

responses and Crossing Orders for all Members. The Exchange's proposal to amend Options 3, Section 9(a)(2) does not impose any burden on intermarket competition because Phlx treats auction orders, auction responses, and Crossing Orders in a similar manner during a trading halt.<sup>12</sup>

The Exchange's proposal to amend Options 7, Section 6 does not impose any burden on intramarket competition because no Member may transaction FX Options.

The Exchange's proposal to amend Options 7, Section 6 does not impose any burden on intermarket competition because other options markets offer FX Options such as Phlx.<sup>13</sup>

### *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**

Because the foregoing 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>14</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>15</sup>

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-ISE-2025-24 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-ISE-2025-24. 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 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-ISE-2025-24 and should be submitted on or before October 7, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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### **SECURITIES AND EXCHANGE COMMISSION**

[OMB Control No. 3235-0673]

#### **Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Rule 15c3-5**

*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" or "SEC") is submitting to the Office of Management and Budget ("OMB") this request for Extension of the proposed collection of information for Rule 15c3-5 (17 CFR 240.15c3-5) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) ("Exchange Act").

Rule 15c3-5 under the Exchange Act requires brokers or dealers with access to trading directly on an exchange or alternative trading system ("ATS"), including those providing sponsored or direct market access to customers or other persons, to implement risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks of this business activity.

The rule requires brokers or dealers to establish, document, and maintain certain risk management controls and supervisory procedures as well as regularly review such controls and procedures, and document the review, and remediate issues discovered to assure overall effectiveness of such controls and procedures. Each such broker or dealer is required to preserve a copy of its supervisory procedures and a written description of its risk management controls as part of its books and records in a manner consistent with Rule 17a-4(e)(7) under the Exchange Act. Such regular review is required to be conducted in accordance with written procedures and is required to be documented. The broker or dealer is required to preserve a copy of such written procedures, and documentation of each such review, as part of its books and records in a manner consistent with Rule 17a-4(e)(7) under the Exchange Act, and Rule 17a-4(b) under the Exchange Act, respectively.

In addition, the Chief Executive Officer (or equivalent officer) is required to certify annually that the broker or dealer's risk management controls and supervisory procedures comply with the rule, and that the broker-dealer conducted such review. Such certifications are required to be preserved by the broker or dealer as part of its books and records in a manner consistent with Rule 17a-4(b) under the Exchange Act. Compliance with Rule 15c3-5 is mandatory.

Respondents consist of broker-dealers with access to trading directly on an exchange or ATS. The Commission estimates that there are currently 500 respondents. To comply with Rule 15c3-5, these respondents will spend a total of approximately 80,000 hours per year (160 hours per broker-dealer × 500 broker-dealers = 80,000 hours). At an

<sup>12</sup> See *supra* note 4.

<sup>13</sup> See Phlx Options 4C.

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>15</sup> 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 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.

<sup>16</sup> 17 CFR 200.30-3(a)(12).

average internal cost per burden hour of approximately \$447.92, the resultant total related internal cost of compliance for these respondents is \$35,833,500 per year (80,000 burden hours multiplied by approximately \$447.92/hour). In addition, for hardware and software expenses, the Commission estimates that the average annual external cost would be approximately \$20,500 per broker-dealer, or \$10,250,000 in the aggregate (\$20,500 per broker-dealer × 500 brokers and dealers = \$10,250,000).

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 SEC, including whether the information will have practical utility; (b) the accuracy of the SEC's estimate of the burden imposed by the proposed collection of information, including the validity of the methodology and the assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated, electronic collection techniques or other forms of information technology.

The public may view and comment on this information collection request at: [https://www.reginfo.gov/public/do/PRAViewICR?ref\\_nbr=202507-3235-001](https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202507-3235-001) or email comment to [MBX.OMB.OIRA.SEC\\_desk\\_officer@omb.eop.gov](mailto:MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov) within 30 days of the day after publication of this notice, by October 17, 2025.

Dated: September 12, 2025.

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2025-17890 Filed 9-15-25; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103945; File No. SR-FINRA-2025-005]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To Amend the FINRA Capital Acquisition Broker ("CAB") Rules

September 11, 2025.

#### I. Introduction

On June 4, 2025, the Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend certain FINRA Capital Acquisition Broker Rules ("CAB Rules"). Specifically, the proposed rule change would amend the CAB Rules to: permit CABs to qualify, identify, solicit, or act as placement agents or finders on behalf of an issuer in connection with a sale of newly issued unregistered securities to an expanded scope of investors; allow CABs, in limited circumstances, to qualify, identify, solicit, or act as placement agents or finders on behalf of an institutional investor that seeks to sell unregistered securities that it owns; amend CAB Rule 328 to permit CAB associated persons to participate in private securities transactions, subject to the requirements of FINRA Rule 3280 (Private Securities Transactions of an Associated Person); codify existing FINRA guidance on CAB compensation; and replace a reference to a withdrawn SEC no-action letter with a reference to a corresponding Exchange Act provision.<sup>3</sup>

The proposed rule change was published for comment in the **Federal Register** on June 16, 2025.<sup>4</sup> The public comment period closed on July 7, 2025. The Commission received comment letters related to this filing.<sup>5</sup> On July 17, 2025, FINRA consented to extend until September 12, 2025, the time period in which the Commission must approve the proposed rule change, disapprove

the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change.<sup>6</sup>

The Commission is publishing this order pursuant to Section 19(b)(2)(B) of the Exchange Act<sup>7</sup> to institute proceedings to determine whether to approve or disapprove the proposed rule change.

#### II. Description of the Proposed Rule Change

##### A. Background

A capital acquisition broker ("CAB") is a FINRA member firm that limits its activities to certain specified functions: "essentially acting as placement agents for sales of unregistered securities to institutional investors; acting as intermediaries in connection with the change of control of privately held companies; and advising companies and private equity funds on capital raising and corporate restructuring."<sup>8</sup> CABs are not permitted to engage in broader broker-dealer activities, such as "accepting customers' trading orders, carrying customer accounts, handling customers' funds or securities, or engaging in proprietary trading or market-making."<sup>9</sup> In light of the limited CAB business model, FINRA permits eligible member firms to elect CAB status and supervision under the CAB Rules.<sup>10</sup> As compared to the FINRA rules applicable to non-CAB member firms, the CAB Rules impose "fewer restrictions" and "less extensive supervisory requirements" on CABs given their limited activities.<sup>11</sup>

##### B. The Proposed Rule Change

The proposed rule change addresses multiple aspects of the CAB Rules, and this Order addresses each proposed rule change in turn.

##### 1. Sales of Newly Issued Unregistered Securities

The CAB Rules currently permit a CAB to, among other things, "qualify[, identify[, solicit[, or act[ ] as a placement agent or finder [ ] on behalf of an issuer in connection with a sale of [newly issued], unregistered securities to institutional investors."<sup>12</sup> The

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Exchange Act Release No. 103216 (June 10, 2025), 90 FR 25396 (June 16, 2025) (File No. SR-FINRA-2025-005) ("Notice").

<sup>4</sup> See *id.*

<sup>5</sup> The comment letters are available at <https://www.sec.gov/comments/sr-finra-2025-005/srfinra2025005.htm>.

<sup>6</sup> See letter from Joseph Savage, Vice President and Associate General Counsel, FINRA (dated Jul. 17, 2025), <https://www.finra.org/sites/default/files/2025-07/sr-finra-2025-005-extension1.pdf>.

<sup>7</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>8</sup> Notice at 25396; see also CAB Rule 016(c) (identifying the limited functions of a CAB).

<sup>9</sup> Notice at 25396 (citing CAB Rule 016(c)(2)).

<sup>10</sup> *Id.*; see CAB Rules 112, 116(b).

<sup>11</sup> Notice at 25396.

<sup>12</sup> CAB Rule 016(c)(1)(F).