

Title: U.S. SEC approves new U.S. exchange with blockchain feed, faster settlement. BOX is an options exchange jointly owned by Toronto Stock Exchange operator TMX Group (X.TO), Citadel Securities Principal Investments LLC, and brokers including arms of Citigroup (C.N) and UBS (UBSG.S).

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GME will need to be closed out before this happens.

NEW YORK, Jan 28 (Reuters) - The U.S. Securities and Exchange Commission (SEC) late on Thursday approved the country's 17th stock exchange, a subsidiary of Boston-based BOX Exchange, which will incorporate blockchain technology.

The new exchange, named BSTX, aims to launch in the second quarter, said Jay Fraser, a director. It will initially trade securities, such as stocks or exchange-traded funds, first listed on its exchange, but those securities would be tradable on rival bourses.

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BSTX ultimately aims to expand trading to all U.S. stocks and potentially tokenized securities, Fraser said. Stock tokens are digital versions of equities pegged to the underlying share, usually traded in fractional units.

Fraser said the aim is for BSTX to look "more like" crypto exchanges such as Coinbase [\[\\*\\*COIN.O\\*\\*\]\(https://www.reuters.com/companies/COIN.O\)](https://www.reuters.com/companies/COIN.O) as opposed to traditional exchanges like Nasdaq [\[\\*\\*NDAQ.O\\*\\*\]\(https://www.reuters.com/companies/NDAQ.O\)](https://www.reuters.com/companies/NDAQ.O).

In addition to traditional pricing data feeds, BSTX plans to offer a market data feed that will operate on a private blockchain. That feed will allow exchange members to see their own activity, as well as the activity of other BSTX participants on an anonymized, delayed basis, the exchange filing said.

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The exchange plans to expand its use of blockchain, the technology that underpins cryptocurrencies such as bitcoin, over time to support products like tokenized securities, Fraser said.

BSTX was originally going to be called the Boston Security Token Exchange and planned to exclusively trade tokenized securities, but the SEC rejected that plan in December of 2020.

The exchange will also give members the option to settle trades as quickly as the same day, as opposed to the current two-day standard settlement time, which would free up cash counterparties have to pledge against trades while also reducing the risk of either party defaulting.

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The securities industry as a whole is currently debating moving to single-day settlement. [\[\\*\\*read more\\*\\*\]\(https://www.reuters.com/business/retail-consumer/us-post-trade-group-proposes-shortening-stock-settlement-cycle-2021-02-24/\)](https://www.reuters.com/business/retail-consumer/us-post-trade-group-proposes-shortening-stock-settlement-cycle-2021-02-24/)

In its Thursday notice, [\[\\*\\*the SEC said\\*\\*\]\(https://www.sec.gov/rules/sro/box/2022/34-94092.pdf\)](https://www.sec.gov/rules/sro/box/2022/34-94092.pdf) that notwithstanding the blockchain feed and faster settlement times, BSTX's revised rules was "substantively similar" to the rules of other stock exchanges.

BSTX is a joint venture between BOX and tZero, which is providing the blockchain technology.

BOX is an options exchange jointly owned by Toronto Stock Exchange operator TMX Group [\[\\*\\*X.TO\\*\\*\]\(https://www.reuters.com/companies/X.TO\)](https://www.reuters.com/companies/X.TO), Citadel Securities Principal Investments LLC, and brokers including arms of Citigroup [\[\\*\\*C.N\\*\\*\]\(https://www.reuters.com/companies/C.N\)](https://www.reuters.com/companies/C.N) and UBS [\[\\*\\*UBSG.S\\*\\*\]\(https://www.reuters.com/companies/UBSG.S\)](https://www.reuters.com/companies/UBSG.S).