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–CboeEDGX–2024–039 and should be submitted on or before July 24, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[18]

J. Matthew DeLesDernier,

Deputy Secretary.

[FR Doc. 2024–14592 Filed 7–2–24; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–100447; File No. SR–ISE–2024–17]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Order Approving a Proposed Rule Change To Amend the Strike Interval for Options on Exchange-Traded Fund Shares and To Allow $1 Strike Price Intervals Above $200 for Options on SPDR Gold Shares (GLD)

June 28, 2024.

I. Introduction

On May 3, 2024, Nasdaq ISE, LLC (''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend Options 4, Section 5 of the Exchange's rules to (i) permit options on exchange-traded fund shares to have an interval of $1 or greater where the strike price is $200 or less and $5.00 or greater where the strike price is greater than $200 and (ii) list options on SPDR® Gold Shares (''GLD'') with $1 strike price intervals instead of $5 strike price intervals when the strike price of the option is greater than $200. The proposed rule change was published for comment in the **Federal Register** on May 20, 2024.[3] The Commission did not receive any comment letters on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposal

Currently, Options 4, Section 5 of the Exchange's rules provides that the interval between strike prices of series of options on exchange-traded fund shares (''ETFs'') [4] will be fixed at a price per share which is reasonably close to the price per share at which the underlying security is traded in the primary market at or about the same time such series of options is first open for trading on the Exchange, or at such intervals as may have been established on another options exchange prior to the initiation of trading on the Exchange,[5] except that the interval between strike prices of series of options on SPDR S&P 500 ETF (''SPY''), iShares Core S&P 500 ETF (''IVV''), PowerShares QQQ Trust (''QQQ''), iShares Russell 2000 Index Fund (''IWM''), and the SPDR Dow Jones Industrial Average ETF (''DIA'') may be $1 or greater.[6]

The Exchange proposes to establish an alternative to the strike price interval regime described above. Specifically, ISE would also allow the interval for options on ETFs to be $1 or greater where the strike price is $200 or less and $5.00 or greater where the strike price is greater than $200.[7] As described above, the Exchange may fix the interval between strike prices of series of options on ETFs at such intervals as may have been established on another options exchange prior to the initiation of trading on the Exchange.[8] The Exchange states that today, Cboe Exchange, Inc. (''Cboe'') [9] permits the interval between strike prices of series of options on ETFs to be $1 or greater where the strike price is $200 or less and $5.00 or greater where the strike price is greater than $200.[10] The Exchange states that its proposal adopts Cboe's language.[11]

The Exchange also proposes to permit strike intervals to be $1 or greater where the strike price is greater than $200 for options on GLD,[12] similar to options on SPY, IVV, QQQ, IWM, and DIA.[13] The Exchange states that $1 strike price intervals already exist below the $200 price point and that GLD has consistently inclined in price toward the $200 level.[14] In light of this, the Exchange believes that continuing to maintain the current $5 strike intervals above $200 may have a negative effect on investing, trading and hedging opportunities, and volume, particularly to the extent it impacts the ability of market participants to roll their positions once strike prices pass $200.[15] The Exchange states that the proposed strike setting regime will ''permit strikes to be set to more closely reflect the increasing value in the underlying and allows investors and traders to roll open positions from a lower strike to a higher strike in conjunction with the price movements of the underlying ETF.'' [16]

The Exchange acknowledges that the proposal would increase the total number of options series available on the Exchange, but represents that it and the Options Price Reporting Authority (''OPRA'') have the necessary system capacity to handle any potential additional traffic associated with the proposal.[17] The Exchange also states that its members would not have a capacity issue as a result of the proposal.[18] Further, the Exchange represents that the proposal would not cause fragmentation of liquidity but, by providing more trading opportunities to market participants, instead would increase both available liquidity as well as price efficiency.[19]

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.[20] In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,[21] which requires, among other things, that a national securities exchange have rules designed to prevent fraudulent and manipulative acts and practices, to promote just and

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[18] 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. 100133 (May 14, 2024), 89 FR 43936 (''Notice'').

[4] *See* Exchange Rule Options 4, Section 3(h).

[5] *See* Exchange Rule Options 4, Section 5(d).

[6] *See* Exchange Rule Options 4, Section 5(e).

[7] *See* proposed Exchange Rule Options 4, Section 5(d).

[8] *See supra* note 5.

[9] *See* Cboe Rule 4.5, Interpretation and Policy .07(a).

[10] *See* Notice, *supra* note 3, at 43936.

[11] *See id.*

[12] According to the Exchange, GLD is an ETF whose shares are designed to closely track the price and performance of the price of gold bullion. *See id.* The Exchange states: ''GLD is widely quoted as an indicator of gold stock prices'' and the ''leading product in its asset class that trades within a 'complex' where, in addition to the underlying security, there are multiple instruments available for hedging such as, COMEX Gold Futures; Gold Daily Futures; iShares GOLD Trust; SPDR GOLD Minishares Trust; Aberdeen Physical Gold Trust; and GraniteShares Gold Shares.'' *Id.*

[13] *See* proposed Exchange Rule Options 4, Section 5(e).

[14] *See* Notice, *supra* note 3, at 43937.

[15] *See id.* For example, the Exchange states that ''to move a position from a $200 strike to a $205 strike under the current rule, an investor would need for the underlying product to move 2.5%'' whereas rolling an open position from a $200 to a $201 strike represents ''only a 0.5% move from the underlying.'' *Id.*

[16] *Id.*

[17] *See id.*

[18] *See id.*

[19] *See id.*

[20] 15 U.S.C. 78f(b). In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[21] 15 U.S.C. 78f(b)(5).

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, 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. Permitting $1 strike price intervals above $200 in options on GLD will provide the investing public and other market participants with more flexibility in their investment and hedging decisions using options on GLD. The proposal is also consistent with past precedent for options on other similar ETFs.[22] Moreover, the proposal to specify the interval between strike prices of series of options on ETFs where the strike price is less than $200 and where the strike price is greater than $200 is consistent with the intervals of another options exchange.[23]

In approving this proposal, the Commission notes that the Exchange has represented that it and OPRA have the necessary systems capacity to handle the potential additional traffic associated with this proposed rule change.[24] The Exchange further stated that it believes its members will not have a capacity issue because of the proposal and that it does not believe this expansion will cause fragmentation of liquidity.[25]

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,[26] that the proposed rule change (SR–ISE–2024–17), be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[27]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2024–14646 Filed 7–2–24; 8:45 am]

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[22] *See* Securities Exchange Act Release No. 85754 (Apr. 30, 2019), 84 FR 19823 (May 6, 2019) (allowing $1 Strike Price intervals above $200 on options on QQQ and IWM).

[23] *See supra* note 11.

[24] *See supra* note 17.

[25] *See supra* notes 18 and 19.

[26] 15 U.S.C. 78s(b)(2).

[27] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–100440; File No. SR–NASDAQ–2024–026]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Expand Its Co-Location Services

June 27, 2024.

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 June 14, 2024, 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 expand its co-location services. 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

The Exchange proposes to expand its co-location services by offering new cabinet, power, and power distribution unit options in the Exchange's expanded data center.

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

[2] 17 CFR 240.19b–4.

The Exchange's current data center (''NY11'') in Carteret, NJ is undergoing an expansion (''NY11–4'') in response to demand for power and cabinets. NY11–4 is not a new or distinct co-location facility. Instead, NY11–4 is simply an expansion of the existing Nasdaq NY11 data center,[3] and Nasdaq intends to operate it generally in the same manner as existing aspects of NY11.[4] Client connections to the matching engine will be equal across the board, within and among NY11 and NY11–4. In 2010, the Exchange undertook a similar expansion to its data center, where connectivity to the Exchange remained equalized, as is the case with the NY11–4 expansion.

The Exchange submits this filing to propose offering new services in NY11–4, as described below, and to the extent the Exchange offers additional new services, whether in the existing NY11 data halls or in the new NY11–4 data hall, the Exchange will submit additional filings with the Commission.

NY11–4 Expanded Cabinet Optionality: Ultra High Density Cabinet

Currently, co-location customers have the option of obtaining cabinets of various sizes and power densities. Co-location customers may obtain a Half Cabinet,[5] a Low Density Cabinet with power density less than or equal to 2.88 kilowatts (''kW''), a Medium Density Cabinet with power density greater than 2.88 kW and less than or equal to 5 kW, a Medium-High Density Cabinet with power density greater than 5 kW and less than or equal to 7 kW, a High Density Cabinet with power density greater than 7 kW and less than 10 kW, and a Super High Density Cabinet with power density greater than 10 kW and less than or equal to 17.3 kW.

The Exchange proposes to introduce a new cabinet choice in NY11–4, an ''Ultra High Density Cabinet,'' with power density greater than 10 kW and less than or equal to 15 kW. Based on demand, the Exchange wishes to

[3] NY11–4 is not a standalone facility. Equinix considers the site as NY11 with three expansions: NY11–2, NY11–3, and NY11–4.

[4] One aspect of the data center that will be treated differently in NY11–4 as compared to NY11 at its outset is telecommunications access and inter-client connectivity. In NY11–4, connections between colocated client cabinets and the carrier cage will be of equal length. Inter-client connectivity will also be equalized in NY11–4. The Exchange believes that equalizing telecommunications access and inter-client connectivity in NY11–4 will provide a fair solution and avoid market disruption by avoiding both a race for real estate adjacent to NY11–4 and for particular space in NY11–4. The Exchange believes that these actions would facilitate a fair and orderly market and protect investors and the public interest, consistent with its obligations under the Act.

[5] Half cabinets are not available to new subscribers. *See* General 8, Section 1(a).