise noted in these rules, and shall route orders as described below. All routing of orders shall comply with Rule 611 of Regulation NMS under the Exchange Act.

(A) The System provides a variety of routing options. Routing options may be combined with all available Order Types and Times-in-Force, with the exception of Order Types and Times-in-Force whose terms are inconsistent with the terms of a particular routing option. *When the Exchange routes an order that a Participant has designated for clearing and settlement in token form, in accordance with Rule 4756(a)(5), the Exchange will communicate this tokenization instruction to DTC upon receiving an execution for an order that was routed to another trading venue.* The System will consider the quotations only of accessible markets. The term ''*System routing table*'' refers to the proprietary process for determining the specific trading venues to which the System routes Orders and the Order in which it routes them. Nasdaq reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

* * * * *

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 purpose of the proposed rule change is to establish clearly that Nasdaq's member firms and investors may trade tokenized versions of equity securities and exchange traded products (''ETPs'') on the Exchange. The filing describes and applies to one method by which tokenized securities can trade on Nasdaq within the current national market system, using The Depository Trust Company (''DTC'') to clear and settle trades in token form, per order handing instructions that Participants may select upon entering their orders on Nasdaq.[3]

Background

Over time, U.S. equity markets have thrived while absorbing successive waves of technological innovations. Nasdaq ushered in the first wave in the 1970s. Before that time, shares of equity securities existed only in paper form as stock certificates, and stocks were quoted, traded, and physically transferred among buyers and sellers through manual processes. Nasdaq—originally an acronym which stood for the National Association of Securities Dealers Automated Quotations—revolutionized the markets by quoting and trading equity securities electronically (digitally) and in an automated fashion. Subsequent waves of technological innovation followed that were no less revolutionary. Advances in computing technologies led to the rise of sophisticated algorithmic trading strategies, high-volume proprietary trading firms, and electronic market making. Meanwhile, advances in telecommunications enabled trade execution times to shrink from hours to microseconds, and for the dissemination of market data to shift from daily distributions of basic prices lists to lighting fast and efficient disseminations of rich and actionable market insights using modern data transfer infrastructure, cloud computing, and other technical innovations.

Securities tokenization is another new technology with potential applications for the securities markets. Put simply, tokenization enables aspects of securities transactions (which again, already are digital) to be recorded on a blockchain—a digital ledger that is encrypted, distributed among its users, and maintained, validated, and secured collectively by its users to ensure its integrity and security and to resist tampering. Today, by contrast, the securities markets employ various

[3] Nasdaq is actively assessing multiple methods of tokenization and trading of tokenized securities. If the Exchange plans to adopt any particular alternative to the DTC approach, then to the extent necessary, it will file rule proposals with the Commission before doing so.

distinct and independent parties to perform these tasks, including trade matching, transferring, clearing, settlement, and custody services. These independent parties are highly regulated and trusted to protect investors. Today's system works extraordinarily well, it is already highly efficient and reliable, and it operates at little or no commission cost to retail investors.

Although tokenization technology presents novel capabilities by which to record evidence of securities ownership and transactions, the trading of tokenized securities can, and it must occur largely as Congress prescribed when it enacted and subsequently amended the Act. That is, such trading must occur in regulated markets, namely national securities exchanges, alternative trading systems, and at FINRA regulated broker-dealers. It also must occur within the context of an interconnected national market system, rather than in siloed trading venues where investors would have no consolidated sense of best market-wide prices and no assured access to such prices. Furthermore, such trading should occur in markets that feature independent and regulated intermediaries to manage the links in the securities transaction chain safely, soundly, and in a disinterested manner.[4]

The existing regulatory structure mandated by Congress applies to tokenized securities, regardless of whether such securities have certain unique properties (like the ability to be settled on a blockchain), much like it did when the SEC allowed securities to be decimalized and electronified and when exchange traded funds and other novel securities were approved decades ago. As in those cases, no significant exemptions or parallel market structure constructs are needed for tokenized securities to trade alongside other securities. As Commissioner Peirce stated recently, ''[t]okenized securities are still securities'' and ''market participants must consider—and adhere to—the federal securities laws when transacting in these instruments.''[5] It is within this context that Nasdaq offers its proposal to trade tokenized securities.

The Exchange believes the markets can use tokenization while continuing to provide the benefits and protections of the national market system. Wholesale exemptions from the national market system and related protections are neither necessary to achieve the goal of accommodating tokenization, nor are they in investors' best interests. To the contrary, they would harm investors and the markets since investors would lose access to portions of the market if platforms were not required to connect to the national market system or report trades. This would erode the National Best Bid and Offer (''NBBO''), a long-standing concern of many, including the SEC, increase fragmentation with liquidity pools not accessible to investors outside these platforms, and result in greater price dislocation.[6] Thus, the markets, the issuers, and investors would be blind to activity occurring on these platforms, which would hinder issuer's ability to understand stock price movements and even daily trading volume. It would also impact questions of best execution and investor protection.[7] Additionally, issuers would have no understanding of the total shares traded in any given day in their company's stock, further diminishing the strength of the public markets.[8]

Finally, we note that in Europe, trading of tokenized stocks is occurring in a manner that raises investor concerns. A few trading platforms are purporting to offer investors access to tokenized U.S. ''equities,'' but they are not providing investors with actual shares in U.S. companies. Instead (and likely contrary to the understanding of unsophisticated investors), they are providing investors with digitally tradable rights to traditional digital shares that the platforms themselves purchase and hold in their own accounts. These digital rights do not comprise the full extent of the rights to which owners of traditional digital shares are entitled, including voting rights and the rights to corporate assets upon liquidation; instead, they merely convey economic rights associated with shares—the right to realize appreciation and depreciation in the value of the shares.[9] Thus, a purchaser of these tokenized rights receives less value for their money than do purchasers of traditional digital securities.[10]

Although trading tokenized securities outside of the national market system would pose significant risks to the markets and investors, such risks need not occur. Nasdaq submits, as evidenced by this proposal, that only minor changes to existing rules and practice are necessary to accommodate the trading of tokenized securities and that granting broad exemptions would be unwarranted.[11]

Nasdaq's Flexible Approach

To tackle the challenge of trading tokenized equities, Nasdaq offers a simple and safe proposal that accommodates multiple approaches to

[4] Section 11A of the Act states that ''[t]he linking of all markets for qualified securities . . . will foster efficiency, enhance competition, increase the information available to brokers, dealers, and investors, facilitate the offsetting of investors' orders, and contribute to best execution of such orders'' such that Congress directed the Commission to ''use its authority under this chapter to facilitate the establishment of a national market system for securities (which may include subsystems for particular types of securities with unique trading characteristics) in accordance with the findings and to carry out the objectives set forth in paragraph (1) of this subsection.'' 15 U.S.C. 78K–1(a).

[5] Commissioner Hester M. Peirce, ''Enchanting, but Not Magical: A Statement on the Tokenization of Securities,'' available at *https://www.sec.gov/newsroom/speeches-statements/peirce-statement-tokenized-securities-070925.*

[6] Indeed, a recent news report validates these concerns as to tokens tracking two widely-held stocks—Apple and Amazon. These tokens experienced extreme price dislocations from the prices of their underlying stocks—a result that creates opportunities for retail investor exploitation as well as insider trading and manipulation. *See* Alexander Osipovich and Vicky Ge Huang, ''Want to Trade Amazon on Crypto Exchange? The Price Might Be Off by 300%,'' Wall Street Journal, July 15, 2025, available at *https://www.wsj.com/finance/stocks/tokenized-stocks-prices-crypto-exchanges-856ea114.*

[7] That lack of transparency is the current reality in Europe, which EU regulators are currently attempting to address with the creation of a consolidated tape. They view the US as a best-in-class example of providing a complete picture for issuers and investors of the trading activity and related price discovery in any given day, and they are now seeking to replicate our model. It would be detrimental to the underpinnings of our national market system to abandon that core aspect of our markets.

[8] As an operator of a primary listing exchange, Nasdaq is also concerned by the impact of tokenization on securities issuers. In Europe, trading of tokenized stocks is occurring in a manner that raises numerous concerns. For example, we understand that some digital asset trading platforms are offering shares of U.S. equities to European investors without the prior knowledge or consent of the issuers of those securities. When issuers list securities on national securities exchanges, they do so with the expectation that those securities will trade in a certain form and on certain markets. Nasdaq believes that tokenizing securities should not occur in a manner that deprives issuers of their ability to determine where and how their shares trade. Nasdaq is limited in its ability to afford issuers a choice as to whether their shares are or become tokenized by other markets. Nevertheless, we encourage the Commission to consider the issue as it develops a new regulatory regime for tokenized securities.

[9] *See* ''Kraken Launches xStocks for 24/5 Trading of 60 US Stocks,'' AInvest, June 30, 2025, available at *https://www.ainvest.com/news/kraken-launches-xstocks-24-5-trading-60-stocks-2506/.*

[10] As the Commission ponders whether to permit similarly structured products to be offered in the United States, Nasdaq encourages the Commission consider whether such products should be marketable as ''equities,'' ''shares,'' or ''stock'' or whether instead they should be labeled more accurately as derivative instruments or depository rights to avoid investor confusion.

[11] Nasdaq has previously noted the limitations inherent in the Commission's exemptive authority. *See* J. Zecca, ''Digital Assets Sandbox,'' dated June 6, 2025, at 6–7, available at *https://www.sec.gov/files/digital-assets-sandbox-comment-060625.pdf.*

tokenization. It is an approach that leverages existing structures and players and rules, rather than experimenting with radical new models that are untested in the context of listed securities and potentially detrimental to investors', issuers', and the markets' best interests.[12]

As noted above, Nasdaq proposes to trade tokenized equity securities and ETPs within the confines of existing securities laws and rules. In Nasdaq's proposal to trade tokenized securities, Nasdaq believes that all existing Commission and Nasdaq rules that currently apply to trading non-tokenized securities on the Nasdaq Stock Market will continue to apply, without modification, except as follows.

Order Entry and Processing

First, the Exchange proposes to amend its definition of a security, at Equity 1, Section 1, to announce that Exchange Participants may trade tokenized securities on the Exchange. The proposed rule change also clarifies that the term ''tokenized'' in this instance refers to digital representations of paper securities that utilize digital ledger or blockchain technology, as opposed to ''traditional'' securities, which are also digital representations of paper securities, but do not utilize blockchain technology. The proposal describes how the Exchange will trade tokenized securities, noting that as long as tokenized securities are fungible with, have the same CUSIP number as, and afford their holders the same material rights and privileges as do traditional securities of an equivalent class, then the Exchange will trade tokenized securities together with traditional securities on the same Order Book and according to the same execution priority rules. A tokenized equity security would be deemed to provide the same material rights and privileges as a traditional security if, among other things, it conveys an equity interest in an underlying company, a right to receive any dividends that the company issues to its shareholders, a right to exercise any voting rights that shareholders are due, and a right to receive a share of the residual assets of the company upon liquidation. The Exchange will not treat tokenized instruments to be equivalent to their traditional counterparts if they do not convey such rights, in whole or in material part, or share the same CUSIP, but instead the Exchange will treat these instruments as distinct (*e.g.,* derivative securities or ADRs).[13] The proposed amended rule text is as follows, with proposed changes italicized:

(2) ''*Security*'' Unless the context requires otherwise, the term ''security'' shall mean a ''security,'' *as that term is defined in section 3(a) (10) of the Securities Exchange Act of 1934, as amended, that is either* listed on the Exchange or traded on the Exchange pursuant to unlisted trading privileges. *A security may be traded in the Nasdaq Market Center in either traditional form (a digital representation of ownership and rights, but without utilizing distributed ledger (''blockchain'' technology)) or tokenized form (a digital representation of ownership and rights which utilizes blockchain technology). A share of a tokenized security shall be tradable in the Nasdaq Market Center together with, on the same Order Book as, and with the same execution priority as, its traditional counterpart, but only if the tokenized security is fungible with, shares the same CUSIP number with, and affords its shareholders the same material rights and privileges as does a share of an equivalent class of the traditional security.*

Second, the Exchange proposes to amend its Order Entry Rule, at Equity 4, Rule 4756, to describe how a market Participant can communicate its desire to clear and settle a security in tokenized form. The proposed amended Rule states that a Participant that wishes for its order to clear and settle in tokenized form must notate its preference upon entry of the order in the System by selecting a flag that the Exchange designates for this purpose, in accordance with the Exchange's procedures. When a Participant enters an order with the tokenization flag selected, the Exchange will communicate the Participant's order handling instruction to DTC (on a post-trade basis). DTC would then carry out the Participant's instruction in accordance with DTC's rules, policies, and procedures, or if it is unable to do so, it would make alternative clearing and settlement arrangements with the Participant.

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

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

Apart from the above, as far as Nasdaq's systems and matching engine are concerned, the Exchange's trading procedures and behavior will be the same regardless of whether a member opts to trade tokenized or traditional shares of a stock.[14] Among other things, the following aspects of Nasdaq's trading system and procedures will not change when trading tokenized securities:

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

A key benefit of Nasdaq's proposal is that it will readily allow for trading in tokenized securities to occur within the context of the national market system.

[12] *See* J. Zecca, ''What's in a Name? A Stock by Any Other Name . . .'' Nasdaq Inc.'s Response to ''There Must Be Some Way Out of Here,'' April 25, 2025, at 19–21, available at *https://www.sec.gov/files/ctf-written-input-nasdaq-042525.pdf* (discussing the risks of trading digital assets in Vertically Integrated and Direct-to-retail digital asset markets).

[13] This rule proposal does not address whether and how Nasdaq may choose to trade these non-fungible tokenized instruments in the future.

[14] Nasdaq's pricing structure and rates will not vary depending upon whether a transaction involves a share of a tokenized stock.

The Exchange's proposal will allow for tokenized securities to trade on its market in a transparent manner, without degrading the NBBO, without further fragmenting the national market system, without causing price dislocations or facilitating market manipulation, and without undermining the investor protections that existing securities law provide.

Tokenization and Post-Trade Processing

This proposal to offer trading in tokenized securities will become effective once the requisite infrastructure and post-trade settlement services have been established by DTC, with any required regulatory approvals having been obtained. Nasdaq understands that DTC is working to develop the necessary infrastructure, services, and procedures to facilitate such tokenization and the related post-trade settlement infrastructure and services.[15]

The following is a preliminary sense of the process that we understand DTC is contemplating for settling securities in token form. Nasdaq notes that the DTC process is subject to change, further refinement, regulatory review and approval, and would operate in accordance with DTC's rules, polices, and procedures. If a market Participant wants to settle a security in token form, then the Participant will submit an order handling instruction to the Exchange upon order entry. The Participant will do so by selecting a flag designated by the Exchange for this purpose. The Exchange will then convey the clearance and settlement instruction to DTC for execution on a post-trade basis. Nasdaq understands that the DTC process is expected to include transfer of the Participant's designated book-entry position from the Participant's DTC account to a DTC control account and then conversion to a corresponding position in token form that DTC would mint and deliver to the Participant's DTC-registered digital wallet on a blockchain, which DTC would track and reconcile against the control account.[16]

Nasdaq will alert its Members in an Equity Trader Alert at least 30 calendar days before the Exchange begins accepting tokenized securities for trading on its market.

Illustrative Example of Trading Tokenized Invesco QQQ on the Exchange

The following illustrates how Nasdaq will trade tokenized securities on its system. For purposes of this illustration, the Exchange uses the example of the Invesco QQQ Trust℠ ETP (the ''QQQ ETF'' or ''QQQ''), the shares of which its sponsor, Invesco Capital Management LLC (''Invesco''), intends to offer in tokenized form.[17]

An Exchange member wishing to place a displayed limit order in a tokenized share of QQQ on behalf of an investor would provide instructions to that effect when it enters the order into Nasdaq's system, as it otherwise would do. The Exchange would then process that order consistent with how it processes all orders in QQQ shares in terms of order entry protocols, order handling, priority, order matching, and trade reporting. All Exchange Order Types and Attributes that are otherwise available to a traditional QQQ order in a given scenario would likewise be available to the tokenized QQQ order. The Exchange would generate market data about the order in the same way that it does now. The tokenized QQQ order would be available to match contra orders for either tokenized or traditional shares of QQQ and would do so without any special priority relative to other orders in QQQ on the Exchange book. When a trade occurs involving the order in tokenized QQQ, the Exchange will report trade information to the SIP as it does now. Until Nasdaq implements its plan to enable securities to trade on its market on a 23/5 basis, tokenized shares of QQQ will not be available for trading on Nasdaq outside of regular and extended trading hours.

The post-trade settlement services, including the eligibility of a member's orders to be settled in tokenized form, will be determined by DTC's policies and procedures.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[18] in general, and furthers the objectives of Section 6(b)(5) of the Act,[19] 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.

It is consistent with the Act to permit members of the Exchange to trade tokenized securities. As explained above, investors increasingly demand the ability to own and trade tokenized versions of financial assets, including securities. Such capabilities are available increasingly in other jurisdictions and to more a limited extent, in the United States. Thus far, and as compared with other available solutions, Nasdaq submits that its proposal offers a means of trading tokenized securities that is consistent with Congressional intent while serving the best interests of issuers, investors, and the markets.

Most importantly, the proposal will involve trading tokenized securities on Nasdaq—the world's leading and most trusted market operator and provider of market technology. This means that the trading of tokenized securities that occurs on Nasdaq will be subject to the full panoply of SEC regulatory obligations and oversight, as well as Nasdaq rules, which together help to ensure that trading of all securities on Nasdaq is transparent, fair, orderly, equitable, and in the best interests of investors. Due to the application of the national market system rules, the prices of tokenized securities trading on Nasdaq will be transparent and they will both contribute to and account for the NBBO. Market makers on Nasdaq will provide two-sided liquidity, even in times of market stress. Broker-dealer members of the Exchange will have best execution obligations to investors when they execute trades of tokenized securities on Nasdaq. The Exchange itself will be subject to the rigors of Reg SCI to help ensure that tokenized securities trading occurs in a manner that is secure, dependable, and resilient as well as to ensure that Nasdaq is accountable for any failures to do so. Nasdaq's systems have a track record of reliably processing transactions in microseconds, even during recent periods of record-high volatility and message traffic. Nasdaq's world-class surveillance and enforcement capabilities—which are unique to national securities exchanges—also will be brought to bear to detect and address fraud and manipulation, should it occur.

Nasdaq's proposal will also avoid risks inherent in other tokenization approaches that would potentially fragment liquidity and isolate it to

[15] Multiple other forms of tokenization and clearance and settlement are under discussion. The proposed rule change is specific to the process that Nasdaq understands DTC is developing. However, Nasdaq will explore additional solutions as they develop, with the objective of accommodating as much tokenization technology as possible as efficiently as possible.

[16] Nasdaq understands that the DTC process may be available by the end of Q3 2026, subject to regulatory review and approval.

[17] Although Nasdaq discusses herein the trading of the Invesco QQQ ETF on the Exchange, this rule proposal would allow Nasdaq to trade other tokenized versions of securities. We anticipate that Invesco will file separately with the Commission to obtain any permission or exemptive relief necessary to have tokenized QQQ shares traded on the Exchange.

[18] 15 U.S.C. 78f(b).

[19] 15 U.S.C. 78f(b)(5).

particular trading platforms and blockchain technologies that are not interoperable. In such scenarios, tokenized securities would not trade freely across markets as they do now or access better prices. Moreover, the markets could suffer to the extent that isolated liquidity no longer links to the national market system and contributes to the NBBO.

Because this proposal to trade tokenized securities on Nasdaq will require Nasdaq to change very little from its existing structure and practices, which the Commission has approved and oversees, this proposal should not be controversial or a cause of concern.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange's proposal to trade tokenized securities on its market are neither intended to nor will they adversely impact competition. If anything, the Exchange expects that the proposed changes will promote competition by providing for the Nasdaq Stock Market to accommodate the demand for tokenized equity securities and ETPs among listed companies, market Participants, and investors. Nasdaq believes that its proposal will be particularly attractive because it will provide for the trading of tokenized equity securities in a manner that is familiar to market Participants and investors and which is consistent with existing laws and rules. Indeed, under Nasdaq's proposal, the extent to which market Participants (other than DTC) will need to modify their back-end systems and practices to accommodate tokenized securities trading should be minimal. Nasdaq notes that market Participants on the Exchange will remain free to trade, clear and settle securities in traditional form.

In any event, the Exchange operates in a highly competitive market in which market Participants can readily choose between competing venues if they deem participation in the Exchange's market to no longer be desirable or if they do not wish to trade tokenized securities. In such an environment, the Exchange must carefully consider the impact that any change it proposes may have on its Participants, understanding that it will likely lose Participants to the extent a change is viewed as unfavorable by them. Because competitors are free to modify the functionality and structure of their markets, including by availing themselves of the same capabilities that are being developed to trade tokenized securities, the Exchange believes that the degree to which its proposal imposes any burden on competition is limited. Last, to the extent the proposed change is successful in attracting additional market Participants or additional activity by existing Participants, the Exchange also believes that the proposed change will promote competition among trading venues by making the Exchange a more attractive trading venue for Participants and investors.

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 Register** or within such longer period up to 90 days (i) as the Commission may designate 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 will:

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–2025–072 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–2025–072. 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–2025–072 and should be submitted on or before October 14, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–18305 Filed 9–19–25; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103997; File No. SR–CBOE–2025–004]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of Amendment No. 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 2, To Add P.M.-Settled Options on the Cboe Bitcoin U.S. ETF Index and the Mini-Cboe Bitcoin U.S. ETF Index With Third Friday Expirations, Nonstandard Expirations, and Quarterly Index Expirations

September 17, 2025.

I. Introduction

On February 14, 2025, Cboe Exchange, Inc. (''Cboe'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to add p.m.-settled options on the Cboe Bitcoin U.S. ETF Index (''CBTX'') and the Mini-Cboe Bitcoin U.S. ETF Index (''MBTX'') with third Friday expirations, nonstandard expirations, and quarterly index expirations. The proposed rule change was published for comment in the **Federal Register** on March 5, 2025.[3] On

[20] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 102502 (Feb. 27, 2025), 90 FR 11343 (Mar. 5, 2025). The

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