



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105481; File No. SR-24X-2026-16]

### **Self-Regulatory Organizations; 24X National Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Allow Sponsored Participants to be Joint Participants in the Warrant Performance Incentive Program**

May 13, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on April 30, 2026, 24X National Exchange LLC (“24X” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 its warrant performance incentive program to allow Sponsored Participants<sup>3</sup> to be joint Participants in the warrant performance incentive program together with a Sponsoring Member of the Exchange.<sup>4</sup> The proposed rule change is available on the Exchange’s website at <https://equities.24exchange.com/regulation> and at the principal office of the Exchange.

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

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

<sup>3</sup> See 24X Rules 1.5(ee) and 11.3(b).

<sup>4</sup> See 24X Rule 1.5(ff).

## 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 self-regulatory organization 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 those 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 parts of such statements.

### A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

The Exchange adopted a warrant performance incentive program (“Program”) to allow Members of the Exchange who participate in the Program (“Member Participants”) to earn the right to purchase Non-Voting Common Units<sup>5</sup> of 24X US Holdings LLC (“24X US Holdco”), the Exchange’s parent company.<sup>6</sup> As described in the Warrant Program Release, each Member of the Exchange may become a Member Participant in the Program by prepaying \$500,000 in Exchange fees (“Prepayment Fee”) and satisfying the Program eligibility requirements. Upon joining the Program, each Member Participant will receive a warrant that vests based on the Member Participant’s achievement of certain minimum trading volumes (“Target Volume”)<sup>7</sup> on the Exchange during each designated pre-determined period in which the Program is in effect (“Measurement Period”)<sup>8</sup> and the Exchange’s achievement of a minimum market share during

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<sup>5</sup> 24X filed a proposed rule change for immediate effectiveness to amend the Limited Liability Company Agreement of 24X US Holdings LLC, as amended (“24X US Holdco LLC Agreement”) to accommodate aspects of the proposal that affect the 24X US Holdco LLC Agreement. The changes to the 24X Holdco LLC Agreement include amendments to authorize the issuance of Non-Voting Common Units as well as the implementation of the liquidity program related to the Program. Securities Exchange Act Release No. 104098 (Sept. 26, 2025), 90 Fed. Reg. 47029 (Sept. 30, 2025) (SR-24X-2025-11).

<sup>6</sup> Securities Exchange Act Release No. 104018 (Sept. 23, 2025), 90 Fed. Reg. 46437 (Sept 26, 2025) (SR-24X-2025-04) (“Warrant Program Release”).

<sup>7</sup> As discussed in more detail in the Warrant Program Release, the “Target Volume” is 5% of the average daily trading volume on the Exchange, where the daily trading volume is calculated based on total aggregated average daily volume traded over each Measurement Period. *See* Warrant Program Release at 46439-46440.

<sup>8</sup> The Warrant Program Release set forth certain Measurement Periods. However, 24X filed a proposed rule change for immediate effectiveness to revise certain dates for the Program. Securities Exchange Act

such Measurement Periods (“24X Minimum Overall Market Share”).<sup>9</sup> When the warrants vest, Member Participants will have the right to exercise the warrants to purchase a certain number of 24X US Holdco Non-Voting Common Units.

As described in the Warrant Program Release, to be eligible to be a Member Participant, an applicant must (i) be a Member<sup>10</sup> in good standing<sup>11</sup> of 24X; (ii) be a registered broker-dealer pursuant to Section 15 of the Exchange Act;<sup>12</sup> (iii) qualify as an “accredited investor” as such term is defined in Regulation D of the Securities Act of 1933;<sup>13</sup> (iv) have executed the required documentation for participation in the Program (the subscription agreement and confidentiality agreement, each between the Member and the Exchange); and (v) tendered the Prepayment Fee no later than October 10, 2025 to participate in the Program at its commencement, or by the first day of each subsequent quarter of the Program Period to participate in the Program as of such subsequent quarter until October 1, 2027.<sup>14</sup> Once an eligible applicant for the Program has executed all required documentation for participation in the Program and has paid the

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Release No. 104257 (Nov. 25, 2025), 90 Fed. Reg. 55207 (Dec. 1, 2025), (“Revised Program Dates Release”). As discussed in more detail in the Warrant Program Release and the Revised Program Dates Release, the Measurement Period for Year 1 (2025) is October 14, 2025 through December 31, 2025; the Measurement Periods for Year 2 (2026) are (1) January 1 – March 31, 2026, (2) April 1 – June 30, 2026, (3) July 1 – September 30, 2026, and (4) October 1 – December 31, 2026; and the Measurement Periods for Year 3 (2027) are (1) January 1 – March 31, 2027, (2) April 1 – June 30, 2027, (3) July 1 – September 30, 2027, and (4) October 1 – December 31, 2027. *See* Warrant Program Release at 46437; Revised Program Dates Release at 55207.

<sup>9</sup> As discussed in more detail in the Warrant Program Release, 24X Minimum Overall Market Share is defined as follows: (1) for each Measurement Period of Year 2, the 24X Minimum Overall Market Share is 0.50% of the Consolidated Average Daily Volume (“CADV”) for all NMS Stocks eligible for trading on 24X; and (2) for each Measurement Period of Year 3, the 24X Minimum Overall Market Share is 1.00% of the CADV for all NMS Stocks eligible for trading on 24X. *See* Warrant Program Release at 46439.

<sup>10</sup> *See* 24X Rule 1.5(u).

<sup>11</sup> For these purposes with regard to the Program, the term “good standing” means that a Member is not delinquent with respect to Exchange fees or other charges and is not suspended or barred from being a Member.

<sup>12</sup> 15 U.S.C. 78o.

<sup>13</sup> The purpose of this criterion relates to the ability of 24X US Holdco to sell securities (in this case, Non-Voting Common Units) pursuant to an exemption from registration under the Securities Act of 1933. The definition of “accredited investor” under Rule 501(a)(1) of the Securities Act of 1933 includes any broker or dealer registered pursuant to Section 15 of the Act. As noted above, a Member Participant will be required to be registered as a broker or dealer pursuant to Section 15 of the Exchange Act. Therefore, all Member Participants will satisfy this criterion.

<sup>14</sup> *See* Warrant Program Release at 46437-46438.

Prepayment Fee no later than October 10, 2025 (or by the first day of subsequent quarters for the rolling application process as discussed above), the applicant would be accepted into the Program as a Member Participant and granted a warrant.

The Exchange proposes to amend the Program to allow Sponsored Participants, as defined in Exchange Rules 1.5(ee) and 11.3(b), to participate in the Program together with a Sponsoring Member<sup>15</sup> (“Joint Participants”). All other aspects of the Program would remain the same as described in the Warrant Program Release (as updated via the Revised Program Dates Release). A Sponsoring Member of the Exchange and a Sponsored Participant may together participate in the Program as follows. A Sponsoring Member and the corresponding Sponsored Participant will together be deemed a Joint Participant in the Program for so long as the Sponsoring Member (i) is a Member<sup>16</sup> in good standing<sup>17</sup> of 24X; (ii) is a registered broker-dealer pursuant to Section 15 of the Exchange Act;<sup>18</sup> and (iii) qualifies as an “accredited investor” as such term is defined in Regulation D of the Securities Act of 1933;<sup>19</sup> and so long as the Sponsored Participant: (i) fulfills the provisions of Exchange Rule 11.3(b); (ii) qualifies as an “accredited investor” as such term is defined in Regulation D of the Securities Act of 1933; (iii) has executed the required documentation for participation in the Program (the subscription agreement, warrant agreement, and confidentiality agreement, each between the Sponsored Participant and the Exchange); (iv) has caused to be tendered (by the Sponsoring Member) the Prepayment Fee no later than the first day of each calendar quarter of the Program Period to participate in the Program as of such quarter;<sup>20</sup> and (v) has identifiable trading volume on the

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<sup>15</sup> See 24X Rule 1.5(ff).

<sup>16</sup> See 24X Rule 1.5(u).

<sup>17</sup> See *supra* note 12.

<sup>18</sup> 15 U.S.C. 78o.

<sup>19</sup> See *supra* note 14.

<sup>20</sup> If a Sponsoring Member has already tendered the Prepayment Fee on its own behalf in the process of becoming a Member Participant, such Prepayment Fee will only be attributed to the Sponsoring Member and not to any Sponsored Participants that wish to jointly participate in the Program. In the case that a Sponsoring Member that is already a Member Participant in the Program wishes to additionally jointly

Exchange that is directly attributable to the Sponsored Participant. Even though the Sponsoring Member and the Sponsored Participant will together constitute a Joint Participant in the Program, volume thresholds must exclusively be met by the Sponsored Participant and the warrant granted in connection with the Program will only be issued to the Sponsored Participant. In the case that multiple Sponsored Participants desire to participate in the Program together with the same Sponsoring Member, the above requirements must be met by each particular Sponsored Participant. For the avoidance of doubt, a Sponsoring Member that chooses to participate in the Program together with a Sponsored Participant will not be precluded from also participating in the Program on its own as long as it meets the Member Participant requirements as described above, including tendering of the Prepayment Fee on its own behalf.<sup>21</sup>

The proposal to allow Sponsored Participants to participate in the Program has similarities with the operation of the equity rights program of MIAX Pearl, LLC (“MIAX Pearl”) which has allowed the participation of corporate affiliates of its members in order to attract liquidity providers.<sup>22</sup> In that program, corporate affiliates of MIAX Pearl members may jointly participate together with members and may combine trading volume in order to meet the program’s volume thresholds.<sup>23</sup> The Exchange’s proposal does not contemplate volume sharing or the participation of corporate affiliates of Members, but would permit Sponsored Participants to participate in the Program based on their relationship with Sponsoring Members for the purpose of increasing liquidity to the Exchange. MIAX Pearl also allows corporate affiliates of members to independently participate in its program,<sup>24</sup> which the Exchange does not contemplate for Sponsored Participants at this time.

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participate in the Program together with a Sponsored Participant, the Sponsoring Member must tender an additional Prepayment Fee for each such Sponsored Participant.

<sup>21</sup> *See id.*; *see supra* note 15.

<sup>22</sup> *See* Securities Exchange Act Release No. 83012 (Apr. 9, 2018), 83 Fed. Reg. 16163 (Apr. 13, 2018) (SR-PEARL-2018-08).

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

## 2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Exchange Act<sup>25</sup> in general, and furthers the objectives of Section 6(b)(5) of the Exchange Act<sup>26</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) of the Exchange Act<sup>27</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Exchange Act,<sup>28</sup> which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

The Exchange believes that its proposal to allow Sponsored Participants to participate in the Program together with a Sponsoring Member of the Exchange is fair, reasonable and not unfairly discriminatory because it is being offered to all Sponsoring Members of the Exchange and corresponding Sponsored Participants on the same terms and conditions. Also, the Exchange believes that allowing Sponsored Participants to jointly participate in the Program expands access to the Program to Sponsored Participants that could not otherwise participate in the Program on their own, which will benefit all market participants by providing greater liquidity on the Exchange, all of which perfects the mechanism for a free and open market and national market system.

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<sup>25</sup> 15 U.S.C. 78f.

<sup>26</sup> 15 U.S.C. 78f(b)(5).

<sup>27</sup> *See id.*

<sup>28</sup> 15 U.S.C. 78f(b)(4).

In addition, the Program as amended by this proposed rule change would promote the long-term interests of the Exchange by providing incentives designed to encourage 24X market participants to contribute to the growth and success of the Exchange via actively providing liquidity on the 24X market, and to provide additional investment and funding which could be used for the regulation and operation of the Exchange. The Exchange believes that the additional funds provided by participation of Sponsored Participants would enable the Exchange to have greater capacity to carry out the purposes of the Act and to comply with the provisions of the Act, the rules and regulations thereunder, and the rules of the Exchange, and, in turn, would protect investors and the public interest.

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

The Exchange believes that the Program as amended by this proposed rule change will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The Exchange believes that the Program as amended by this proposed rule change would further increase both intermarket and intramarket competition by incentivizing both Member Participants and the new category of Joint Participants to direct their orders to the Exchange, which will enhance the quality of quoting and increase the volume of securities traded on the Exchange. To the extent that this purpose is achieved, the Exchange believes that all of the Exchange's market participants would benefit from the improved market liquidity. Enhanced market quality and increased transaction volume that results from the anticipated increase in order flow directed to the Exchange would benefit all market participants and improve competition on the Exchange.

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

No written comments were solicited or received with respect to the proposed rule change.

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)<sup>29</sup> of the Act and subparagraph (f)(2) of Rule 19b-4 thereunder,<sup>30</sup> because it establishes a due, fee, or other charge imposed by the Exchange. 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 under Section 19(b)(2)(B)<sup>31</sup> of the Act to determine whether the proposed rule change 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-24X-2026-16 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-24X-2026-16. 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

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<sup>29</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>30</sup> 17 CFR 240.19b-4(f)(2).

<sup>31</sup> 15 U.S.C. 78s(b)(2)(B).

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-24X-2026-16 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.<sup>32</sup>

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

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<sup>32</sup> 17 CFR 200.30-3(a)(12).