

SECURITIES AND EXCHANGE COMMISSION  
(Release 34-100839; File No. 10-242)

August 27, 2024

24X National Exchange LLC; Notice of Filing of Amendment No. 1 to an Application for Registration as a National Securities Exchange under Section 6 of the Securities Exchange Act of 1934

On February 6, 2024, 24X National Exchange LLC (“24X”) filed with the Securities and Exchange Commission (“Commission”) a Form 1 application under the Securities Exchange Act of 1934 (“Act”) seeking registration as a national securities exchange under Section 6 of the Act.<sup>1</sup> Notice of the application was published for comment in the Federal Register on March 4, 2024.<sup>2</sup> The Commission received comments on the Form 1<sup>3</sup> and a letter responding to the comments from 24X.<sup>4</sup> On May 31, 2024, the Commission instituted proceedings pursuant to Section 19(a)(1)(B) of the Act<sup>5</sup> to determine whether to grant or deny 24X’s application for registration as a national securities exchange under Section 6 of the Act (the “OIP”).<sup>6</sup> The Commission received comment letters in response to the OIP<sup>7</sup> and a letter responding to the OIP

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<sup>1</sup> 15 U.S.C. 78f.

<sup>2</sup> See Securities Exchange Act Release No. 99614 (Feb. 27, 2024), 89 FR 15621 (“Notice”).

<sup>3</sup> The public comment file for 24X’s Form 1 (File No. 10-242) is available on the Commission’s website at: <https://www.sec.gov/comments/10-242/10-242.htm>.

<sup>4</sup> See letter to Secretary, Commission, from David Sassoon, General Counsel, 24X, dated May 30, 2024 (“24X Letter”).

<sup>5</sup> 15 U.S.C. 78s(a)(1)(B).

<sup>6</sup> See Securities Exchange Act Release No. 100254 (May 31, 2024), 89 FR 48466 (Jun. 6, 2024).

<sup>7</sup> See letters to Secretary, Commission, from Richard Montone, JD/MBA student, Hofstra University, dated Jun. 26, 2024; Ellen Greene, Managing Director, Equity and Options Market Structure, Securities Industry and Financial Markets Association, dated Jun. 27, 2024; Benjamin L. Schiffrin, Director of Securities Policy, Better Markets, Inc., dated Jun. 27, 2024; Chris Nagy, Research Director, and Tyler Gellasch, President and Chief

and comments from 24X.<sup>8</sup> On August 21, 2024, 24X filed an amendment to its Form 1 application (“Amendment No. 1”).<sup>9</sup> The Commission is publishing this notice in order to solicit views of interested persons on 24X’s Form 1, as amended by Amendment No. 1.

I. Description of 24X’s Proposed Trading System

As described in the Notice, 24X proposes to significantly expand trading outside of regular trading hours<sup>10</sup> for NMS stocks by operating a national securities exchange 23 hours a day, seven days a week, 365 days a year, including holidays, subject to certain trading pauses.<sup>11</sup>

II. Amendment No. 1 to 24X’s Form 1

In Amendment No. 1, 24X proposes to revise Exhibit B-1 to: (1) revise proposed 24X Rule 1.5(c) (the definition of “24X Market Session”) to expressly condition the operation of the 24X Market Session;<sup>12</sup> (2) revise proposed 24X Rule 3.21 (“Customer Disclosures”) to provide

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Executive Officer, Healthy Markets Association, dated Jun. 28, 2024; Jeffrey M. Pasquerella, Chief Legal Officer, DriveWealth, LLC., dated Jun. 28, 2024; Joanna Mallers, Secretary, FIA Principal Traders Group, dated Jul. 26, 2024. The public comment file for 24X’s Form 1 (File No. 10-242) is available on the Commission’s website at: <https://www.sec.gov/comments/10-242/10-242.htm>.

<sup>8</sup> See letter to Secretary, Commission, from David Sassoon, General Counsel, 24X, dated Aug. 21, 2024 (“24X OIP Letter”).

<sup>9</sup> Amendment No. 1 is available on the Commission’s website at: <https://www.sec.gov/rules-regulations/other-commission-orders-notices-information/24x-form-1>.

<sup>10</sup> “Regular trading hours” is defined in Commission Rule 600(b)(88) as “the time between 9:30 a.m. and 4:00 p.m. Eastern Time.” 17 CFR 242.600(b)(88).

<sup>11</sup> See proposed 24X Rule 11.1 (describing the hours of trading and trading days for 24X).

<sup>12</sup> Specifically, Amendment No. 1 would revise the definition of “24X Market Session” in proposed Rule 1.5(c) to read, “(i) the time between 8:00 p.m. and 4:00 a.m. Eastern Time, (ii) any time that falls on a Saturday or a Sunday Eastern Time, (iii) any time that falls on one of the following U.S. holidays: New Year’s Day, Martin Luther King Jr. Day, Presidents’ Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day Eastern Time, or such other U.S. holiday(s) as published by the Exchange from time to time; provided,

greater specificity with regard to the additional risks of trading during the 24X Market Session; (3) revise proposed 24X Rule 11.2 (“Securities Eligible for Trading”) to eliminate restrictions on the classes of securities that would be eligible to become designated for trading on 24X during the 24X Market Session;<sup>13</sup> (4) revise paragraph (g) of proposed 24X Rule 11.9 (“Order Execution”) relating to the determination of the reference price for purposes of limit order price protection; (5) revise proposed 24X Rule 11.14 (“Clearly Erroneous Executions”) to delete subparagraph (d)(4) regarding calculation of the reference price when the proposed 24X price band would have been in effect during the 24X Market Session; and (6) revise proposed 24X Rule 11.15 (“24X Market Session Price Bands and Trading Halts, Suspensions and Pauses”) to delete all references to the proposed 24X price band and to clarify its rules relating to trading halts made in conjunction with trading halts on the primary listing market.<sup>14</sup>

In Amendment No. 1, 24X also proposes to revise proposed Exhibits C, C-2, D (including Exhibits D-1 through D-4), E, and E-1. More specifically, in Amendment No. 1, 24X proposes to (1) revise proposed Exhibit C to reflect 24X’s intention to enter into a technology services agreement with MEMX Technologies, LLC (“MEMX Technologies”) to license the technology underlying 24X from MEMX Technologies; (2) revise proposed Exhibit C-2 to update the number of authorized ownership units for 24X Bermuda Holdings LLC, the ultimate

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however, it shall not include any trading pauses as described in Rule 11.15(c). For the avoidance of doubt, notwithstanding anything to the contrary in these Rules, the Exchange shall not commence operation of the 24X Market Session unless (1) the equity data national market system plans have established a mechanism to collect, consolidate and disseminate quotation and transaction information during the 24X Market Session, or (2) the Securities and Exchange Commission has provided exemptive or other relief from the requirements under Rule 601, 602 and such plans (or their successors) applicable to the 24X Market Session.”

<sup>13</sup> In Amendment No. 1, 24X also proposes conforming changes to Exhibit N to reflect this revision.

<sup>14</sup> 24X also proposes a non-substantive correction to proposed Rule 11.21.

holding company for 24X; (3) revise proposed Exhibit D, including proposed Exhibits D-1 through D-4, to provide updated financial information on 24X's affiliates; and (4) revise proposed Exhibit E and E-1 to describe 24X's proposed compliance with Regulation Systems Compliance and Integrity, its arrangement with MEMX Technologies, and make other conforming changes to reflect Amendment No. 1.

### III. Request for Written Comment

The Commission requests that interested persons provide written views and data with respect to 24X's Form 1, as amended by Amendment No. 1. Comments may be submitted by any of the following methods:

#### Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number 10-242 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 10-242. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/other.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to 24X's Form 1, as amended by Amendment No. 1, filed with the Commission, and all written communications relating to the application 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 10:00 a.m. and 3:00 p.m. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from submissions. You should submit only information that you wish to make publicly available.

All submissions should refer to File Number 10-242 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>15</sup> 17 CFR 200.30-3(a)(71)(ii).