

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 will institute proceedings to determine whether the proposed rule change 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-CboeEDGX-2025-078 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-CboeEDGX-2025-078. 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 filing 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-CboeEDGX-2025-078 and should be submitted on or before December 12, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-20541 Filed 11-20-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104198; File No. SR-SAPPHIRE-2025-39]

Self-Regulatory Organizations; MIAx Sapphire, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the MIAx Sapphire Fee Schedule To Establish Fees and Rebates for the Trading Floor of the MIAx Sapphire Exchange

November 18, 2025.

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 September 25, 2025, MIAx Sapphire, LLC ("MIAx Sapphire" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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 amend the MIAx Sapphire Options Exchange Fee Schedule ("Fee Schedule") to amend the MIAx Sapphire Options Exchange Fee Schedule (the "Fee Schedule") to establish fees and rebates for the Trading Floor³ of the MIAx Sapphire Exchange. Additionally, the Exchange proposes to adopt new definitions to the Fee Schedule and to make minor non-substantive changes to harmonize the formatting of the existing QCC and cQCC Fees tables for electronic transactions with the proposed QCC and cQCC Fees tables for Trading Floor transactions. Finally, the Exchange proposes to replace the phrase "complex order book" located in the paragraph below the Complex Stock Option Fees in Section 1(a)v) with the defined term, "Strategy Book."⁴

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The term "Trading Floor" or "Floor" means the physical trading floor of the Exchange located in Miami, Florida. The Trading Floor shall consist of one "Crowd Area" or "Pit" where Floor Participants will be located and option contracts will be traded. The Crowd Area or Pit shall be marked with specific visible boundaries on the Trading Floor, as determined by the Exchange. A Floor Broker must represent all orders in an "open outcry" fashion in the Crowd Area. See Exchange Rule 100.

⁴ The "Strategy Book" is the Exchange's electronic book of complex orders. See Exchange Rule 100.

MIAx Sapphire received its approval to operate as a national securities exchange on July 15, 2024,⁵ and began electronic trading on August 12, 2024. The MIAx Sapphire Trading Floor began operations on September 12, 2025.

The text of the proposed rule change is available on the Exchange's website at <https://www.miaxglobal.com/markets/us-options/all-options-exchanges/rule-filings>, and at MIAx Sapphire's principal office.

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 amend the Fee Schedule for trading on MIAx Sapphire to create a new fee and rebate structure for transactions occurring on the MIAx Sapphire Trading Floor. The Exchange began trading on the Trading Floor on September 12, 2025, and is submitting this filing to describe the fees and rebates that will be applicable to transactions on the Trading Floor. The Exchange also proposes to adopt definitions to the Fee Schedule to provide additional detail and clarity. Additionally, the Exchange proposes to make minor non-substantive changes to the Fee Schedule to harmonize the existing QCC and cQCC Fees tables for electronic transactions to that of the proposed QCC and cQCC Fees tables for Trading Floor transactions. Finally, the Exchange proposes to replace the phrase "complex order book" located in the paragraph below the Complex Stock Option Fees in Section 1(a)v) with the defined term, "Strategy Book."

The Exchange initially filed this proposal on September 11, 2025, (SR-

⁵ See Securities Exchange Act Release No. 100539 (July 15, 2024), 89 FR 58848 (July 19, 2024) (File No. 10-240) (order approving application of MIAx Sapphire, LLC for registration as a national securities exchange).

²⁵ 17 CFR 200.30-3(a)(12).

SAPPHIRE–2025–36). On September 25, 2025, the Exchange withdrew SR–SAPPHIRE–2025–36 and refiled this proposal in its stead.

Proposed QFO and cQFO Fees and Rebates

The Exchange propose to adopt new paragraph c), Trading Floor Transactions, to Section 1), Transaction Rebates/Fees, of the Fee Schedule. Further, the Exchange proposes to adopt subsection i), “QFO and cQFO Fees and Rebates,” to describe the fees and rebates applicable to Qualified Floor Orders (“QFOs”)⁶ and Complex Qualified Floor Orders (“cQFOs”).⁷ A QFO or cQFO must be entered as a two-sided order, with an initiating side and a contra side,⁸ and the QFO and cQFO fees, rebates, and applicable fee and rebate caps will apply to both sides of the order.

Similar to the fees assessed for transactions in the Exchange’s electronic market, the Exchange proposes to assess fees for transactions on the Trading Floor based on origin. For Priority Customers⁹ and Professional Customers¹⁰ the Exchange proposes to assess a \$0.00 per contract fee for transactions in SPY/QQQ/IWM, Penny Classes (excluding SPY/QQQ/IWM), and Non-Penny Classes.

The Exchange proposes to assess a \$0.25 per contract fee for transactions in SPY/QQQ/IWM, Penny Classes (excluding SPY/QQQ/IWM), and Non-Penny Classes, for Away Market Maker,¹¹ Firm, and Broker-Dealer origins.

The Exchange proposes to assess a \$0.00 per contract fee for transactions in SPY/QQQ/IWM, Penny Classes (excluding SPY/QQQ/IWM), and Non-Penny Classes, for Firm and Broker-Dealer origins facilitating a Priority Customer or Professional Customer.

The Exchange proposes to assess a \$0.50 per contract fee for transactions in SPY/QQQ/IWM, Penny Classes (excluding SPY/QQQ/IWM), and Non-Penny Classes, for Floor Market Maker¹² origins.

The Exchange proposes to provide a (\$0.10) rebate for transactions in SPY/QQQ/IWM, Penny Classes (excluding SPY/QQQ/IWM), and Non-Penny Classes, for Floor Broker¹³ origins on both the Agency and contra sides, if applicable.

The Exchange proposes to provide a (\$0.20) rebate for Floor Broker Breakup credit for transactions in SPY/QQQ/IWM, Penny Classes (excluding SPY/QQQ/IWM), and Non-Penny Classes.

The Exchange proposes to adopt a paragraph below the “QFO and cQFO Fees and Rebates” table, to provide that, “[f]ees and rebates will apply to both executed sides of the paired QFO or cQFO. cQFO fees and rebates are per executed side per leg. Floor Broker rebates are only payable on the Floor Brokers’ billable sides. The rebates will not apply to Priority Customer, Professional Customer, Firm/Broker-Dealer Facilitating a Priority Customer or Professional Customer, competing Floor Broker orders, and Floor Market Maker (sides) executions. Fees for Floor Market Maker volume executed via a Floor Broker are assessed to the Floor Market Maker. Fees and rebates for Floor Broker volume, other than the executing Floor Broker’s own orders, entered on behalf of a competing Floor Broker, are assessed to the competing Floor Broker.”

The Exchange proposes to adopt a second paragraph below the “QFO and cQFO Fees and Rebates” table, to provide that, “[t]he initiating side of the QFO or cQFO executed against an order on the MIAX Sapphire Electronic Book¹⁴ will be treated as a Floor¹⁵ transaction for purposes of the MIAX Sapphire Fee Schedule. The corresponding order on the MIAX Sapphire Electronic Book will be treated as an electronic transaction and will be subject to the fees and rebates in Section 1)a)i) of the MIAX Sapphire Fee Schedule. The Floor Broker Breakup Credit will apply to the Floor Broker that submits the QFO or cQFO instead of the Floor Broker rebate for executions that trade with a Floor Market Maker.”

received permission from the Exchange to trade in options for his own account. See Exchange Rule 2105(b).

¹³ A Floor Broker is an individual who is registered with the Exchange for the purpose, while on the Trading Floor, of accepting and handling options orders. See Exchange Rule 2015.

¹⁴ The term “Electronic Book” means the Exchange’s Simple Order Book and Strategy Book. See Exchange Rule 100. The “Simple Order Book” is the Exchange’s regular electronic book of orders and quotes. See Exchange Rule 100. The term “Strategy Book” is the Exchange’s electronic book of complex orders. See Exchange Rule 100.

¹⁵ See *supra* note 3.

The Exchange proposes to adopt a third paragraph below the “QFO and cQFO Fees and Rebates” table to provide that, “[t]he rates for Firm/Broker-Dealer Facilitating a Priority Customer or Professional Customer will apply to any Trading Floor transaction involving a Firm proprietary trading account that has a Priority Customer or Professional Customer of the same Firm on the contra side of the transaction, or a Broker-Dealer facilitating a Priority Customer or Professional Customer order where the Broker-Dealer and the Priority Customer or Professional Customer both clear through the same clearing firm and the Broker-Dealer clears in the customer range.”

Proposed QCC Order Fees and Rebates

The Exchange proposes to adopt Section 1)c)ii) of the Fee Schedule as, “QCC Fees and Rebates.” A QCC Order is comprised of an originating order to buy or sell at least 1,000 contracts that is identified as being part of a qualified contingent trade, coupled with a contra side order or orders totaling an equal number of contracts.¹⁶ A “qualified contingent trade” is a transaction consisting of two or more component orders, executed as agent or principal, where: (a) at least one component is an NMS Stock, as defined in Rule 600 of Regulation NMS under the Exchange Act; (b) all components are effected with a product or price contingency that either has been agreed to by all the respective counterparties or arranged for by a broker-dealer as principal or agent; (c) the execution of one component is contingent upon the execution of all other components at or near the same time; (d) the specific relationship between the component orders (*e.g.*, the spread between the prices of the component orders) is determined by the time the contingent order is placed; (e) the component orders bear a derivative relationship to one another, represent different classes of shares of the same issuer, or involve the securities of participants in mergers or with intentions to merge that have been announced or cancelled; and (f) the transaction is fully hedged (without regard to any prior existing position) as a result of other components of the contingent trade.¹⁷

The Exchange proposes to adopt a per contract fee for the initiating side of the order based on origin code. Specifically, the Exchange proposes to assess a \$0.00 per contract fee for Priority Customer origin; a \$0.12 per contract fee for

¹⁶ See Exchange Rule 516(j).

¹⁷ See Interpretation and Policy .01 of Exchange Rule 516.

⁶ See Exchange Rule 2040.

⁷ See Exchange Rule 2040(a)(4).

⁸ See Exchange Rule 2040(a)(1).

⁹ The term “Priority Customer” means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). See Exchange Rule 100.

¹⁰ The term “Professional Customer” for the purposes of the Fee Schedule, shall mean a Public Customer that is not a Priority Customer.

¹¹ The term “Away Market Maker” for the purposes of the Fee Schedule, shall mean a non MIAX Sapphire Market Maker.

¹² A Floor Market Maker is a Floor Participant of the Exchange located on the Trading Floor who has

Professional Customer origin; and a \$0.20 per contract fee for all other market participant origins (*i.e.*, Floor Market Maker, Away Market Maker, Broker-Dealer, and Firm).

The Exchange proposes to adopt a per contract fee for the contra side of the order based on origin code. Specifically, the Exchange proposes to assess a \$0.00 per contract fee for Priority Customer contra side origins; a \$0.12 per contract fee for Professional Customer contra side origins; and a \$0.20 per contract fee for all other market participant contra side origins (*i.e.*, Floor Market Maker, Away Market Maker, Broker-Dealer, and Firm).

The Exchange proposes to establish that rebates are paid to the Floor Broker that entered the QCC Order, depending upon both the origin type of the initiating order and the origin type of the contra side of the order. Specifically, the Exchange proposes to provide the following rebates to the following initiating origins when the contra side is a Priority Customer: (\$0.00) per contract for Priority Customer origin; (\$0.07) per contract for Professional Customer origin; and (\$0.17) per contract for all other origins (*i.e.*, Floor Market Maker, Away Market Maker, Broker-Dealer, and Firm).

The Exchange proposes to provide the following rebates for the following initiating origins when the contra side is a Professional Customer: (\$0.07) per contract for Priority Customer origin; (\$0.17) per contract for Professional Customer origin; and (\$0.25) per contract for all other origins (*i.e.*, Floor Market Maker, Away Market Maker, Broker-Dealer, and Firm).

Finally, the Exchange proposes to provide the following rebates for the following initiating origins when the contra side is any other origin (*i.e.*, neither a Priority Customer nor a Professional Customer): (\$0.17) per contract for Priority Customer origin; (\$0.25) per contract for Professional Customer origin; and (\$0.30) per contract for all other origins (*i.e.*, Floor Market Maker, Away Market Maker, Broker-Dealer, and Firm).

The Exchange also proposes to adopt a note below the “QCC Fees and Rebates” table that will specify, “[p]er contract rebates will be paid to the Floor Broker that enters the QCC Order into the MIAX Sapphire System.¹⁸ Additionally, the Exchange proposes to include a definition of a QCC order in the note which will provide that, “[a] QCC transaction is comprised of an

‘initiating order’ to buy (sell) at least 1,000 contracts that is identified as being part of a qualified contingent trade, coupled with a contra side order to sell (buy) an equal number of contracts.” The Exchange notes that with regard to order entry, the first order submitted into the System is marked as the initiating side and the second order is marked as the contra side. Finally, the Exchange notes that these fees and rebates are identical to the fees and rebates for electronic trading on the MIAX Sapphire Exchange.¹⁹

Proposed cQCC Fees and Rebates

The Exchange proposes to adopt Section 1(c)(iii) of the Fee Schedule as, “cQCC Fees and Rebates,” to adopt fees and rebates applicable to cQCC Orders, which are assessed per contract per leg. A cQCC Order is comprised of an originating complex order²⁰ to buy or sell where each component is at least 1,000 contracts that is identified as being part of a qualified contingent trade²¹ coupled with a contra side complex order or orders totaling an equal number of contracts.²²

The Exchange proposes to adopt a per contract fee for the initiating side of the order based on origin code. Specifically, the Exchange proposes to assess a \$0.00 per contract fee for Priority Customer origin; a \$0.12 per contract fee for Professional Customer origin; and a \$0.20 per contract fee for all other market participant origins (*i.e.*, Floor Market Maker, Away Market Maker, Broker-Dealer, and Firm).

The Exchange proposes to adopt a per contract fee for the contra side of the order based on origin code. Specifically, the Exchange proposes to assess a \$0.00 per contract fee for Priority Customer contra side origins; a \$0.12 per contract fee for Professional Customer contra side origins; and a \$0.20 per contract fee for all other market participant contra side origins (*i.e.*, Floor Market Maker, Away Market Maker, Broker-Dealer, and Firm).

The Exchange proposes to establish that rebates are paid to the Floor Broker that entered the cQCC Order, depending

upon both the origin type of the initiating order and the origin type of the contra side of the order. Specifically, the Exchange proposes to provide the following rebates to the following initiating origins when the contra side is a Priority Customer: (\$0.00) per contract for Priority Customer origin; (\$0.07) per contract for Professional Customer origin; and (\$0.17) per contract for all other origins (*i.e.*, Floor Market Maker, Away Market Maker, Broker-Dealer, and Firm).

The Exchange proposes to provide the following rebates for the following initiating origins when the contra side is a Professional Customer: (\$0.07) per contract for Priority Customer origin; (\$0.17) per contract for Professional Customer origin; and (\$0.25) per contract for all other origins (*i.e.*, Floor Market Maker, Away Market Maker, Broker-Dealer, and Firm).

Finally, the Exchange proposes to provide the following rebates for the following initiating origins when the contra side is any other origin (*i.e.*, neither a Priority Customer nor a Professional Customer): (\$0.17) per contract for Priority Customer origins; (\$0.25) per contract for Professional Customer origins; and (\$0.30) per contract for all other origins (*i.e.*, Floor Market Maker, Away Market Maker, Broker-Dealer, and Firm).

The Exchange also proposes to adopt a note below the “cQCC Fees and Rebates” table to specify that, “[p]er contract rebates will be paid to the Floor Broker that enters the cQCC Order into the MIAX Sapphire System.” Additionally, the note will provide that, “[a]ll fees and rebates are per contract leg.” Finally, the note will provide the definition of a cQCC transaction as one that, “is comprised of an ‘initiating complex order’ to buy (sell) where each component is at least 1,000 contracts that is identified as being part of a qualified contingent trade, coupled with a contra side complex order or orders to sell (buy) an equal number of contracts.” The Exchange also proposes to add the following reference sentence at the end of the notes section, “[t]he stock handling fee for the stock leg of cQCC transactions is described in Section 1(c)(vi) of the Fee Schedule.” This will provide clarity to the Exchange’s Fee Schedule and help signal to market participants that the stock handling fees for the stock leg of cQCC transactions is located in a separate section of the Fee Schedule. Finally, the Exchange notes that these fees and rebates (excluding stock handling fees) are identical to the fees

¹⁹ See Section 1(a)(ii), QCC Fees, of the Exchange’s Fee Schedule.

²⁰ In sum, a “complex order” is any order involving the concurrent purchase and/or sale of two or more different options in the same underlying security (the “legs” or “components” of the complex order), for the same account, in a conforming or non-conforming ratio for the purposes of executing a particular investment strategy. See Exchange Rule 518(a). A complex order can also be a “stock-option order” with a conforming or non-conforming ratio as defined in Exchange Rule 518(a).

²¹ See *supra* note 17.

²² Trading of cQCC Orders is governed by Exchange Rule 515(g)(4).

¹⁸ The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

and rebates for electronic trading on the MIAX Sapphire Exchange.²³

Proposed C2C and cC2C Fees and Rebates

The Exchange proposes to adopt Section 1(c)(iv) of the Fee Schedule as, “C2C and cC2C Fees and Rebates.” Customer to Customer Cross Orders (“C2C”) and complex Customer to Customer Cross Orders (“cC2C”) are comprised entirely of Priority Customer orders, and the Exchange proposes to assess \$0.00 per contract transaction fees and provide (\$0.00) per contract rebates to such orders, pursuant to Section 1(a)(i) of the Fee Schedule. The Exchange also proposes to adopt certain explanatory text relating to the C2C and cC2C Fees table. The proposed text will provide that, “[a]ll fees and rebates are per contract per leg.” Also, that “[a] C2C Order is comprised of a Priority Customer Order to buy and a Priority Customer Order to sell at the same price and for the same quantity. A cC2C Order is comprised of one Priority Customer complex order to buy and one Priority Customer complex order to sell at the same price and for the same quantity.”

Proposed Strategy QFO Fees, Rebates, and Fee Cap

The Exchange proposes to adopt Section 1(c)(v) of the Fee Schedule as, “Strategy QFO Fees, Rebates, and Fee Cap,” to establish monthly and daily fee caps for certain transactions on the Trading Floor. Specifically, the Exchange proposes that Trading Floor transaction fees assessed at Section 1(c)(i) rates for the following strategy QFOs will be capped separately from each other on a daily basis per Firm, per underlying. As proposed, Box Spread,²⁴ Jelly Roll Strategy,²⁵ Short/Long Stock

Interest Spread,²⁶ Merger Spread,²⁷ and Reversal/Conversion Spread²⁸ strategies executed on the same trading day will each be capped at \$500 per day, per Firm, and per underlying. Further, on each trading day, all fees collected as the result of the strategy trades described above are fully rebated back to the executing Floor Broker. Proposed subsection v) will also provide that, “Trading Floor transaction fees assessed at Section 1(c)(i) rates for Dividend strategy QFOs will be capped separately from each other on a daily basis per Firm, per underlying.” As proposed, “Dividend strategy QFOs executed on the same trading day in the same options class will be capped separately from each other at \$500 per day,” and “[o]n each trading day, all fees collected as the result of Dividend strategy trades are fully rebated back to the executing Floor Broker.”

Proposed Complex Stock-Option Order Fees

The Exchange proposes to adopt Section 1(c)(vi) of the Fee Schedule as “Complex Stock-Option Order Fees” to detail the fee structure for stock-option orders originating on the Trading Floor. The Exchange proposes to pass through to the Member any stock handling fee applicable to stock-option orders executed against other stock-option orders in the Strategy Book, which the Exchange must route to an outside venue. Specifically, the Exchange proposes that stock handling fees for the stock leg of stock-option orders executed against other stock-option orders in the Strategy Book, which the Exchange must route to an outside venue, that are assessed by the routing broker-dealer utilized by the Exchange with respect to the execution of the stock leg of such order, will be passed

through to the Member. For example, the Exchange anticipates that the routing broker-dealer will bill the Exchange for Section 31 fees and FINRA Trading Activity Fees with respect to the execution of the stock leg of any such order. The Exchange will pass such fees through to the Member, without any additional mark-up.

Definitions

The Exchange currently has a Definitions section at the beginning of its Fee Schedule. The purpose of the Definitions section is to streamline the Fee Schedule by placing many of the defined terms used in the Fee Schedule in one location at the beginning of the Fee Schedule. Many of the defined terms are also defined in the Exchange’s Rulebook, particularly in Exchange Rule 100. Any defined terms that are also defined or otherwise explained in the Exchange’s Rules contain a cross reference to the relevant Exchange Rule.

The Exchange proposes to include the following terms and definitions in the Definitions section of its Fee Schedule.

- “Away Market Maker” for the purposes of this Fee Schedule shall mean a non MIAX Sapphire Market Maker.
- “Box Spread Strategy” is a strategy that synthesizes long and short stock positions to create a profit. Specifically, a long call and short put at one strike is combined with a short call and long put at a different strike to create synthetic long and synthetic short stock positions, respectively.
- “Clerk” means any registered on-Floor person employed by or associated with a Floor Broker or Floor Market Maker and who is not eligible to effect transactions on the Trading Floor as a Floor Market Maker or Floor Broker. See Exchange Rule 2055.
- “Complex Qualified Floor Order” or “cQFO” has the meaning ascribed to such term in the Exchange Rules. See Exchange Rule 2040.
- “Dividend Strategy” is defined as transactions done to achieve a dividend arbitrage involving the purchase, sale and exercise of in-the-money options of the same class, executed the first business day prior to the date on which the underlying stock goes ex-dividend.
- “Electronic Book” means the Exchange’s Simple Order Book and Strategy Book. See Exchange Rule 100.
- “Floor Broker” means an individual who is registered with the Exchange for the purpose, while on the Trading Floor, of accepting and handling options orders. A Floor Broker must be registered as a Floor Participant prior to registering as a Floor Broker. A Floor Broker may take into his own account,

²³ See Section 1(a)(iii), cQCC Fees, of the Exchange’s Fee Schedule.

²⁴ As proposed herein a “Box Spread Strategy” is a strategy that synthesizes long and short stock positions to create a profit. Specifically, a long call and short put at one strike is combined with a short call and long put at a different strike to create synthetic long and synthetic short stock positions, respectively.

²⁵ As proposed herein a “Jelly Roll Strategy” is created by entering into two separate positions simultaneously. One position involves buying a put and selling a call with the same strike price and expiration. The second position involves selling a put and buying a call, with the same strike price, but with a different expiration from the first position.

²⁶ As proposed herein a “Short Stock Interest Strategy” is defined as a transaction done to achieve a short stock interest arbitrage involving the purchase, sale, and exercise of in-the-money options of the same class. A “Long Stock Interest Strategy” is defined as a transaction done to achieve long stock involving the purchase, sale, and exercise of in-the-money options of the same class.

²⁷ As proposed herein a “Merger Strategy” is defined as transactions done to achieve a merger arbitrage involving the purchase, sale, and exercise of options of the same class and expiration date, each executed prior to the date on which shareholders of record are required to elect their respective form of consideration, *i.e.*, cash or stock.

²⁸ As proposed herein “Reversal” and “Conversion” strategies are transactions that employ calls and puts of the same strike price and the underlying stock. “Reversals” are established by combining a short stock position with a short put and a long call position that shares the same strike and expiration. “Conversions” employ long positions in the underlying stock that accompany long puts and short calls sharing the same strike and expiration.

and subsequently liquidate, any position that results from an error made while attempting to execute, as Floor Broker, an order. See Exchange Rule 2015.

- “Floor Market Maker” means a Floor Participant of the Exchange located on the Trading Floor who has received permission from the Exchange to trade in options for his own account. See Exchange Rule 2105.

- “Floor Participant” means Floor Brokers as defined in Rule 2015 and Floor Market Makers as defined in Rule 2105(b). See Exchange Rule 100.

- “Initial Waiver Period” means for each applicable fee the period of time from the initial effectiveness of the fee for the remainder of the partial month once the Trading Floor begins to operate, plus an additional five (5) full calendar months after the completion of the partial month, if applicable, of the launch of Trading Floor operations.

- “Jelly Roll Strategy” is created by entering into two separate positions simultaneously. One position involves buying a put and selling a call with the same strike price and expiration. The second position involves selling a put and buying a call, with the same strike price, but with a different expiration from the first position.

- “Long Stock Interest Strategy” is defined as a transaction done to achieve long stock involving the purchase, sale, and exercise of in-the-money options of the same class.

- “Merger Strategy” is defined as transactions done to achieve a merger arbitrage involving the purchase, sale and exercise of options of the same class and expiration date, each executed prior to the date on which shareholders of record are required to elect their respective form of consideration, *i.e.*, cash or stock.

- “Professional Customer” for the purposes of this Fee Schedule shall mean a Public Customer that is not a Priority Customer.

- “Qualified Floor Order” or “QFO” is a two-sided order with an initiating side and a contra side. QFOs may also be complex orders as defined in Rule 518(a) (“cQFO”) with no more than the applicable number of legs as determined by the Exchange and communicated to Participants via Regulatory Circular. See Exchange Rule 2040.

- “Reversal” and “Conversion” strategies are transactions that employ calls and puts of the same strike price and the underlying stock. “Reversals” are established by combining a short stock position with a short put and a long call position that shares the same strike and expiration. “Conversions” employ long positions in the underlying

stock that accompany long puts and short calls sharing the same strike and expiration.

- “Short Stock Interest Strategy” is defined as a transaction done to achieve a short stock interest arbitrage involving the purchase, sale, and exercise of in-the-money options of the same class.

- “Trading Floor” or “Floor” means the physical trading floor of the Exchange located in Miami, Florida. The Trading Floor shall consist of one “Crowd Area” or “Pit” where Floor Participants will be located and option contracts will be traded. The Crowd Area or Pit shall be marked with specific visible boundaries on the Trading Floor, as determined by the Exchange. A Floor Broker must represent all orders in an “open outcry” fashion in the Crowd Area. See Exchange Rule 100.

Harmonizing Changes

The Exchange proposes to amend the QCC and cQCC Fees and Rebates tables located in the Fee Schedule at Section 1)a)ii) and 1)a)iii) respectively to harmonize the language and formatting of the table to match the language and formatting of the proposed QCC and cQCC Fees and Rebates tables to be located in Section 1)c)ii) and 1)c)iii) respectively.

Specifically, the Exchange proposes to amend the row label, “Public Customer that is Not a Priority Customer,” under the column heading, “Types of Market Participants,” to reflect the proposed definition of Professional Customer. As proposed the amended row label would simply be, “Professional Customer.” Additionally, the Exchange proposes to amend the row label, “Non-Sapphire Market Maker,” under the same column heading, to reflect the proposed definition of Away Market Maker. As proposed the amended row label would simply be, “Away Market Maker.” Further, the Exchange proposes to amend the column heading, “Per Contract Rebate for EEM when Contra is a Public Customer that is not a Priority Customer,” to reflect the proposed definition of Professional Customer. As proposed the amended column heading would be, “Per Contract Rebate for EEM when Contra is a Professional Customer.”

The Exchange also proposes to make minor non-substantive formatting changes to the values displayed in (i) the “Per Contract Rebate for EEM when Contra is a Priority Customer” column; (ii) the “Per Contract Rebate for EEM when Contra is a Professional Customer” column; and (iii) the “Per Contract Rebate for EEM when Contra is all Other Origins” column. Throughout

the Fee Schedule the Exchange differentiates rebates from fees by placing parenthesis around the rebate value while not using parenthesis for fees, (*e.g.*, (\$0.07) would indicate a \$0.07 rebate, while \$0.12 would indicate a \$0.12 fee). Currently, the rebates listed in the aforementioned columns do not use the standard convention of placing rebates in parentheses. Therefore, the Exchange now proposes to amend the formatting of the aforementioned columns in both the QCC and cQCC Fee and Rebates tables to place the rebates in parentheses in order to harmonize the tables to the proposed QCC and cQCC Fee and Rebates tables for Trading Floor transactions, and to also generally harmonize the formatting of the tables to the Fee Schedule’s convention of differentiating fees and rebates.

Finally, the Exchange proposes to make a minor non-substantive edit to Section 1)a)v), “Complex Stock-Option Order Fees,” to replace the phrase “complex order book” with the defined term, “Strategy Book,” which is defined the Exchange’s Rulebook as the Exchange’s electronic book of complex orders.²⁹

Implementation

The proposed changes will become immediately effective.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,³⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,³¹ in particular, in that it is not designed to permit unfair discrimination among customers, brokers, or dealers. The Exchange also believes that its proposal is consistent with Section 6(b)(4) of the Act³² because it represents an equitable allocation of reasonable dues, fees and other charges among market participants using any facility or system which the Exchange operates or controls.

Proposed QFO and cQFO Fees and Rebates

The Exchange believes the proposed QFO and cQFO Fees and Rebates for transactions on the Trading Floor are reasonable. Furthermore, several other competing option exchanges have open outcry trading floors and market participants can readily direct order flow to any of these venues if they deem

²⁹ See *supra* note 14.

³⁰ 15 U.S.C. 78f(b).

³¹ 15 U.S.C. 78f(b)(5).

³² 15 U.S.C. 78f(b)(4).

MIAX Sapphire's Trading Floor fees to be excessive.³³

The Exchange believes that not assessing a fee for Priority Customer and Professional Customer Floor transactions is appropriate, equitable and not unfairly discriminatory. The Exchange believes it promotes the best interests of investors to have lower transaction costs for Priority Customers and Professional Customers, and having no fee for QFOs and cQFOs will attract Priority Customer and Professional Customer order flow to the Trading Floor. Additionally, the Exchange notes that at least one other options exchange with an open outcry trading floor does not assess a fee for customer orders.³⁴ The Exchange believes that its Priority Customer and Professional Customer transaction fees are reasonable and not unfairly discriminatory and will incentivize customer order flow to the Trading Floor and market participants will increasingly compete for the opportunity to trade with these orders by sending more orders and providing narrower and larger sized quotations. The Exchange also believes it is necessary to offer these fees from a competitive perspective as at least one other options exchange with open outcry trading offers similar fees for customer orders.³⁵

The Exchange believes the \$0.25 fee for Away Market Maker, Firm, and Broker-Dealer origins is reasonable, equitable, and not unfairly discriminatory. The proposed fees for these transactions have been designed to be comparable to the fees that such orders would be charged at a competing venue.³⁶

The Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to not charge a fee for a Firm/Broker-Dealer facilitating a Priority Customer or Professional

Customer as this proposal will encourage Firms and Broker-Dealers to facilitate customer orders on the Trading Floor and will increase open outcry participation, which will in turn promote increased executions on the Exchange's Trading Floor will benefit all Exchange Participants.³⁷ Further, the Exchange believes that this proposal is reasonable and appropriate as the proposed fees are in line with fees assessed on at least one other options exchange with an open outcry trading floor.³⁸ The Exchange also believes it is necessary to offer these fees from a competitive perspective as at least one other options exchange with open outcry trading offers similar fees for customer orders.³⁹

The Exchange believes its \$0.50 fee for Floor Market Maker QFOs and cQFOs is equitable and not unfairly discriminatory, although it is higher than fees assessed for other origins. Floor Market Makers trade for their own accounts and benefit from having access to interact with orders that are made available in open outcry on the Trading Floor. As such, the Exchange believes that it has set its fees for Floor Market Maker transactions in such a way that Floor Market Makers will not be discouraged from executing transactions on the Trading Floor, but rather will quote aggressively, so that they may interact with such orders and participate in transactions on the Trading Floor. The Exchange believes further that the liquidity and price discovery provided by Floor Market Makers will attract other market participants' orders to the Trading Floor and promote a robust Trading Floor. Further, the Exchange believes it is not unreasonable to assess this fee as it is comparable to the fee assessed to Market Makers on the trading floor of another option exchange with open outcry trading.⁴⁰

The Exchange believes it is equitable and not unfairly discriminatory to

provide Floor Broker rebates of (\$0.10) for the Agency and contra sides of orders, if applicable. The Exchange believes that offering this rebate to Floor Brokers will encourage Floor Brokers to bring liquidity to the Trading Floor which will benefit all market participants because it will attract additional liquidity to the Exchange by providing more trading opportunities. Further, additional liquidity will contribute to a robust trading environment on the Exchange's Trading Floor. Further, the Exchange believes it is necessary to offer this rebate from a competitive perspective as at least one other option exchange with open outcry trading offers a similar rebate for Floor Broker orders presented on the trading floor.⁴¹

Floor Broker Breakup Credit

The Exchange believes its proposal to offer Floor Brokers a Breakup credit of (\$0.20) in SPY/QQQ/IWM, Penny Classes (excluding SPY/QQQ/IWM), and Non-Penny Classes is reasonable, equitably allocated and not unfairly discriminatory as this proposal applies equally to all Floor Brokers. The Exchange believes that its proposal will encourage Floor Broker liquidity in SPY/QQQ/IWM, Penny Classes (excluding SPY/QQQ/IWM), and Non-Penny Classes. Additional liquidity benefits all market participants because it will attract additional liquidity to the Exchange by providing more trading opportunities. Further, additional liquidity will contribute to a robust trading environment on the Exchange's Trading Floor.

The Exchange's proposal to pay Floor Brokers a Breakup Credit is consistent with Section 6(b)(4) of the Act⁴² because it will encourage market participants to execute orders on the Trading Floor. The Exchange believes that the Breakup Credit could improve liquidity on the Exchange to the benefit of all market participants. The Exchange notes that Breakup Credits are not new or novel and are similarly used on its affiliate exchange, MIAX Options, to encourage participants to participate in PRIME and cPRIME Auctions.⁴³ In addition, the proposal is also consistent

³³ See BOX Exchange Fee Schedule; PHLX Pricing Schedule; NYSE Arca Options Fees and Charges; and NYSE America Options Fee Schedule.

³⁴ See Section V. Manual Transaction Fees, A. QOO and FOO Order Fees, of the BOX Exchange Fee Schedule which has a \$0.00 fee for Public Customer transactions in both Penny Interval and Non-Penny Interval Classes.

³⁵ See Section V. Manual Transaction Fees, A. QOO and FOO Order Fees, of the BOX Exchange Fee Schedule, where Public Customers are assessed a \$0.00 fee and Professional Customers are assessed a \$0.10 fee for transactions in both Penny Interval Classes and Non-Penny Interval Classes.

³⁶ The Exchange notes that the BOX Exchange similarly does not charge a fee to Public Customers for Qualified Open Orders in either Penny or Non-Penny Interval Classes on its trading floor. The BOX Exchange similarly charges Broker Dealers a fee of \$0.25 and Market Makers \$0.50 for Qualified Open Orders in either Penny or Non-Penny Interval Classes on its trading floor. See the BOX Exchange Fee Schedule available online at <https://boxexchange.com/regulatory/fees/>.

³⁷ The term "Participant" means a firm, or organization that is registered with the Exchange pursuant to Chapter II of the MIAX Sapphire Rulebook for purposes of participating in trading on a facility of the Exchange and includes a Floor Participant. See Exchange Rule 100.

³⁸ See BOX Exchange Fee Schedule, Section V, Paragraph A, establishing a \$0.00 fee for a Broker Dealer Facilitating a Public Customer in Penny Interval and Non-Penny Interval Classes.

³⁹ See Section V. Manual Transaction Fees, A. QOO and FOO Order Fees, of the BOX Exchange Fee Schedule, where a Broker Dealer facilitating a Public Customer Order is assessed \$0.00 in both Penny Interval Classes and Non-Penny Interval Classes.

⁴⁰ See Section V. Manual Transaction Fees, A. QOO and FOO Order Fees, of the BOX Exchange Fee Schedule that provides for a \$0.50 fee to be assessed to Market Makers in both Penny Interval Classes and Non-Penny Interval Classes.

⁴¹ See Section V. Manual Transaction Fees, C. QOO and FOO Order Rebate, of the BOX Exchange Fee Schedule that provides a \$0.10 per contract rebate to Floor Brokers for all Broker Dealer and Market Maker QOO and FOO Orders presented on the Trading Floor and a \$0.05 per contract for all Professional Customer QOO and FOO Order presented on the Trading Floor.

⁴² 15 U.S.C. 78f(b)(4).

⁴³ See Section 1(a)(vi) of the MIAX Options Fee Schedule.

with Section 6(b)(5) of the Act⁴⁴ because it perfects the mechanisms of a free and open market and a national market system and protects investors and the public interest because it applies equally to all Floor Broker QFOs and cQFOs which are subject to a break-up and access to the Exchange is offered on terms that are not unfairly discriminatory.

Proposed QCC/cQCC Fees and Rebates

The Exchange believes the proposed fees and rebates for QCC and cQCC Orders are reasonable because the Exchange believes the proposal will increase competition and potentially attract additional QCC and cQCC Order flow from various origins to the Exchange's Trading Floor, which will grow the Exchange's market share in this segment. The Exchange also believes it is reasonable and not unfairly discriminatory to provide higher rebates for QCC and cQCC Orders for Floor Brokers for executions against origins other than Priority Customer or Professional Customer because Priority Customer and Professional Customer QCC and cQCC Orders are already incentivized with reduced fees for the initiator and contra-side of such orders. The Exchange believes that it is equitable and not unfairly discriminatory to assess lower fees to Priority Customer and Professional Customer QCC and cQCC Orders than to other origins because the securities markets generally, and MIAx Sapphire in particular, have historically aimed to improve markets for investors and for customer benefit.⁴⁵ As such, the Exchange believes that not assessing a fee for a Priority Customer and assessing a lower fee for Professional Customer versus other Professional origins is equitable and not unfairly discriminatory. The Exchange believes that it is equitable and not unfairly discriminatory that Priority Customer and Professional Customer origins be treated differently than Professional origins (*i.e.*, Floor Market Maker, Away Market Maker, Broker-Dealer, and Firm) who are assessed higher fees for QCC and cQCC Orders. Priority Customer and Professional Customer liquidity benefits all market participants by providing more trading opportunities. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in

order flow from other market participants. The Exchange also believes its proposed fee and rebate structure is reasonable, equitably allocated and not unfairly discriminatory because the rebate and fee structure for QCC and cQCC Orders is similar to the rebate and fee structure on the Exchange's electronic market.⁴⁶

Further, the Exchange believes its proposal provides for the equitable allocation of reasonable dues and fees and is not unfairly discriminatory since the Exchange has different net transaction revenues based on different combinations of origins and contra-side orders. For example, when a Priority Customer is both the initiator and contra-side, no rebates are paid (for both QCC and cQCC transactions). The Exchange notes that Priority Customers are generally assessed a \$0.00 transaction fee. Accordingly, the Exchange believes that it is reasonable, equitable, and not unfairly discriminatory to provide the proposed higher Floor Broker rebates for QCC and cQCC Orders for Professional Customer and other origins when they trade against an origin other than Priority Customer, in order to increase competition and potentially attract different combinations of additional QCC and cQCC Order flow to the Exchange. The Exchange also believes it is reasonable, equitable, and not unfairly discriminatory to continue to provide higher rebates for Floor Brokers for QCC and cQCC Orders for professionals when they trade against origins other than Priority Customers or Professional Customers because Priority Customers and Professional Customers are already incentivized by reduced fees for submitting QCC and cQCC Orders, as compared to professionals (*i.e.*, Floor Market Makers, Away Market Makers, Broker-Dealers, and Firms) that submit QCC and cQCC Orders. The Exchange notes that its proposed fee and rebate structure is identical to the fee and rebate structure for electronic transactions on the Exchange.⁴⁷

Proposed C2C and cC2C Fees and Rebates

The Exchange believes that adding the C2C and cC2C Fees and Rebates for the Trading Floor to the Fee Schedule is reasonable because the proposed amount is identical to the fee assessed for C2C and cC2C electronic transactions, which is currently \$0.00.⁴⁸

The proposed fees would be charged to all Priority Customers alike and the Exchange believes that assessing a \$0.00 fee to Priority Customers is equitable and not unfairly discriminatory. By assessing a \$0.00 fee to Priority Customer orders, the C2C and cC2C transaction fees will not discourage the sending of Priority Customer orders. Further, the Exchange notes that the proposed C2C and cC2C fees are identical to those assessed in the Exchange's electronic market.

Proposed Strategy QFO Fees, Rebates, and Fee Cap

The Exchange believes that the proposed Strategy QFO fee cap is reasonable and appropriate. The proposed fee cap of \$500 per day for certain strategies executed on the same trading day in the same underlying is similar to a fee cap at a competing options exchange with an open outcry trading floor.⁴⁹ Further, the Exchange believes that this proposed fee cap is equitable and not unfairly discriminatory because it provides incentives for all Participants to submit certain strategy orders from the MIAx Sapphire Trading Floor, which brings increased liquidity and order flow to the Floor for the benefit of all market participants. Finally, the Exchange believes it is reasonable, equitable, and not unfairly discriminatory to provide that Floor Brokers are eligible to be rebated all fees assessed for strategy trades on each trading day.

While the \$500 fee cap for Dividend strategy QFOs is the same as the fee cap for other strategy QFOs described in section 1(c)(v) of the Fee Schedule, the Exchange believes that adopting a separate section for Dividend strategy QFOs gives the Exchange flexibility in the future to adjust the fee cap for Dividend strategies without changing the format of the Fee Schedule. The Exchange believes that separating dividend strategies from non-dividend strategies in proposed Section v) of the Fee Schedule is reasonable, as other exchanges segregate fee caps for dividend strategies.⁵⁰

Proposed Complex Stock-Option Order Fees

The Exchange believes that the proposed stock handling fee for stock-option orders is consistent with Section

⁴⁴ 15 U.S.C. 78f(b)(1) and (b)(5).

⁴⁵ See Section 1(a)(i) of the MIAx Sapphire Fee Schedule, which provides a rebate to Priority Customer orders and assesses a fee for Market Maker and Non Priority Customer/Non Market Maker orders.

⁴⁶ See *supra* note 19 and 23.

⁴⁷ See Section 1(a)(ii) and 1(a)(iii) of the MIAx Sapphire Fee Schedule.

⁴⁸ See MIAx Sapphire Fee Schedule, Section a)(1)(iv).

⁴⁹ See BOX Exchange Fee Schedule, Section V, Paragraph D, establishing a \$500 fee cap for strategy orders other than dividend strategies, and establishing a \$1,000 cap for dividend strategies.

⁵⁰ See Section V, Manual Transactions, D, Strategy QOO Order Fee Cap and Rebate & Strategy FOO Order Fee Cap and Rebate, paragraph 2., of the BOX Exchange Fee Schedule.

6(b)(4) of the Act in that it is reasonable, equitable and not unfairly discriminatory. The Exchange believes the proposed stock handling fee for stock-option orders is reasonable and equitable as the Exchange proposes to pass through to the Member at cost any fees assessed by the routing broker-dealer utilized by the Exchange with respect to the execution of the stock leg of any such order. The Exchange also believes that its proposal is consistent with Section 6(b)(5) of the Act⁵¹ because all stock-option orders that originate from the MIAX Sapphire Trading Floor will be treated equally.

Definitions

The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act⁵² in that it is designed to promote just and equitable principles of trade, 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 and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers. The Exchange believes providing a Definitions section in its Fee Schedule protects investors and the public interest by clarifying terms and locating them in a dedicated section of the Fee Schedule for ease of reference, thereby reducing the chance of confusion. The Exchange notes that the proposed definitions for “Box Spread Strategy,” “Jelly Roll Strategy,” “Long Stock Interest Strategy,” “Merger Strategy,” and “Short Stock Interest Strategy” are substantially similar to the definitions used in the fee schedule of another options exchange that operates a trading floor.⁵³ Additionally, the Exchange notes that the proposed definitions for “Dividend Strategy,” and “Reversal and Conversion Strategies” are substantially similar to the definitions used in the pricing schedule of another options exchange that operates a trading floor.⁵⁴

Harmonizing Changes

The Exchange believes its proposal to harmonize the language and formatting of the current Fee Schedule to that of the proposed additions to the Fee Schedule promotes just and equitable principles of trade, removes impediments to and perfects the mechanisms of a free and open market and a national market system, and in

general, protects investors and the public interest by promoting clarity and consistency in the Exchange’s Fee Schedule.

The Exchange believes that the proposed changes to its Fee Schedule add additional detail and provide further clarification to Members, investors, and the public, regarding the Exchange’s Fee Schedule. Transparency and clarity are consistent with the Act because it removes impediments to and helps perfect the mechanism of a free and open market and a national market system, and, in general, protects investors and the public interest by accurately describing the fees and rebates of the Exchange. The Exchange believes it is in the public interest for its Fee Schedule to be accurate and consistent so as to eliminate the potential for confusion.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intra-Market Competition

QFO and cQFO Fees and Rebates

The proposal does not impose an undue burden on intra-market competition as its fees will be applied uniformly to each respective origin in accordance to the type of transaction being executed on the Trading Floor. The Exchange believes its proposal will encourage Members to submit Priority Customer and Professional Customer Orders to the Exchange which will increase liquidity and benefit market participants by providing more trading opportunities and tighter spreads. Accordingly, the Exchange believes that the proposed changes will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because it will continue to encourage order flow, which provides greater volume and liquidity, benefiting all market participants by providing more trading opportunities and tighter spreads. Additionally, the Exchange does not believe its fees and rebates will impose a burden on intra-market competition as the fees and rebates will be applied in a uniform manner to similarly situated participants in accordance to the order type (QFO or cQFO), origin, and class.

The Exchange does not believe that Floor Market Makers will be discouraged from transacting on the Trading Floor as Floor Market Makers trade for their own accounts and benefit

from having access to interact with orders that are made available in open outcry on the Trading Floor. The Exchange also believes that Floor Market Maker fees relative to other market participants do not impose an undue burden on competition because Floor Market Makers are not obligated to engage in transactions on the Trading Floor.

The Exchange does not believe that offering a rebate to Floor Brokers will impose an undue burden on competition because all Floor Brokers are eligible to transact QFOs and cQFOs and receive a rebate, if applicable. Further, the Exchange believes that the rebate will promote competition by allowing Floor Brokers to competitively price their services and for the Exchange to remain competitive with other exchanges with open outcry trading floors.

The Exchange does not believe that offering a Floor Broker Breakup Credit will impose an undue burden on competition because all Floor Brokers are eligible to transact QFOs and cQFOs and thus may improve intra-market competition.

QCC and cQCC Fees and Rebates

The Exchange believes that the proposed QCC and cQCC fees and rebates do not impose an undue burden on intra-market competition because the Exchange does not believe that its proposal will place any category of market participant at a competitive disadvantage. The Exchange believes that the proposed changes will encourage market participants to send their QCC and cQCC Orders to the Exchange’s Trading Floor for execution in order to obtain greater rebates and lower their costs. The Exchange believes the proposed fees and rebates for QCC and cQCC Orders will not impose an undue burden on intra-market competition because the proposed changes will increase competition and potentially attract different combinations of additional QCC and cQCC order flow to the Exchange, which will grow the Exchange’s market share in this segment. The Exchange’s proposal to provide higher rebates for QCC and cQCC Orders for Floor Brokers that trade against origins other than Priority Customer or Professional Customer does not impose an undue burden on intra-market competition because Priority Customer and Professional Customer QCC and cQCC Orders are already incentivized with reduced fees for such orders. The Exchange’s proposed fee and rebate structure is similar to the fee and rebate

⁵¹ 15 U.S.C. 78f(b)(5).

⁵² 15 U.S.C. 78f(b)(5).

⁵³ See BOX Exchange Fee Schedule.

⁵⁴ See Nasdaq Phlx Options 7 Pricing Schedule, Section 4.

structure for electronic transactions on the Exchange.⁵⁵

C2C and cC2C Fees and Rebates

The Exchange believes that the proposed C2C and cC2C fee of \$0.00 and proposed rebate of (\$0.00) does not impose an undue burden on intra-market competition because the proposed fee and rebate is identical to the fee/rebate structure of the Exchange's electronic market.⁵⁶ The Exchange believes that the proposal will encourage market participants to send their Priority Customer orders to the Exchange.

Strategy QFO Fees, Rebates, and Fee Cap

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. Further, the Exchange does not believe that capping the fees for certain Strategy Qualified Floor Orders will impose an undue burden on intra-market competition because all Floor Participants are eligible for the fee cap. Further, the Exchange believes that the fee cap will promote competition by allowing the Exchange to remain competitive with other exchanges with open outcry trading floors.⁵⁷

Inter-Market Competition

The proposal does not impose an undue burden on inter-market competition. The Exchange believes its proposal remains competitive with other options markets that operate open outcry trading floors. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive.⁵⁸ The Exchange believes that the Exchange's proposal reflects this competitive environment, and to the extent it successfully attracts order flow to its Trading Floor, all of the Exchange's market participants should benefit from the quality of the Exchange's market.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act,⁵⁹ and Rule 19b-4(f)(2)⁶⁰ thereunder. 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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-SAPPHIRE-2025-39 on the subject line.

Paper Comments

- Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-SAPPHIRE-2025-39. 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 filing 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-SAPPHIRE-2025-39

and should be submitted on or before December 12, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶¹

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-20543 Filed 11-20-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104207; File No. SR-IEX-2025-26]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Certain Displayed Liquidity Adding Rebate Tiers

November 18, 2025.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act")² and Rule 19b-4 thereunder,³ notice is hereby given that, on September 30, 2025, the Investors Exchange LLC ("IEX" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. 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

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 ("Act"),⁴ and Rule 19b-4 thereunder,⁵ Investors Exchange LLC ("IEX" or "Exchange") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the Exchange's fee schedule applicable to Members⁶ (the "Fee Schedule")⁷ pursuant to IEX Rule 15.110(a) and (c) to introduce certain minimum quoting requirements for Exchange Traded Products ("ETPs") as an additional means of qualifying for two of its Displayed Liquidity Adding Rebate Tiers for executions priced at or

⁶¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CFR 240.19b-4.

⁶ See IEX Rule 1.160(s).

⁷ See Investors Exchange Fee Schedule, available at <https://www.iexexchange.io/resources/trading/fee-schedule>.

⁵⁵ See *supra* note 47.

⁵⁶ See *supra* note 48.

⁵⁷ See *supra* note 49.

⁵⁸ See *supra* note 33.

⁵⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

⁶⁰ 17 CFR 240.19b-4(f)(2).