



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105129; File No. SR-NASDAQ-2026-023]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposal to Amend the Exchange’s Anti-Internalization Functionality in Equity 4, Rule 4757, and to Extend the Implementation Date of the CORE FIX Order Entry Protocol

March 31, 2026.

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 March 30, 2026, 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.

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

The Exchange proposes to amend the Exchange’s anti-internalization functionality in Equity 4, Rule 4757, and to extend the implementation date of the CORE FIX order entry protocol.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 amend the Exchange’s anti-internalization functionality in Equity 4, Rule 4757. This functionality assists participants in reducing trading costs from unwanted executions that could result from the interaction of executable buy and sell trading interest from the same firm. Currently, Rule 4757(a)(4) provides that market participants using the CORE FIX³ or OUCH⁴ order entry protocols may assign to orders entered through a specific order entry port a unique group identification modifier that will prevent quotes/orders with such modifier from executing against each other (“Port-Level Anti-Internalization Functionality”). The Exchange now proposes to amend Rule 4757(a)(4) to also make the Port-Level Anti-Internalization Functionality available to market participants using the FIX⁵ and FLITE⁶ order entry protocols.

The Exchange notes that the Port-Level Anti-Internalization Functionality is already currently available to market participants using the FLITE order entry protocol. Therefore, the Exchange is proposing to amend Rule 4757(a)(4), in part, to bring its rulebook in line with its current practice in this regard. Because the Exchange is already offering this functionality to

³ CORE FIX is a proprietary order entry protocol. See Nasdaq Equity 4, Rule 4702(a).

⁴ OUCH is a proprietary order entry protocol. See id.

⁵ FIX is a non-proprietary order entry protocol. See id.

⁶ FLITE is a proprietary order entry protocol. See id.

market participants using the FLITE order entry protocol, the proposed rule change with regard to these market participants will become operative 30 days after this proposed rule change is filed. Meanwhile, the Exchange intends to begin offering the Port-Level Anti-Internalization Functionality to market participants using the FIX order entry protocol before the end of 2026. The Exchange will issue an Equity Trader Alert ahead of the implementation of this functionality for market participants using the FIX order entry protocol.

Finally, in 2025 the Exchange announced its intention to implement CORE FIX, a new order entry protocol, by the third quarter of 2025.⁷ Due to re-prioritization of the Exchange's product pipeline, the Exchange now proposes to implement CORE FIX before the end of 2026. The Exchange will issue an Equity Trader Alert ahead of the implementation of CORE FIX on the Exchange.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ 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.

As a preliminary matter, the Exchange notes that the Port-Level Anti-Internalization Functionality is not novel. Rule 4757(a)(4) already makes this functionality available to market participants who use the OUCH order entry protocol. The rule also provides that this functionality will be available to market participants who use the CORE FIX order entry protocol, when that protocol is implemented on the Exchange. What the Exchange is now proposing is to also make this specific functionality available to market participants who use the

⁷ See Securities Exchange Act Release No. 102661 (Mar. 13, 2025), 90 FR 12858 (Mar. 19, 2025) (File No. SR-NASDAQ-2025-027).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

FIX order entry protocol, and to have the rule reflect the reality that this functionality is currently available to market participants who use the FLITE order entry protocol.

The proposal is consistent with the Act and is designed to remove impediments to and perfect the mechanism of a free and open market and a national market system, because it is extending the existing Port-Level Anti-Internalization Functionality to market participants who use the FIX order entry protocol. This proposal is also consistent with the Act and is designed to promote just and equitable principles of trade and to protect investors and the public interest, because it ensures that the Exchange's rulebook accurately reflects that market participants who use the FLITE order entry protocol are already able to use the Port-Level Anti-Internalization Functionality. Extending this anti-internalization functionality to market participants who use the FIX order entry protocol, and clarifying that this functionality is already available to market participants who use the FLITE order entry protocol, will help market participants choose the most appropriate order entry protocol to achieve their trading objectives.

Finally, extending the implementation date of the CORE FIX order entry protocol is designed to promote just and equitable principles of trade and to protect investors and the public interest, because it gives notice to market participants that this protocol is not yet available, but that the Exchange remains committed to implementing this protocol before the end of 2026.

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. As a general principle, the proposed changes are reflective of the significant competition among exchanges and non-exchange venues for order flow. In this regard, a proposed change that expands and clarifies the availability of the Exchange's Port-Level Anti-Internalization Functionality is pro-competitive because it bolsters the efficiency, functionality, and overall attractiveness of the Exchange in an absolute sense and relative to its peers. Moreover, the proposed changes will not unduly burden intra-market competition among various Exchange participants. Participants will

experience no competitive impact from this proposal, as the Port-Level Anti-Internalization Functionality remains completely optional, and market participants are free to use any of several order entry protocols if they wish to avail themselves of this functionality. Finally, the Exchange does not believe that the extension of time to implement the CORE FIX order entry protocol will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, because market participants remain free to use any of the other order entry protocols that the Exchange offers.

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 Act¹⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹¹

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.

¹⁰ 15 U.S.C. 78s(b)(3)(A)(iii).

¹¹ 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.

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-2026-023 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-2026-023. 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-2026-023 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.¹²

Sherry R. Haywood,

Assistant Secretary.

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¹² 17 CFR 200.30-3(a)(12).