be submitted on or before December 12, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[29]

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–98955; File No. SR–Phlx–2023–49]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Shorten the Standard Settlement Cycle

November 15, 2023.

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 November 14, 2023, Nasdaq PHLX LLC (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II 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 Phlx Rules at Equity 11, Sections 6 (Ex-dividend, Ex-rights) and Section 7 (Ex-warrants) to conform them to the Commission's amendment to Rule 15c6–1(a) of the Act[3] to shorten the standard settlement cycle for most broker-dealer transactions from two business days after the trade date (''T+2'') to one business days after the trade date (''T+1'').

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/phlx/rules,* at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

Effective May 5, 2023, the Commission adopted rule amendments to shorten the standard settlement cycle for most broker-dealer transactions from T+2 to T+1.[4] In light of the recently adopted rule amendments to Rule 15c6–1(a) of the Act to require standard settlement no later than T+1, Phlx proposes to amend its rules pertaining to securities settlement by, among other things, amending the definition of ''standard'' settlement as occurring on T+1.

Specifically, Phlx proposes to amend Equity 11, Sections 6 (Ex-dividend, Ex-rights) and Section 7 (Ex-warrants). The details of the proposed rule changes are described below.

Equity 11, Section 6

Equity 11, Section 6, Ex-dividend, Ex-rights, currently provides that transactions in stocks (except for those made for cash) shall be ex-dividend or ex-rights on the first business day preceding the record date fixed by the corporation or the date of the closing of transfer books thereof. It also provides that if the record date or closing of transfer books occurs on a day other than a business day, the transaction will be ex-dividend or ex-rights on the second preceding business day.

The Exchange proposes to amend Equity 11, Section 6 to shorten the time frames by one business day. With this change the ex-dividend or ex-right date would be the same business day as the record date if the record date falls on a business day, or the first business day preceding the record date if the record date falls on a day other than a business day. Additionally, transactions in stocks made for ''cash'' would be ex-divided or ex-rights on the same business day as the record date or date of closing of transfer books.

Equity 11, Section 7

Equity 11, Section 7, Ex-warrants, currently provides that transactions in securities which have subscription warrants attached (except those made for cash) shall be ex-warrants on the first business day preceding the date of expiration of the warrants, except that when the date of expiration occurs on a day other than a business day, the transactions will be ex-warrants on the second business day preceding the date of expiration.

The Exchange proposes to amend Equity 11, Section 7 to shorten the time frames by one business day. With this change, transactions in securities which have subscription warrants attached (except those made for ''cash'') shall be ex-warrants on the same business day preceding the date of expiration of the warrants, except that when the date of expiration occurs on a day other than a business day, said transactions shall be ex-warrants on the first business day preceding said date of expiration.

Implementation

The operative date of this proposed rule change will be Tuesday, May 28, 2024, which is the compliance date specified in the Commission's amendment to Rule 15c6–1(a) of the Act[5] to require standard settlement no later than T+1.[6] With the implementation of the T+1 settlement cycle, the ex-dividend date for ''normal'' distributions pursuant to Equity 11, Section 6 will be the same business day as the record date. Accordingly, Phlx proposes to interpret Equity 11, Section 6 so that the first record date to which this new ex-dividend date rationale will be applied will be Wednesday, May 29, 2024. During the implementation of the T+2 settlement cycle, the ''regular'' ex-dividend dates will be as follows:

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[29] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 96930, Investment Advisers Act Release No. 6239 (February 15, 2023), 88 FR 13872 (March 6, 2023) (''T+1 Adopting Release'').

[4] *See supra* note 3.

[5] *See supra* note 3.

[6] *See supra* note 3. Transactions with a trade date of Friday, May 24, 2024 would settle on Wednesday, May 29, 2024 because these transactions occurred before the rule was effective and continue to settle two days after the trade date. Additionally, transactions with a trade date of Tuesday, May 28, 2024 would also settle on Wednesday, May 29, 2024 because these transactions occurred when the T+1 rule was effective and would settle one day after the trade date. Of note, May 27, 2024 is Memorial Day and not a business day counted for purposes of settlement.

Record Date May 24, 2024.	Ex date May 23, 2024.
Record Date May 28, 2024.	Ex date May 24, 2024.
Record Date May 29, 2024.	Ex date May 29, 2024.*

* May 27, 2024 is Memorial Day and not a business day.

By way of explanation, a record date of Friday, May 24, 2024 would be a date prior to the effective date of the adopted T+1 rules. Current Rule 1140(b) [sic] would apply to this record date, and, therefore, the ''ex-dividend date'' would be the first business day preceding the record date or Thursday, May 23, 2024. Monday, May 27, 2024 is Memorial Day is a federal holiday and not a business day; there would be no record date on a holiday. As noted above, Phlx proposes to interpret Rule 11140(b)(1) so that the first record date to which this new ex-dividend date rationale will be applied would be Wednesday, May 29, 2024. Therefore, a record date of Tuesday, May 28, 2024 would fall under current Rule 1140(b) [sic] and the first business day preceding the record date would be Friday, May 24, 2024. Finally, as noted above, Wednesday, May 29, 2024 is the first record date pursuant to the new T+1 rules, therefore, proposed Rule 1140(b) [sic] applies to this date and the ''ex-dividend date'' would be the same business day as the record date (May, 29, 2024).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[7] in general, and furthers the objectives of Section 6(b)(5) of the Act,[8] in particular, in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, and, in general, to protect investors and the public interest. The proposed rule change seeks to conform Phlx's rules with the adopted rule amendments to shorten the standard settlement cycle for most broker-dealer transactions from T+2 to T+1.[9] The proposal is consistent with the Commission's amendment to Rule 15c6–1(a) of the Act to require standard settlement no later than T+1. This proposal will provide Phlx members with regulatory certainty as to the settlement cycle that will be utilized to settle transactions executed on the Exchange.

As noted herein, Phlx will announce the operative date of the proposed rule change in an Equity Regulatory Alert, which date would correspond with the industry-led transition to a T+1 standard settlement, and the compliance date of the Commission's amendment to Rule 15c6–1(a) of the Act to require standard settlement no later than T+1.

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. The proposal amends Phlx's rules pertaining to securities settlement and is intended to facilitate the implementation of the industry-led transition to a T+1 settlement cycle. The shortened settlement cycle will apply uniformly to all contracts for the purchase or sale of a security (other than exempted securities) that provide for payment of funds and delivery of securities that occur on Phlx or other self-regulatory organizations.[10] Moreover, the proposal is consistent with the Commission's amendment to Rule 15c6–1(a) of the Act to require standard settlement no later than T+1. Accordingly, Phlx believes that the proposed amendments do not impose any intra-market or inter-market burdens on competition because the amendments conform Phlx's rules with the adopted rule amendments to shorten the standard settlement cycle for most broker-dealer transactions from T+2 to T+1.[11] Specifically, the proposed amendments include changes to rules that specifically establish the settlement cycle as well as rules that establish time frames based on settlement dates, including for certain post-settlement rights and obligations.

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[12] and subparagraph (f)(6) of Rule 19b–4 thereunder.[13]

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.* Please include file number SR–Phlx–2023–49 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–2023–49. 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 submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the

[7] 15 U.S.C. 78f(b).

[8] 15 U.S.C. 78f(b)(5).

[9] *See supra* note 3.

[10] Of note, pursuant to (a) and (d) of Rule 15c6–1, the parties may expressly agree to a different settlement date at the time of the transaction.

[11] *See supra* note 3.

[12] 15 U.S.C. 78s(b)(3)(A)(iii).

[13] 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.

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 a.m. and 3 p.m. 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–Phlx–2023–49 and should be submitted on or before December 12, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2023–25668 Filed 11–20–23; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–98958; File No. SR–BX–2023–028]

Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Shorten the Standard Settlement Cycle

November 15, 2023.

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 November 13, 2023, Nasdaq BX, Inc. (''BX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II 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 BX Rules 11140 (Transactions in Securities ''Ex-Dividend,'' ''Ex-Rights'' or ''Ex-Warrants''), 11150 (Transactions ''Ex-Interest'' in Bonds Which Are Dealt in ''Flat''), 11210 (Sent by Each Party), 11320 (Dates of Delivery), and 11620 (Computation of Interest), to conform them to the Commission's amendment to Rule 15c6–1(a) of the Act[3] to shorten the standard settlement cycle for most broker-dealer transactions from two business days after the trade date (''T+2'') to one business days after the trade date (''T+1'').

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/nasdaq/rules,* at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

Effective May 5, 2023, the Commission adopted rule amendments to shorten the standard settlement cycle for most broker-dealer transactions from T+2 to T+1.[4] In light of the recently adopted rule amendments to Rule 15c6–1(a) of the Act to require standard settlement no later than T+1, BX proposes to amend its rules pertaining to securities settlement by, among other things, amending the definition of ''standard'' settlement as occurring on T+1.

Specifically, BX proposes to amend the following Rules: 11140 (Transactions in Securities ''Ex-Dividend,'' ''Ex-Rights'' or ''Ex-Warrants''), 11150 (Transactions ''Ex-Interest'' in Bonds Which Are Dealt in ''Flat''), 11210 (Sent by Each Party), 11320 (Dates of Delivery), and 11620 (Computation of Interest). The details of the proposed rule changes are described below.

Rule 11140

Rule 11140(b)(1) currently provides that for dividends or distributions, and the issuance or distribution of warrants, that are less than 25 percent of the value of the subject security, if definitive information is received sufficiently in advance of the record date, the date designated as the ''ex-dividend date'' shall be the first business day preceding the record date if the record date falls on a business day, or the second business day preceding the record date if the record date falls on a day designated by BX Regulation as a non-delivery date. BX proposes to amend Rule 11140(b)(1) to shorten the time frames by one business day. With this change the ex-dividend date would be the same business day as the record date if the record date falls on a business day, or the first business day preceding the record date if the record date falls on a day designated by BX Regulation as a non-delivery date.

Rule 11150

Rule 11150(a) currently prescribes the manner for establishing ''ex-interest dates'' for transactions in bonds or other similar evidence of indebtedness which are traded ''flat.'' Such transactions are ''ex-interest'' on the first business day preceding the record date if the record date falls on a business day, on the second business day preceding the record date if the record date falls on a day other than a business day, or on the third business day preceding the date on which an interest payment is to be made if no record date has been fixed. BX proposes to amend Rule 11150(a) to shorten the time frames by one business day.

Rule 11210

Paragraphs (c) and (d) of Rule 11210 set forth the ''Don't Know'' (''DK'') voluntary procedures for using ''DK Notices'' or other forms of notices, respectively. When a party to a transaction sends a comparison or confirmation of a trade, but does not receive a comparison or confirmation or a signed DK, from the contra-member by the close of one business day following the trade date of the transaction, the confirming member shall send a DK Notice to the contra-member. Thereafter, the contra-member has two business days after receipt of the confirming member's notice to either confirm or ''DK'' the transaction.

BX proposes to amend paragraphs (c) and (d) of Rule 11210 to provide that the ''DK'' procedures may be used by the

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[14] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 96930, Investment Advisers Act Release No. 6239 (February 15, 2023), 88 FR 13872 (March 6, 2023) (''T+1 Adopting Release'').

[4] *See supra* note 3.