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November 26, 2025

Ms. Sherry R. Haywood
Assistant Secretary
Securities and Exchange Commission
100 F Street NE
Washington DC 20549-1090

Re: File No. SR-NASDAQ-2025-072 - Notice of Filing of Proposed Rule Change to Amend the Exchange's Rules to Enable the Trading of Securities on the Exchange in Tokenized Form

Dear Assistant Secretary Haywood:

Cboe Global Markets ("Cboe") submits this comment in response to The Nasdaq Stock Market LLC's ("Nasdaq") proposed rule change to enable the trading of securities on the Nasdaq exchange in tokenized form. We appreciate the opportunity to provide our perspective on this significant development in market structure.

We commend Nasdaq for proposing a framework that seeks to accommodate tokenization while preserving important investor safeguards that are central to the existing national market system. Although some jurisdictions have pursued a laissez-faire approach to regulation, the U.S. equity market remains the gold-standard due to the time-tested regulatory framework.

While we are not commenting on the technical aspects of this proposal, we agree that it would be inappropriate to allow platforms to offer trading of tokenized publicly traded stocks while operating entirely outside of the regulatory regime currently in place for those stocks. The national market system has evolved over decades to provide transparency, fairness, and investor protection. Any tokenization framework that fragments liquidity or creates parallel trading venues without equal regulatory treatment would undermine these fundamental protections. As Commissioner Peirce has stated, "[t]okenized securities are still securities."¹ We see no compelling reason why they should not trade under the same regulatory regime.

Nasdaq's proposal is an interesting approach to incorporating new technology into an existing regulatory framework; however, there is more to learn on the mechanics of the post-trade tokenization process envisioned by the Depository Trust and Clearing Company. In the meantime, it is worth considering whether any move toward tokenization of Reg NMS securities should instead be an industry-wide initiative backed by an SEC rulemaking and holistic regulatory review. While the transparency of the exchange rule filing process is preferable to employing extensive exemptive relief to overhaul significant aspects of our national market

¹ Commissioner Hester Peirce, *Statement on Tokenization Enchanting, but Not Magical: A Statement on the Tokenization of Securities* (July 9, 2025).



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system, an SEC rulemaking may be a better method to ensure a level playing field amongst market participants and preserve the integrated national market system.

Cboe is known for innovation and believes that regulatory clarity will enable more innovation. We also agree that some existing regulations deserve revisiting, but we should not compromise existing investor safeguards in order to embrace innovation at all costs. We encourage the Commission to carefully evaluate this proposal while remaining cautious of efforts to use tokenization as a means to circumvent established investor protections.

Thank you for the opportunity to share our perspective. We welcome any questions and look forward to providing additional feedback in the future.

Sincerely,

/s/ Patrick Sexton

Patrick Sexton
EVP, General Counsel, and Corporate Secretary
Cboe Global Markets, Inc.