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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104204; File No. SR-PHLX-2025-58]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Remove the Exchange's Dedicated GPS Antenna Service Under General 8, Section 1(d)

November 18, 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 30, 2025, Nasdaq PHLX LLC ("Phlx" 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.

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

The Exchange proposes to remove the Exchange's dedicated GPS antenna service under General 8, Section 1(d) (Co-Location Services), as discussed further below.

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in

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

2 17 CFR 240.19b-4.

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 offers a Global Positioning System ("GPS") antenna, which allows customers that co-locate their servers and equipment within the Exchange's data center ("NY 11") in Carteret, NJ to synchronize their time recording systems to the U.S. Government's GPS network time (the "Service"). GPS network time is the atomic time scale implemented by the atomic clocks in the GPS ground control stations and GPS satellites. Each GPS satellite contains multiple atomic clocks that contribute precise time data to the GPS signals. GPS receivers decode these signals, synchronizing the receivers to the atomic clocks. A GPS antenna serves as a time signal receiver and feeds a primary clock device the GPS network time using precise time data. Firms can use the precise time data provided by the GPS antenna to time-stamp transactional information. Time synchronization services are well established in the U.S. and utilized in many areas of the U.S. economy and infrastructure. The Service is not novel to the securities markets, or to the Exchange.

Historically, the Exchange has offered connectivity to a GPS antenna via two options – over shared infrastructure or a dedicated antenna. The shared infrastructure provides GPS services through Nasdaq installed shared cables and hardware located within the data center, whereas the dedicated antenna requires the firm to supply their own privately owned antenna hardware. The installation fee for the shared connection is $900, and the monthly fee is $600. The installation fee for the dedicated connection is $1,500 and the monthly fee is $600. Firms may choose to purchase multiple time synchronization services for resiliency or otherwise.[3] The Exchange offers the Service as a convenience to firms to provide them with the ability to

[3] Of the Exchange's co-location customers that subscribe to the Service, approximately 5% of such co-location customers purchase both the dedicated and the shared options of the Service.

synchronize their own primary clock devices to GPS time via a shared GPS timing signal and time-stamp transactional information.[4] Firms do not receive an advantage by purchasing the Service from Nasdaq.

The Exchange proposes to remove the dedicated GPS antenna service from its co-location service offering. The decision to remove the dedicated GPS service option is consistent with the Exchange's project to equalize certain connections across its entire data center campus, including both its existing NY11 facility and the NY11-4 expansion (the "Equalization Project") and maintain adequate controls of all cables that run throughout the data center.[5] The Exchange has identified a risk where customers with a dedicated GPS antenna, which is located on the roof of the data center, may be able to circumvent the equalized infrastructure. In accordance with the Equalization Project's goal of ensuring that customers do not bypass the integrity of the equalized connections maintained throughout the data center, the Exchange is no longer allowing customers to order dedicated GPS antenna service as of September 30, 2025. Service for existing customers with a dedicated GPS antenna will terminate as of April 1, 2026, and all dedicated GPS antennas must be removed by such date. Customers that want to continue to utilize the Service can request the shared GPS antenna.

Currently, approximately 49% of the Exchange's co-location customers subscribe to the Service, most of which opt for the shared option. The Service is an optional product available to any firm that chooses to subscribe. Firms may cancel their subscription at any time. The Service simply provides time synchronization that may be utilized by firms to adjust their own time systems and time-stamp transactional information. The GPS antenna is offered on a completely voluntary basis. No customer is required to purchase the GPS antenna. Potential subscribers may subscribe to the Service only if they voluntarily choose to do so. It is a business decision of

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4 In offering the Service as a convenience to firms, the Exchange incurs certain costs, including costs related to the data center facility, hardware and equipment, and personnel.

5 See Securities and Exchange Act Release No. 34-101078 (Sept. 18, 2024), 89 FR 77937 (September 24, 2024) (SR-NASDAQ-2024-054) ("Co-Location Expansion Proposal").

each firm whether to subscribe to the Service or not. Customers do not receive an advantage by purchasing the Service from Nasdaq; the Exchange is merely providing access to GPS signals.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[6] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[7] in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange's proposed change to its connectivity service offering is reasonable in several respects. As a threshold matter, the Exchange is subject to significant competitive forces in the market for equity securities transaction services that constrain its pricing determinations in that market. The fact that this market is competitive has long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. Circuit stated as follows: "[n]o one disputes that competition for order flow is 'fierce.' … As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'…."[8]

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining

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6 15 U.S.C. 78f(b).

7 15 U.S.C. 78f(b)(4) and (5).

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

prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[9]

The Exchange believes that it is reasonable and equitable to remove the dedicated GPS antenna service and fee from its connectivity offerings because the service does not align with the Exchange's Equalization Project and the goal of maintaining the integrity of equalization within the Exchange's data center. The removal of the dedicated antenna is unlikely to burden the market because the purchase of the Service is optional for all categories of co-location customers and customers can discontinue the use of the Service at any time. Additionally, customers will maintain the option of utilizing the Service via the shared GPS antenna. Additionally, the proposed change is not unfairly discriminatory because the dedicated GPS service will be removed for all market participants and the option to utilize the shared Service will also be available for all market participants. As discussed above, approximately 49% of the Exchange's co-location customers subscribe to the Service and most of them opt for the shared antenna.

The Exchange believes that it is reasonable to provide existing customers with at least six months lead time to prepare to remove their dedicated antenna from the data center's roof before the service terminates. This provides co-location customers with sufficient time to remove their antennas from the data center and switch to the shared GPS antenna service before the direct GPS antenna service is terminated.

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. Nothing in the proposal imposes any burden on the ability of customers or other exchanges to compete. The

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9 Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) ("Regulation NMS Adopting Release").

Exchange operates in a highly competitive market in which exchanges and other vendors offer co-location services as a means to facilitate the trading and other market activities of those market participants who believe that co-location enhances the efficiency of their operations. Eliminating the dedicated GPS antenna services will not cause any burden on inter-market competition. Additionally, there is no burden to intra-market competition because the direct GPS antenna service is being terminated for all customers and the Exchange has provided all customers with the same timeline to terminate or convert to the shared GPS antenna service on a non-discriminatory basis. Use of any co-location service is completely voluntary, and each market participant can determine whether to use co-location services based on the requirements of its business operations.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[10]

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

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10 15 U.S.C. 78s(b)(3)(A)(ii).

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-PHLX-2025-58 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-PHLX-2025-58. 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-2025-58 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[11]

Sherry R. Haywood,

Assistant Secretary.

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[11] 17 CFR 200.30-3(a)(12).