

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-LTSE-2025-23 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-LTSE-2025-23. 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-LTSE-2025-23 and should be submitted on or before January 2, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁶

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104347; File No. SR-PHLX-2025-64]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Phlx Options 7, Section 4

December 8, 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 November 25, 2025, Nasdaq PHLX LLC ("Phlx" 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 amend the Broker-Dealer Transaction Cap and the Floor Transaction (Open Outcry) Floor Broker Incentive Program in Options 7, Section 4, Multiply Listed Options Fees (Includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed) (Excludes SPY and broad-based index options symbols listed within Options 7, Section 5.A).

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on December 1, 2025.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/phlx/rulefilings>, and at the principal office of the Exchange.

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

Phlx proposes to amend its Pricing Schedule at Options 7, Section 4, Multiply Listed Options Fees (Includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed) (Excludes SPY and broad-based index options symbols listed within Options 7, Section 5.A), related to the Broker-Dealer³ Transaction Cap and the Floor Transaction⁴ (Open Outcry) Floor Broker⁵ Incentive Program.

Broker-Dealer Transaction Cap

Today, the Exchange offers a Broker-Dealer Transaction Cap whereby each Broker-Dealer Floor Options Transaction Charge is capped at \$15,000 per transaction (including FLEX and Cabinet Options Transaction Charges).

At this time, the Exchange proposes to specify in the rule text that for purposes of this cap, the term "per transaction" includes simple orders or with respect to complex orders, all legs of the same complex order that are Floor Options Transaction Charges. This is the manner in which the term "per transaction" is applied today by the Exchange. The Exchange believes that this additional rule text will make the application of the cap transparent to members and member organizations.

Floor Transaction (Open Outcry) Floor Broker Incentive Program

Currently, Floor Brokers are paid rebates for transactions executed on the trading floor in open outcry on qualifying volume at each threshold level based on the below tiers. The following transactions are not considered qualifying volume: (1) dividend, merger, short stock interest, reversal and conversion, jelly roll, and box spread strategy executions as defined in this Options 7, Section 4; (2) Firm Floor Options Transactions for members executing facilitation orders pursuant to Options 8, Section 30 when such members are trading in their own proprietary account (including Cabinet Options Transaction Charges); and (3)

³ The term "Broker-Dealer" applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category. See Options 7, Section 1(c).

⁴ The term "floor transaction" is a transaction that is effected in open outcry on the Exchange's Trading Floor. See Options 7, Section 1(c).

⁵ The term "Floor Broker" means an individual who is registered with the Exchange for the purpose, while on the Options Floor, of accepting and handling options orders. See Phlx Options 7, Section 1(c).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

²⁶ 17 CFR 200.30-3(a)(12).

Customer-to-Customer transactions. Currently, Floor Qualified Contingent Cross Orders (“QCC”) Orders, as defined in Options 8, Section 30(e), and electronic QCC Orders, as defined in

Options 3, Section 12, are considered qualifying volume but are not paid rebates based on the schedule, rather Floor QCC Orders and electronic QCC Orders are paid the QCC Rebates noted

in Options 7, Section 4. Rebates are paid on qualifying volume at each threshold level based on the schedule below.

	Qualifying contracts	Per contract rebate (customer on one side)	Per contract rebate (non-customer on both sides)
Tier 1	0–500,000	\$0.04	\$0.10
Tier 2	500,001–5,000,000	0.07	0.18
Tier 3	5,000,001–10,000,000	0.09	0.18
Tier 4	Greater than 10,000,000	0.10	0.22

At this time, the Exchange proposes to specify that Broker-Dealer Floor Options Transactions that are capped pursuant to the Broker-Dealer Transaction Cap will be considered qualifying volume but would not be paid rebates pursuant to the Floor Transaction (Open Outcry) Floor Broker Incentive Program. While the Exchange would not pay rebates for the capped Broker-Dealer Floor Options Transactions, these transactions would continue to be capped and count toward qualifying volume, therefore the Exchange believes members and member organizations will continue to be incentivized to transact Broker-Dealer Floor Options Transactions on Phlx.

Further, the Exchange recently amended the Floor Transaction (Open Outcry) Floor Broker Incentive Program at Options 7, Section 4.⁶ At the time of those changes, the Exchange did not amend the examples that follow the rebate table to reflect changes to the examples as a result of the amendments to add electronic QCC as qualifying volume and to amend the per contract rebates in the two proposals.⁷ This proposal seeks to revise examples 1 through 4 to reflect the current Floor Transaction (Open Outcry) Floor Broker

Incentive Program qualifications and rebates and replace the outdated examples. Examples 1 through 4 would be revised as follows:

Example 1: A Floor Broker that executes a total of 2,000,000 qualified contracts in a month comprised of (1) Floor QCC Order volume of 600,000 contracts; (2) Floor Transaction Open Outcry Customer volume of 400,000 contracts; and (3) Floor Transaction Open Outcry volume with Non-Customers on both sides of 1,000,000 contracts, will be paid \$0.07 per contract for the 400,000 or \$28,000 for the Floor Transaction Open Outcry Customer volume and \$0.18 per contract for the 1,000,000 or \$180,000 for the Floor Transaction Open Outcry volume with Non-Customers on both sides, equaling a total Floor Broker Incentive Program Rebate of \$208,000 for that month. The 600,000 contracts of executed Floor QCC Orders would be paid the applicable QCC Rebate as described in Options 7, Section 4 above.

Example 2: A Floor Broker that executes floor transactions with a mix of Customer on one side and Non-Customer on both sides in a given month totaling 2,000,000 contracts (with no Floor QCC volume) will be paid a rebate tied to the requisite rebate schedule based on timestamp of the execution. Utilizing Example 1, assume: (1) 100,000 contracts had a Customer on one side, those transactions would be paid at \$0.04 per contract (\$4,000); (2) 400,000 contracts had a Non-Customer on both sides, those transactions would be paid at \$0.10 per contract (\$40,000); (3) 400,000 contracts had a Customer on one-side, those transactions would be paid at \$0.07 per contract (\$28,000); and (4) 1,100,000 contracts had a Non-Customer on both sides, those transaction would be paid at \$0.18 per contract (\$198,000), for a total rebate of \$270,000 for that month.

Example 3: A Floor Broker that executes floor transactions with a Customer on one side in a given month totaling 10,500,000 contracts (with no Floor QCC volume) will be paid \$0.04 per contract for the first 500,000 contracts (\$20,000), \$0.07 per contract for the next 4,500,000 floor transaction contracts (\$315,000), \$0.09 per contract for the next 5,000,000 floor transaction contracts (\$450,000), and \$0.10 per contract for the final 500,000 floor transaction contracts (\$50,000), for a total rebate of \$835,000 for that month.

Example 4: A Floor Broker that executes floor transactions with Non-Customer on both sides in a given month totaling 10,500,000 contracts (with no Floor QCC volume) will be paid \$0.10 per contract for the first 500,000 contracts (\$50,000), \$0.18 per contract for the next 4,500,000 floor transaction contracts (\$810,000), \$0.18 per contract for the next 5,000,000 floor transaction contracts (\$900,000), and \$0.22 per contract for the final 500,000 floor transaction contracts (\$110,000) for a total rebate of \$1,870,000 for that month.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁹ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹⁰

Likewise, in *NetCoalition v. Securities and Exchange Commission*¹¹ (“NetCoalition”) the D.C. Circuit upheld the Commission’s use of a market-based approach in evaluating the fairness of

⁶ See Securities Exchange Act Release Nos. 104034 (September 24, 2025), 90 FR 46674 (September 29, 2025) (SR-Phlx-2025-49); and 104128 (September 29, 2025), 90 FR 47441 (October 1, 2025) (SR-Phlx-2025-55).

⁷ SR-Phlx-2025-49 amended the Tier 2 rebate from \$0.12 to \$0.16 per contract for Non-Customer on both sides. SR-Phlx-2025-50 increased the rebates in all tiers by \$0.02 per contract. The Exchange previously offered a per contract rebate if a Customer is on one side of \$0.04 per contract for Tier 1 (0–500,000 qualifying contracts), a \$0.07 per contract rebate for Tier 2 (500,001–5,000,000 qualifying contracts), a \$0.09 per contract rebate for Tier 3 (5,000,001–10,000,000 qualifying contracts) and a \$0.10 per contract rebate for Tier 4 (Greater than 10,000,000 qualifying contracts). As amended, the Exchange now offers a per contract rebate if a Non-Customer is on both sides of \$0.10 per contract for Tier 1 (0–500,000 qualifying contracts), a \$0.18 per contract rebate for Tier 2 (500,001–5,000,000 qualifying contracts), a \$0.18 per contract rebate for Tier 3 (5,000,001–10,000,000 qualifying contracts) and a \$0.22 per contract rebate for Tier 4 (Greater than 10,000,000 qualifying contracts).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(4) and (5).

¹⁰ Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

¹¹ *NetCoalition v. SEC*, 615 F.3d 525 (D.C. Cir. 2010).

market data fees against a challenge claiming that Congress mandated a cost-based approach.¹² As the court emphasized, the Commission “intended in Regulation NMS that ‘market forces, rather than regulatory requirements’ play a role in determining the market data . . . to be made available to investors and at what cost.”¹³

Further, “[n]o one disputes that competition for order flow is ‘fierce.’ . . . As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’”¹⁴ Although the court and the SEC were discussing the cash equities markets, the Exchange believes that these views apply with equal force to the options markets.

Broker-Dealer Transaction Cap

The Exchange’s proposal to state that the term “per transaction” as it relates to the Broker-Dealer Transaction Cap would include simple orders or with respect to complex orders, all legs of the same complex order that are Floor Options Transaction Charges is reasonable because the additional rule text brings transparency to the manner in which the cap is currently applied by the Exchange. Specifically, all simple orders are included and the legs of the same complex order are included.

The Exchange’s proposal to state that the term “per transaction” as it relates to the Broker-Dealer Transaction Cap would include simple orders or with respect to complex orders, all legs of the same complex order that are Floor Options Transaction Charges is equitable and not unfairly discriminatory because the Exchange would apply the cap uniformly to all eligible Phlx members and member organizations.

Floor Transaction (Open Outcry) Floor Broker Incentive Program

The Exchange’s proposal to specify that Broker-Dealer Floor Options Transactions that are capped pursuant to the Broker-Dealer Transaction Cap will be considered qualifying volume but would not be paid rebates pursuant

to the Floor Transaction (Open Outcry) Floor Broker Incentive Program is reasonable. While the Exchange would not pay rebates for the capped Broker-Dealer Floor Options Transactions, these transactions would continue to be capped and count toward qualifying volume, therefore the Exchange believes members and member organizations will continue to be incentivized to transact Broker-Dealer Floor Options Transactions on Phlx.

The Exchange’s proposal to specify that Broker-Dealer Floor Options Transactions that are capped pursuant to the Broker-Dealer Transaction Cap will be considered qualifying volume but would not be paid rebates pursuant to the Floor Transaction (Open Outcry) Floor Broker Incentive Program is equitable and not unfairly discriminatory because the Exchange would uniformly count the capped Broker-Dealer Floor Options Transactions as qualifying volume and uniformly would not pay rebates pursuant to the Floor Transaction (Open Outcry) Floor Broker Incentive Program to any Phlx member or member organization.

The Exchange’s proposal to replace examples 1 through 4 in the Floor Transaction (Open Outcry) Floor Broker Incentive Program with updated examples that reflect the current qualifying volume and rates is reasonable because the examples will provide members and member organizations with clear examples as to the manner in which the Exchange currently calculate the rebates.

The Exchange’s proposal to replace examples 1 through 4 in the Floor Transaction (Open Outcry) Floor Broker Incentive Program with updated examples that reflect the current qualifying volume and rates is equitable and not unfairly discriminatory because the Exchange uniformly applies the rebate methodology to calculate the rebates and, therefore, the revised examples could therefore apply to all members and member organizations.

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

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.

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 and will offer market participants with another choice

of where to transact options. 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, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

Intra-Market Competition

The Exchange’s proposal to state that the term “per transaction” as it relates to the Broker-Dealer Transaction Cap would include simple orders or with respect to complex orders, all legs of the same complex order that are Floor Options Transaction Charges does not impose an undue burden on competition because the Exchange would apply the cap uniformly to all eligible Phlx members and member organizations.

The Exchange’s proposal to specify that Broker-Dealer Floor Options Transactions that are capped pursuant to the Broker-Dealer Transaction Cap will be considered qualifying volume but would not be paid rebates pursuant to the Floor Transaction (Open Outcry) Floor Broker Incentive Program does not impose an undue burden on competition because the Exchange would uniformly count the capped Broker-Dealer Floor Options Transactions as qualifying volume and uniformly would not pay rebates pursuant to the Floor Transaction (Open Outcry) Floor Broker Incentive Program to any Phlx member or member organization.

The Exchange’s proposal to replace examples 1 through 4 in the Floor Transaction (Open Outcry) Floor Broker Incentive Program with updated examples that reflect the current qualifying volume and rates does not impose an undue burden on competition because the Exchange uniformly applies the rebate methodology to calculate the rebates and, therefore, the revised examples could therefore apply to all members and member organizations.

¹² See *NetCoalition*, at 534–535.

¹³ *Id.* at 537.

¹⁴ *Id.* at 539 (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca–2006–21)).

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

No written comments were either solicited or 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.¹⁵

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-Phlx-2025-64 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-Phlx-2025-64. 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-Phlx-2025-64 and should be submitted on or before January 2, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104343; File No. SR-IEX-2025-32]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend IEX's Fee Schedule Concerning the Supplemental Market Quality Program

December 8, 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 November 26, 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 Act, ⁴ and Rule 19b-4 thereunder, ⁵ the Exchange is filing with the Commission a proposed rule change to amend the Exchange's fee schedule applicable to Members ⁶ (the "Fee Schedule") ⁷ pursuant to IEX Rule 15.110(a) and (c) to lower the barriers to qualification for the Supplemental Market Quality Program incentive payments. Changes to the Fee Schedule pursuant to this proposal are effective

upon filing, ⁸ and will be operative beginning on December 1, 2025.

The text of the proposed rule change is available at the Exchange's website at <https://www.iexexchange.io/resources/regulation/rule-filings> and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization 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 self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Fee Schedule to modify the Supplemental Market Quality Program ("SMQ" or the "Program") ⁹ to lower the barriers to qualify for the incentive payments by counting qualifying activity in any eligible security when determining if a Member satisfied the Program's requirements for that month. The Exchange also proposes to make conforming changes to the Fee Schedule to reflect the changes to the SMQ. As described below, this proposed rule change is designed to make it easier for Members to qualify for the SMQ.

Background

The Program is intended to increase displayed liquidity and promote order flow to the Exchange by offering a financial incentive (the "SMQ Incentive Payment") for Members to enter displayed orders or quotes (*i.e.*, displayed trading interest) priced at the NBBO ¹⁰ on the Exchange for a significant portion of the day in certain securities designated by the Exchange as either SMQ Level 1 Securities or SMQ Level 2 Securities (collectively "SMQ Securities"). ¹¹

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ The Exchange filed the proposed rule change establishing the SMQ on May 16, 2025. See Securities Exchange Act Release No. 103131 (May 27, 2025), 90 FR 23397 (June 2, 2025) (SR-IEX-2025-07) ("SMQ Product Filing").

¹⁰ See IEX Rule 1.160(u).

¹¹ Information about the objective criteria applied by the Exchange in determining which securities to

¹⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁶ 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>.