



March 19, 2026

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

RE: File Number SR-NASDAQ-2025-109: Proposed Rule Change to Extend the Exchange’s U.S. Equity Trading Hours to 23 Hours a Day, Five Days a Week

The Securities Industry and Financial Markets Association¹ (“SIFMA”) appreciates the opportunity to submit this letter to the U.S. Securities and Exchange Commission (the “Commission”) in response to the proposal (“Proposal”) by The Nasdaq Stock Market LLC (“Nasdaq”) to amend its rules to expand its trading hours for equity securities and exchange traded products (“ETPs”) to 23 hours per day, five days per week.²

Executive Summary

We respectfully request that the Commission approve this proposal. Nasdaq has met with SIFMA and its members to discuss the exchange’s plans for extending trading hours ahead of this Proposal. The Proposal is consistent with what was shared with SIFMA previously and is also harmonized with other exchange plans around defining the trading day, inclusive of overnight hours. Specifically, the Proposal will adopt the 8:00 PM ET trade date rollover time and one-hour technical pause between 8:00 PM and 9:00 PM ET. While the industry has open questions to resolve as the equity markets transition to near full U.S. overnight hours – in particular questions around corporate actions – we are generally supportive of Nasdaq’s Proposal as it relates to harmonization of the trading day and the exchange pause.

¹ SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry’s one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

² Release No. 34-104563, File No. SR-NASDAQ-2025-109 (Jan. 8, 2026), 91 FR 1350 (Jan. 13, 2026).

The Proposal confirms that trading will not commence until the Securities Information Processors (“SIPs”) are operable to disseminate consolidated market data to the public during overnight hours.³ This quotation and transaction transparency is necessary to facilitate price transparency on national securities exchanges. Price discovery and transparency are foundational in equity markets, shaping execution quality, portfolio performance, and investor protections.

SIFMA supports the Proposal, as it aligns with the trade date definition defined by the SIPs, adopts a one-hour exchange pause, and will not take effect until the SIPs are operable overnight. Consistent with our comment letters on other similar exchange proposals, below we raise additional questions and issues for broader consideration outside the context of a single exchange rule filing.⁴

Expansions of Trading Hours Should Retain Current Market Structure Features and Protections, Including SIP Availability

As global capital markets participants across multiple asset classes continue to discuss an evolution to continuous market access, U.S. equity markets are preparing a coordinated transition to trading 23/5.⁵ As discussed at SIFMA’s January 28, 2026 roundtable on this topic, while expanding trading hours can increase optionality for investors globally, it presents opportunities and challenges for the industry as a whole.⁶ (We note that Nasdaq participated on the roundtable and has been engaged with the SIFMA Extended Trading Hours Task Force.) For example, liquidity tends to be lower and volatility higher during extended trading hours. Stock prices, which are not currently linked to a consolidated NBBO disseminated during extended hours trading, may differ from market to market, and spreads may be wider, increasing costs to trade. As the industry prepares to move to extend trading hours for equities and options into near full overnight hours from the U.S. time perspective, many open trading, operational, and procedural questions remain.

While the current trading volume on alternative trading systems (“ATs”) operating in the overnight hours represents only 0.5%-1.0% of total market volume,⁷ as

³ We note that the Commission’s past approvals of two separate national securities exchanges to operate during U.S. overnight hours were dependent upon the SIPs being operational concurrent with exchange overnight hours. At the end of February 2026, 24X National Exchange requested that the Commission grant it a temporary, conditional exemption to commence operations prior to the relevant SIPs being operable overnight to collect, consolidate, process, and disseminate quotation and transaction information at all times during the overnight session. *See* Release No. 34-104894 (Feb. 25, 2026), 91 FR 10169 (Mar. 2, 2026). As SIFMA commented on the two prior exchange applications to trade overnight – and consistent with the Commission’s past approvals of expanded exchange trading hours – we view the SIPs being operational as a requirement for exchanges to expand trading hours to cover U.S. overnight hours.

⁴ See SIFMA Letters re: 24X application dated June 27, 2024 (<https://www.sec.gov/comments/10-242/10242-485831-1388714.pdf>) and Oct. 29, 2024 (<https://www.sec.gov/comments/10-242/10242-535475-1535542.pdf>); SIFMA Letter re: NYSE Arca application dated Dec. 16, 2024 (<https://www.sec.gov/comments/sr-nysearca-2024-89/srnysearca202489-548255-1570802.pdf>).

⁵ We note that some ATs, market makers and retail brokers already trade 23/5 or 24/5.

⁶ See <https://events.sifma.org/24-7-trading-roundtable>.

⁷ Bloomberg Intelligence (as of November 2025) and more recent estimate from the ATs trading overnight.

discussed at the SIFMA roundtable, there appears to be growing interest in trading U.S. overnight hours, particularly among Asian investors. To accommodate shifting investor behaviors and preferences – trading 24/7, trading digital assets – Nasdaq’s Proposal seeks to extend its hours for trading equity securities and ETPs to 23 hours per day, 5 days per week, or the 23/5 model. Critically, consistent with the approved rules of 24X and NYSE Arca, the launch of Nasdaq’s overnight trading hours is dependent upon the SIPs expanding operating hours to collect, consolidate, process, and disseminate quotation and transaction information at all times during extended trading hours.

The SIFMA Extended Trading Hours Task Force has discussed that certain infrastructure needs to be in place for overnight trading to be successful: The Depository Trust & Clearing Corporation (DTCC), the SIPs, and the Trade Reporting Facilities (TRFs).⁸ DTCC’s system expansion to 24x5 is slated for 2Q26.⁹ The SIPs filed their plan amendment in December 2025, listing December 2026 as the launch date.¹⁰ FINRA has stated it will align the operating hours of the TRFs with those of the SIPs.¹¹ SIFMA notes that it is important to align the hours of the SIPs and TRFs so as to not create an information gap between public dissemination of exchange (on the SIPs) and ATS trade information (on the TRFs).

As such, we look forward to working with Nasdaq, other exchanges, and the industry at large to build the roadmap to facilitate extending trading hours while preserving market quality and investor protections.

Harmonization of Trade Date and Adoption of a One-Hour Exchange Pause are Critical to Successful Implementation of Expanding Exchange Trading Hours

The SIFMA Task Force also noted the importance of standardizing the trading day in a 23/5 trading environment, inclusive of a one-hour exchange pause. While Nasdaq opted to delineate “day” and “night” sessions, when looking further at subsections Nasdaq’s Proposal defines the trading day consistently with other exchanges plans and the SIFMA Extended Trading Hours Task Force recommendation. Nasdaq has proposed to follow the 23/5 model – inclusive of the one-hour pause – upon the availability of the SIPs operating during overnight hours.

Nasdaq’s proposal acknowledges that the one-hour trading pause will mitigate systemic risk to the markets and promote resiliency by providing time for all market participants to conduct maintenance and testing. For example, Nasdaq will shift its operations to a second instance of its systems to run the night session. The trading

⁸ While there are operational complexities for market participants to comply with new reporting requirements to be addressed, exchange approvals themselves should be linked to the operation of the SIPs. It is important to note that timely TRF reporting is also an important step to the overall SIP process.

⁹ <https://www.dtcc.com/news/2025/march/18/dtccs-nsc-cc-to-increase-clearing-hours-to-support-extended-trading>.

¹⁰ <https://www.prnewswire.com/news-releases/sips-submit-plan-amendment-to-extend-operating-hours-to-accommodate-overnight-trading-302647034.html>.

¹¹ Release No. 34-103435 (July 11, 2025), 90 FR 32032, 32033 at n. 11 (July 16, 2025).

pause will also allow Nasdaq, the other listings exchanges, and market participants (broker-dealers, clearing firms, transfer agents, data vendors, etc.) to process corporate actions pending for the next trading day, including stock splits, dividends, name changes, and distributions (though Nasdaq notes, and we agree, that some corporate actions may require halts beyond the one-hour trading pause). It will also provide participants time to swing connectivity from the day system to the second independent instance of Nasdaq’s systems that are running the night session.¹²

Current Trading Sessions			Proposed Trading Sessions		
	Days	Hours (ET)		Days	Hours (ET)
1. Pre Market	M-F	4:00AM to 9:30AM	1. Day Session	M-F	4:00 AM to 8:00 PM
2. Regular	M-F	9:30AM to 4:00PM	A. Pre Market	M-F	4:00 AM to 9:30 AM
3. Post Market	M-F	4:00PM to 8:00 PM	B. Regular	M-F	9:30 AM to 4:00 PM
			C. Post Market	M-F	4:00 PM to 8:00 PM
			2. Night Session	Su-Th	9:00 PM to 4:00 AM

Table 1

Nasdaq’s Proposal Describes the Day Session Following Today’s Rules, While the Night Session Differs

Today, across all exchanges and other market participants, pre- and post-market trading sessions differ from the regular hours trading session (see Table 1 for hours). For example, several regulations and market rules do not apply outside of regular trading hours, including the SEC’s Regulation National Market System (Reg NMS) prohibition against trade-throughs (Rule 611, as it stands today), the Limit Up Limit Down National Market System Plan, and contribution to daily high/low prices. However, FINRA’s Rule 5310, Best Execution and Interpositioning, and Reg NMS access, sub-penny, and market data rules do apply during pre and post sessions. We highlight proposed status quo versus changed exchange rules under Nasdaq’s proposal to extend trading hours.

The Day Session: Trading hours will not change. The new Day trading session will combine the hours of today’s Pre-Market Hours, Regular Market Hours, and Post-

¹² See Proposal, 91 FR at 1353, n. 47 (“...to trade in the Night Session, market participants will be required to use ports specifically designated for use during the Night Session, and that ports used for the Day Session will not connect market participants to trading systems for the Night Session.”).

Market Hours trading sessions, delineated into distinct sub parts (see Table 1 above). All existing exchange rules such as order types, will generally persist in their current form (with some minor changes). Importantly, the rules governing the opening and closing crosses, critical to the price discovery process, will remain the same in the Day session. .

The Night Session: The new Night trading session will feature some aspects of the existing Post-Market Hours and Pre-Market Hours trading sessions, such as limited functionality versus regular hours reflecting the inapplicability of Reg NMS and reduced trading activity. Order handling capabilities and system features will be more limited in the Night session. For example, only limit orders would be permitted during the Night session and unpriced orders would not be permitted. As described in the amended filing,¹³ limit orders in the Night Session would be subject to Limit Order Protection, which is a feature that will prevent certain limit orders at prices outside of pre-set standard limits from being accepted by Nasdaq. Nasdaq will also rely on its clearly erroneous rules during the Night Session, consistent with the approach of other national securities exchanges expanding to overnight trading.

We are supportive of maintaining the rule structure exchanges currently operate under today in the Day sessions and carrying through pre- and post-market rules – similar trading sessions with lower liquidity – into the Night session. As overnight trading evolves, we look forward to continuing the dialogue with exchanges and other market participants about how trading rules may need to change to adapt to the shifting landscape.

Corporate Actions Remain a Key Open Question, as Industry Works to Finalize and Coordinate These Processes

As discussed at the SIFMA 24/7 trading roundtable, corporate actions processes remain the biggest hurdle for a successful movement to extending exchange trading hours. This is an issue that impacts both equity and options markets, even during regular trading hours today, as the processes include various steps involving multiple parties, including the equity listings exchanges, transfer agents, clearing houses, and data vendors, whether trading equities or options. Market participants have raised the importance of timely and proper handling of corporate action notifications to account for the potential increased risks associated with shrinking processing timeframes as exchange trading hours expand.

SIFMA's Corporate Actions Working Group continues to work on this important aspect of extending trading hours. These changes also present an opportunity to modernize outdated corporate actions processes. The primary concerns identified to date revolve around corporate action events that significantly alter underlying positions: forward/reverse splits, new share issuances impacting end-of-day pricing (e.g., spin-offs), and mandatory exchange offers requiring clear trading cessations for retired securities. The working group is preparing a decision tree framework to act as a

¹³ https://listingcenter.nasdaq.com/assets/rulebook/nasdaq/filings/SR-NASDAQ-2025-109_Amendment_2.pdf.

discussion guide for listings exchanges and issuers – as well as for DTCC – through specific scenarios with corresponding actions or practical examples for each stage.

Timing of announcements is a common problem across different types of corporate actions. The SIP Operating Committee is working on adding corporate actions announcements on the SIPs – with the coding expected to be finalized by the targeted December launch – improving speed to market (presumably through an API feed). Exchanges can view SIP messages and halt stocks accordingly. Additionally, the LULD Operating Committee is in the process of recommending single-stock volatility bands and corresponding reference prices for the overnight hours, providing guardrails around the halting of stocks. Once finalized and voted upon, the recommendation would be a LULD Plan amendment,¹⁴ meaning it would be harmonized across exchanges. We support exchange harmonization to volatility controls – such as done with the ATSS today – corporate actions announcements and handling, and other aspects facilitating the expansion of exchange trading hours.

Nasdaq's Proposal indicates it will address trading halts, including for certain corporate actions, in either an amendment to this rule filing or in a discrete rule filing prior to the implementation of 23/5 trading on its exchange. We look forward to continuing the dialogue with exchanges and other market participants around corporate actions.

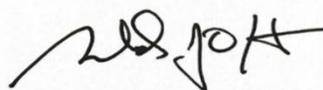
Conclusion

SIFMA appreciates the opportunity to comment on the Proposal. We look forward to continuing to engage with the Commission as the industry undergoes this transformation to extend trading into U.S. overnight hours. Please feel free to reach out to the undersigned with any questions regarding these comments.

Respectfully Submitted,



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¹⁴ The Limit Up Limit Down Operating Committee needs a unanimous vote to approve Plan amendments.