HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the Commission's Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. Hearing requests should be received by the Commission by 5:30 p.m. on February 5, 2026, and should be accompanied by proof of service on the Applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary at *Secretarys-Office@sec.gov.*

ADDRESSES:

The Commission: Secretarys-Office@sec.gov.

Applicants: Andrew Bowden, Esq., Executive Vice President and General Counsel, The TCW Group, Inc.: 515 South Flower Street, Los Angeles, California 90071.

FOR FURTHER INFORMATION CONTACT: Toyin Momoh, Senior Counsel, or Thomas Ahmadifar, Branch Chief, at (202) 551–6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: For Applicants' representations, legal analysis, and conditions, please refer to Applicants' first amended application, dated December 12, 2025, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field, on the SEC's EDGAR system. The SEC's EDGAR system may be searched at *https://www.sec.gov/edgar/search/.* You may also call the SEC's Office of Investor Education and Advocacy at (202) 551–8090.

For the Commission, by the Division of Investment Management, under delegated authority.

J. Matthew DeLesDernier,

Deputy Secretary.

[FR Doc. 2026–01014 Filed 1–20–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104620; File No. SR–CboeEDGX–2025–072]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing of a Proposed Rule Change To Modify Rule 11.21 To Adopt a Retail Price Improvement Program and Modify Rule 11.6(e)(2) and Rule 11.10(a)(4)(C)–(D) in Order To Describe the Behavior of Orders Containing a Non-Displayed Instruction

January 15, 2026.

On September 30, 2025, Cboe EDGX Exchange, Inc. (''Exchange'' or ''EDGX'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] a proposed rule change to modify Rule 11.21 to adopt a Retail Price Improvement program (''Retail Price Improvement Program''). The Exchange also proposes to modify Rule 11.6(e)(2) and Rule 11.10(a)(4)(C)–(D) in order to describe the behavior of orders containing a ''Non-Displayed'' instruction. The proposed rule change was published for comment in the **Federal Register** on October 3, 2025.[3] On November 3, 2025, pursuant to Section 19(b)(2) of the Act,[4] the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.[5] On December 19, 2025, the Commission instituted proceedings pursuant to Section 19(b)(2)(B) of the Act,[6] to determine whether to approve or disapprove the proposed rule change.[7] On December 22, 2025, the Exchange filed Amendment No. 1 to the proposed rule change. On January 8, 2026, the Exchange withdrew Amendment No. 1 and filed Amendment No. 2 to the proposed rule change. On January 12, 2026, the Exchange withdrew Amendment No. 2 and filed Amendment No. 3 to the proposed rule change.[8] The Commission is publishing this notice to solicit comments on the proposed rule change, as amended by Amendment No. 3, from interested persons. Items I and II below have been prepared by the Exchange.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 104153 (Sept. 30, 2025), 90 FR 48098 (Oct. 3, 2025) (''Notice''). The Commission has not received any comments on the proposed rule change.

[4] 15 U.S.C. 78s(b)(2).

[5] *See* Securities Exchange Act Release No. 104173 (Nov. 3, 2025), 90 FR 51424 (Nov. 17, 2025) (designating January 1, 2026, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule changes).

[6] 15 U.S.C.78s(b)(2)(B).

[7] *See* Securities Exchange Act Release No. 104470 (Dec. 19, 2025), 90 FR 60784 (Dec. 29, 2025).

[8] Amendment No. 3 is publicly available on the Commission's website at: *https://www.sec.gov/comments/sr-cboeedgx-2025-072/srcboeedgx2025072-690827-2158314.pdf.*

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe EDGX Exchange, Inc. (the ''Exchange'' or ''EDGX'') is filing with the Securities and Exchange Commission (''Commission'') a proposal to modify Rule 11.21 to adopt a Retail Price Improvement program. The Exchange also proposes to modify Rule 11.6(e)(2) and Rule 11.10(a)(4)(C)–(D) in order to describe the behavior of orders containing a Non-Displayed instruction. This Amendment No. 3 to SR–CboeEDGX–2025–072 supersedes and replaces in its entirety Amendment No. 2 to SR–CboeEDGX–2025–072, which was filed on January 8, 2026, and withdrawn on January 12, 2026. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/equities/regulation/rule_filings/bzx/*), 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

This Amendment No. 3 to SR–CboeEDGX–2025–072 supersedes and replaces in its entirety Amendment No. 2 to SR–CboeEDGX–2025–072, which was filed on January 8, 2026, and withdrawn on January 12, 2026. The Exchange submits this Amendment No. 3 in order to clarify certain points regarding the behavior of orders containing a Non-Displayed instruction and provide additional detail regarding the proposed Retail Price Improvement program on the Exchange.

The Exchange proposes to amend Rule 11.21 to adopt a Retail Price Improvement Program on the Exchange (the ''EDGX RPI Program'') for the benefit of retail investors. As described in greater detail below, the purpose of the EDGX RPI Program would be to attract retail order flow to the Exchange and allow such Retail Orders [9] to receive potential price improvement at least $0.001 better than the Protected NBB [10] (for buy orders) or Protected NBO [11] (for sell orders) in securities priced at or above $1.00.[12] Rule 11.21 is currently titled Retail Orders and allows a certain class of Members known as Retail Member Organizations (''RMOs'') to submit Retail Orders to the Exchange and designate that Retail Orders be identified as Retail on the EDGX Book Feed.[13]

The proposed EDGX RPI Program is structured similarly to the retail liquidity programs (''RLPs'') offered by the Exchange's affiliate, Cboe BYX Exchange, Inc. (''BYX''), as well as retail liquidity programs offered by competitor exchanges such as the New York Stock Exchange (''NYSE''), NYSE National, Inc. (''NYSE National''), Nasdaq BX, Inc. (''Nasdaq BX'') and Investors Exchange LLC (''IEX'').[14] The proposed EDGX RPI Program will be structured similarly to other retail liquidity programs offered by the Exchange's various affiliated equities exchanges and competitor exchanges. However, a substantive difference between the Exchange's program and programs offered by the Exchange's affiliate or competitor exchanges is that Retail Orders entered on the Exchange may be entered with a time-in-force other than Immediate-or-Cancel (''IOC'').[15] As Retail Orders may be entered with a time-in-force other than IOC, Retail Orders will be allowed to post to the EDGX Book [16] or route to away trading centers according to User instructions. In addition, the proposed Retail Price Improvement Order will only be eligible to execute against incoming Retail Orders and will not be eligible to remove resting Retail Orders from the EDGX Book. Further, Users will have the ability to enter the proposed Retail Price Improvement Order as a MidPoint Peg Order as described in Rule 11.8(d).

Background

The Commission has long recognized that U.S. capital markets should be structured with the interests of retail investors in mind.[17] In response, exchanges have created various offerings to provide retail investors with benefits not afforded to other market participants. As noted by the Commission, the great majority of marketable orders of retail investors continue to be sent to wholesalers,[18] even with the presence of RLPs offered by other national securities exchanges,[19] including the Exchange's affiliate, BYX.[20] Indeed, as noted in the Commission's 2022 rule proposal related to minimum pricing increments, RLPs have not yet attracted a significant volume of retail order flow.[21] In fact, since RLPs have been adopted, the percentage of on-exchange share volume has continued to decrease from approximately 71% to approximately 49% as of December 2024.[22]

The Exchange has established itself as a venue that seeks to provide a positive experience for orders submitted on behalf of retail investors. Currently, EDGX offers Retail Priority, which changes the order allocation priority model from price-time priority to a price-retail priority-time priority model.[23] Retail Priority was designed to improve execution quality and trading outcomes for Retail Orders and RMOs by reducing their time to execution. Under the Retail Priority program, a displayed limit order designated with Retail Priority will be given queue priority over same-priced orders submitted on EDGX.[24] In addition to its Retail Priority offering, the Exchange also provides pricing incentives including low cost remove by Retail Orders and premium rebates for retail order flow on the Exchange.[25] Further, the Exchange provides a Retail Membership Program, which offers up to 18 months of discounted market data fees and connectivity as well as premium rebates for RMOs.[26]

The Exchange believes that its current product offerings aimed at providing

[9] *See* Exchange Rule 11.21(a)(2). A ''Retail Order'' is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. The Exchange notes that it has filed a separate proposal to amend the definition of Retail Order that would permit an RMO to enter a Retail Order in a principal capacity, but the proposed changes in the Retail Order Definition Proposal do not affect the Exchange's proposed changes to Rule 11.21(a)(2) for the introduction of the RPI Program. *See* Securities Exchange Act Release No. 103182 (June 4, 2025), 90 FR 24476 (June 10, 2025), SR–CboeEDGX–2025–035 (''Retail Order Definition Proposal'').

[10] *See* Exchange Rule 1.5(u). The term ''Protected Bid'' shall mean a bid in a stock that is (i) displayed by an automated trading center; (ii) disseminated pursuant to an effective national market system plan; and (iii) an automated quotation that is the best bid of a national securities exchange or association.

[11] *See* Exchange Rule 1.5(u). The term ''Protected Offer'' shall mean an offer in a stock that is (i) displayed by an automated trading center; (ii) disseminated pursuant to an effective national market system plan; and (iii) an automated quotation that is the best offer of a national securities exchange or association.

[12] As discussed, *infra,* the proposed Program will not apply to securities priced below $1.00.

[13] *See* Exchange Rule 13.8 for a description of the available EDGX Book Feeds.

[14] See *infra* notes 41–44.

[15] *See* Exchange Rule 11.6(q)(1). Immediate-or-Cancel (''IOC'') is an instruction the User may attach to an order stating the order is to be executed in whole or in part as soon as such order is received. The portion not executed immediately on the Exchange or another trading center is treated as cancelled and is not posted to the EDGX Book. An order with an IOC instruction that does not include a Book Only instruction and that cannot be executed in accordance with Rule 11.10(a)(4) on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 11.11.

[16] *See* Exchange Rule 1.5(d). The term ''EDGX Book'' shall mean the System's electronic file of orders.

[17] *See* U.S. Securities and Exchange Commission, Strategic Plan, Fiscal Years 2018–2022, available at *https://www.sec.gov/files/SEC_Strategic_Plan_FY18-FY22_FINAL_0.pdf.*

[18] *See* Securities Exchange Act Release No. 96495 (December 14, 2022), 88 FR 128 (January 3, 2023) (''Order Competition Rule'') at 144.

[19] *See, e.g.,* NYSE Retail Liquidity program, which promotes cost savings through price improvement for individual investors provided by retail liquidity providers that submit non-displayed interest priced better than the best protected best bid or protected best offer. *See* also NYSE National Retail Liquidity program, which seeks to attract retail order flow to the Exchange through the potential of price improvement at the midpoint or better. Available at *https://www.nyse.com/markets/liquidity-programs. See also* IEX Retail Program, which incentivizes midpoint liquidity for retail orders through the use of retail liquidity provider orders. Available at *https://www.iexexchange.io/products/retail-program. See also* Nasdaq BX Retail Price Improvement, which allows retail orders to interact with price-improving liquidity. Available at *https://www.nasdaqtrader.com/content/BXRPIfs.pdf.*

[20] *See* Securities Exchange Act Release No. 87154 (September 30, 2019), 84 FR 53183 (October 4, 2019), SR–CboeBYX–2019–014 (''BYX RPI Approval Order'').

[21] *See* Securities Exchange Act Release No. 96494 (December 14, 2022), 87 FR 80266 (December 29, 2022) (''Tick Size Proposal'') at 80273.

[22] Source: Cboe internal data.

[23] *See* Exchange Rule 11.9(a)(2)(A) and Exchange Rule 11.9, Interpretations and Policies. *See also* ''Cboe Retail Priority'' available at: *https://www.cboe.com/us/equities//offerings/retail_priority/.*

[24] *Id.*

[25] *See* EDGX Equities Fee Schedule, Fee Codes, available at: *https://www.cboe.com/us/equities/membership/fee_schedule/edgx/.*

[26] *See* Cboe Retail Membership Program, available at: *https://www.cboe.com/us/equities/trading/offerings/retail_membership_program/.*

higher execution quality for retail investors can be further augmented. Accordingly, the Exchange now seeks to introduce an RPI Program on EDGX in order to provide an additional, lit market on which retail investors can submit order flow with the potential for price improvement. As proposed, the EDGX RPI Program will offer RMOs the ability to submit Retail Orders to the Exchange. Users [27] will be permitted to provide potential price improvement for Retail Orders in the form of non-displayed interest that is priced higher than the Protected NBB (for buy orders) or lower than the Protected NBO (for sell orders). While the proposed EDGX RPI Program will function similarly to the RPI Program on the Exchange's affiliate, BYX,[28] and the retail liquidity programs of other exchanges, certain differences, including the ability for Retail Orders to post to the EDGX Book and route away from the Exchange as well as the inability of a resting RPI Order to remove a resting Retail Order, will make the EDGX RPI Program a unique offering for retail order flow.

Proposal

Proposed Rule 11.21 (Retail Price Improvement Program); Proposed Rule 11.21(a) (Definitions)

Rule 11.21 is currently titled ''Retail Orders'' and sets forth in the following subparagraphs: (a) the definitions of RMO and Retail Order, (b) the qualification and application process for becoming an RMO, (c) the failure of an RMO to abide by Retail Order requirements, (d) appeals of disapproval or disqualification, (e) order designation, and (f) attribution. The Exchange proposes to amend the title of Rule 11.21 from ''Retail Orders'' to ''Retail Price Improvement Program.'' Next, the Exchange proposes to amend Rule 11.21(a)(2) to add a sentence at the end of the current rule text that provides that a Retail Order shall operate in accordance with proposed Rule 11.21(f).

The Exchange next proposes to introduce proposed Rule 11.21(a)(3) to define a Retail Price Improvement Order, as described below.[29]

- A ''Retail Price Improvement Order'' or ''RPI Order'' consists of non-displayed interest on the Exchange that is eligible to interact with incoming Retail Orders and that is identified by the Retail Liquidity Identifier described in paragraph (e) below. To be executable, an RPI Order for a security priced at or above $1.00 must be priced at least $0.001 better than the Protected NBB or Protected NBO and may be priced in $0.001 increments (*e.g.,* $10.001). An RPI Order may not be entered in securities priced below $1.00. An RPI Order is ineligible to execute at prices equal to or inferior to the Protected NBB (for buy orders) or Protected NBO (for sell orders). An RPI Order that is ineligible to execute because it is priced equal to or inferior to the Protected NBB or Protected NBO will not be canceled and will become eligible to execute against incoming Retail Orders should the RPI Order become priced better than the Protected NBB (for buy orders) or Protected NBO (for sell orders) at a later time. An incoming RPI Order will not be eligible to interact with a resting Retail Order on the EDGX Book and upon entry will post to the EDGX Book to execute against later-arriving Retail Orders.
- An RPI Order may be entered as a limit order, in a sub-penny increment with an explicit limit price, as a MidPoint Peg Order (as defined in Rule 11.8(d)) (an ''RPI MidPoint Peg Order''), or as a Primary Peg Order (as defined in Rule 11.6(j)(2)). An RPI Order that is also a Primary Pegged Order (''RPI Primary Pegged Order'') must be entered with a positive (for buy orders) or negative (for sell orders) offset (''Offset Amount''). The ranked price of an RPI Primary Pegged Order is the price that results after application of the Offset Amount, as described in Rule 11.6(j)(2). An RPI Primary Pegged Order may have its Offset Amount entered in pricing increments of $0.001. An RPI MidPoint Peg Order and an RPI Primary Pegged Order will not execute during a locked market.
- The System [30] will monitor whether RPI Orders, adjusted by any Offset Amount and subject to the limit price, are eligible to interact with incoming Retail Orders. An RPI Order remains non-displayed in its entirety, including any applicable Offset Amount and the limit price. Any User is permitted, but not required, to submit an RPI Order. An RPI Order may be an odd lot, round lot, or mixed lot. An RPI Order may be entered as a Post Only or Book Only order and is not eligible for routing.

Proposed Rule 11.21(a)(3) is largely identical to the proposed definition of RPI Order in the Exchange's recent filing to introduce an Enhanced RPI Order to the BYX RPI Program.[31] Notably, proposed Rule 11.21(a)(3) differs from the proposed definition of RPI Order in the BYX Enhanced RPI Proposal as it permits an RPI Order to be entered with a MidPoint Peg Order instruction, which is not contemplated on BYX. The MidPoint Peg Order instruction will be optional, and not required for Users of RPI Orders. The Exchange has included examples below to describe how RPI MidPoint Peg Orders will function.

Example 1

- Protected NBBO for security ABC is $10.00 × $10.05.
- User 1 enters displayed limit order to buy ABC at $10.00 for 100 shares.
- User 2 enters an RPI MidPoint Peg Order to buy ABC at $10.03 for 100 shares. User 2's RPI MidPoint Peg Order is posted to the EDGX Book and ranked at a price of $10.025, non-displayed.
- The RPI Indicator is displayed for User 2's RPI MidPoint Peg Order.
- User 3 enters a Retail Order to sell ABC at $10.00 for 100.
- *Result:* User 3's Retail Order executes against User 2's RPI MidPoint Peg Order at a price of $10.025. User 2's RPI MidPoint Peg Order has price priority over User 1's displayed limit order pursuant to Exchange Rule 11.9 because it is ranked at $10.025 while User 1's order has a ranked price of $10.00. User 3's Retail Order receives $0.025 of price improvement by executing with User 2's RPI MidPoint Peg Order.

Additionally, the Exchange's proposed definition of RPI Order provides that an RPI Order will not remove a resting Retail Order upon entry, but rather an RPI Order will be posted to the EDGX Book and may only execute against an incoming Retail Order. The Exchange notes that unlike Retail Orders in the current BYX RPI Program,[32] the Exchange is proposing to permit Retail Orders to be entered with

[27] *See* Rule 1.5(ee). A ''User'' is defined as any member or sponsored participant of the Exchange who is authorized to obtain access to the System pursuant to Rule 11.3.

[28] *See* BYX Rule 11.24. The proposed EDGX RPI Program also differs from the current BYX RPI Program in that the EDGX RPI Program is limited to securities priced at or above $1.00, does not include an Enhanced RPI Order type, and allows for Retail Orders to be entered with any time-in-force.

[29] Under the proposed RPI Program, the Exchange would accept and rank RPI Orders in $0.001 increments. As such, the Exchange plans to submit a request for an exemption under Regulation NMS Rule 612 that would permit it to accept and rank non-displayed RPI Orders in sub-penny increments.

[30] *See* Rule 1.5(cc). The term ''System'' shall mean the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.

[31] *See* Securities Exchange Act Release No. 34–102681 (March 14, 2025), 90 FR 13240 (March 20, 2025), SR–CboeBYX–2025–007 (''BYX Enhanced RPI Proposal''). *See also* Securities Exchange Act Release No. 34–104210 (November 18, 2025), 90 FR 52727 (November 21, 2025) (''BYX Enhanced RPI Approval Order'').

[32] *See* BYX Exchange Rule 11.24(a)(2). A Retail Order must be entered with a time-in-force of IOC.

a time-in-force other than Immediate-or-Cancel (''IOC''). As Retail Orders under the EDGX RPI Program would be permitted to have a time-in-force that permits them to post to the EDGX Book or route to away markets, the Exchange believes that not allowing RPI Orders to remove liquidity upon arrival, but rather requiring RPI Orders to post to the EDGX Book would deepen the Exchange's pool of available liquidity, which provides greater execution opportunities on the Exchange, particularly for Retail Orders. Finally, the Exchange's proposed definition of RPI Order is limited to use in securities priced at or above $1.00 (while the definition of RPI Order in the revised BYX RPI Program permits RPI Orders to be entered in all securities, regardless of price.[33] The Exchange has included examples below to describe how RPI Orders will post to the EDGX Book and interact with Retail Orders.

Example 2

- Protected NBBO for security ABC is $10.00 × $10.05.
- User 1 enters displayed limit order to buy ABC at $10.00 for 100 shares.
- User 2 enters an RPI Order to buy ABC at $10.001 for 100 shares. User 2's RPI Order is posted to the EDGX Book and ranked at a price of $10.001, non-displayed.
- The RPI Indicator is displayed for User 2's RPI Order.
- User 3 enters a Retail Order to sell ABC at $10.00 for 100.
- *Result:* User 3's Retail Order executes against User 2's RPI Order at a price of $10.001. User 2's RPI Order has price priority over User 1's displayed limit order because User 2's RPI Order is ranked at $10.001 while User 1's order is ranked at $10.00. User 3 received $0.001 of price improvement by executing with User 2's RPI Order.

Example 3

- Protected NBBO for security ABC is $10.00 × $10.05.
- User 1 enters a Retail Order to sell ABC at $10.05 for 100.
- User 2 enters an RPI Order to buy ABC at $10.05 for 100. User 2's RPI Order is posted to the EDGX Book and ranked at the locking price of $10.05 with an executable price of $10.045.[34]
- The RPI Indicator is displayed for User 2's RPI Order.
- User 3 enters a Retail Order to sell ABC at $10.00 for 100.
- *Result:* User 3's Retail Order executes against User 2's RPI Order at a price of $10.045. User 2's RPI Order is ineligible to execute against User 1's Retail Order because under proposed Rule 11.21(a)(3) an incoming RPI Order is not eligible to interact with a resting Retail Order on the EDGX Book and upon entry the incoming RPI Order will post to the EDGX Book to execute against later-arriving Retail Orders. As such, User 2's RPI Order posted to the EDGX Book at the locking price of $10.05 upon entry pursuant to proposed Rule 11.6(e)(2)(B)(i), discussed *infra.* Pursuant to proposed Rule 11.10(a)(4)(D), discussed *infra,* User 3's incoming Retail Order was priced more aggressively ($10.00) than the Locking Price ($10.05) of a Resting Order (User 2's RPI Order).[35] As such, the Exchange will execute User 2's RPI Order at one-half minimum price variation less than the Locking Price of $10.05, which results in an execution against User 3's later-arriving Retail Order at a price of $10.045. User 3 received $0.045 of price improvement by executing with User 2's RPI Order.

Proposed Rule 11.21(d) (Appeal of Disapproval or Disqualification)

The Exchange next proposes to make two amendments to Rule 11.21(d) (Appeal of Disapproval or Disqualification). First, the Exchange proposes to rename the Retail Attribution Panel described in Rule 11.21(d)(1) as the RPI Panel, to align with the name change of Rule 11.21 from Retail Orders to the Retail Price Improvement Program. The proposed change will ensure that the name of the review panel on the Exchange matches the name of the review panel on the Exchange's affiliate, BYX, thus causing less confusion for RMOs or RMO applicants seeking to avail themselves of the panel.[36] Pursuant to Rule 11.21(d)(2), the proposed RPI Panel shall be made up of the Exchange's Chief Regulatory Officer (''CRO''), or a designee of the CRO, and two officers of the Exchange designated by the Chief Information Officer (''CIO''). The Exchange now proposes to amend Rule 11.21(d)(2) to change to the Chief Information Officer referenced in the Rule to the Chief Operating Officer. The Exchange notes that it currently does not have a Chief Information Officer and the corresponding rule of the Exchange's affiliate, BYX, also references the Chief Operating Officer.[37] The Exchange believes this change is necessary in order to maintain continuity between the Exchange and its affiliate as well as reference the appropriate corporate officer responsible for selecting members of the RPI Panel.

Proposed Rule 11.21(e) (Retail Liquidity Identifier)

The Exchange proposes to amend Rule 11.21(e) (currently titled Order Designation) by changing the title to ''Retail Liquidity Identifier,'' deleting the rule text that describes how an RMO may designate an order as a Retail Order from current Rule 11.21(e), moving the rule text of current Rule 11.21(e) that describes the designation of a Retail Order when routed to an away Trading Center to proposed Rule 11.24(h) (Attribution), and introducing rule text that describes when the Retail Liquidity Identifier for RPI Orders will be displayed.[38] The proposed rule text is as follows:

- An identifier shall be disseminated through proprietary data feeds or as appropriate through the Consolidated Quotation System, when an RPI Order with a ranked price at least $0.001 better than the Protected NBB or Protected NBO for a particular security, is available in the System (''Retail Liquidity Identifier''). The Retail Liquidity Identifier shall reflect the symbol for the particular security and the side (buy or sell) of the RPI Order, but shall not include the price or size of the RPI Order. The Retail Liquidity Identifier will only be disseminated when an RPI Order has a ranked price better than the Protected NBB or Protected NBO and will not disseminate if the price of the Protected NBB or Protected NBO moves such that the ranked price of the RPI Order is no longer priced higher than the Protected NBB or lower than the Protected NBO.

The Exchange notes that its proposed rule text for Rule 11.21(e) is nearly identical to the rule text in the BYX Enhanced RPI Proposal, except that the Exchange is not seeking to introduce an

[33] *See* BYX Exchange Rule 11.24(h).

[34] *See* proposed Exchange Rule 11.6(e)(2)(B)(i). If the entered limit price of a non-displayed order would lock the EDGX Book, the non-displayed order will be posted on the EDGX Book at the locking price and executed as set forth in proposed Rule 11.10(a)(4). An RPI Order is a non-displayed order and therefore is subject to the behavior described in proposed Exchange Rule 11.6(e)(2)(B)(i).

[35] The terms ''Locking Price'' and ''Resting Order'' are discussed in the *Non-Displayed Order Behavior* section, discussed *infra.*

[36] *See* BYX Rule 11.24(d)(1).

[37] *See* BYX Rule 11.24(d)(2).

[38] The Exchange plans on submitting a letter requesting assurance from staff of the Division of Trading and Markets that it will not recommend enforcement action to the Commission pursuant to Rule 602 of Regulation NMS (the ''Quote Rule'') with respect to: (1) the Exchange with respect to collecting, processing, and making available to vendors the best bid, best offer, and quotation sizes communicated by members of the Exchange, or (2) liquidity providers entering RPI Orders under the EDGX RPI Program.

Enhanced RPI Order and will only seek to display the Retail Liquidity Identifier (''RLI'') when an RPI Order, rather than RPI Interest as described in the BYX Enhanced RPI Proposal, is priced better than the Protected NBB or Protected NBO in securities priced at or above $1.00 by at least $0.001. The proposed rule text describes that the RLI will be disseminated over the Exchange's proprietary data feeds and the Consolidated Quotation System when there is an RPI Order priced at least $0.001 above the Protected NBB or below the Protected NBO in securities priced at or above $1.00. The RLI will not be disseminated if an RPI Order is priced equal to, below (for buy orders), or above (for sell orders) the Protected NBB or Protected NBO, even if the ranked price of the RPI Order does not change. In the event that the Protected NBB or Protected NBO moves such that a resting RPI Order is again priced above the Protected NBB or below the Protected NBO, the RLI will then be disseminated.

The purpose of the Identifier is to provide relevant market information to RMOs that there are RPI Orders available on the Exchange, thereby incentivizing RMOs to send Retail Orders to the Exchange. The Exchange believes that even in instances where the Identifier is not being disseminated due to RPI Order not having a ranked price at least $0.001 above (for buy orders) or below (for sell orders) the Protected NBB or Protected NBO, RMOs continue to be incentivized to submit Retail Orders to the Exchange. The Exchange does not believe that RMOs are harmed by the Exchange accepting an RPI Order that is not executable at the time of receipt by the Exchange and therefore not disseminating an Identifier because there may be additional hidden liquidity on the EDGX Book with which a Retail Order submitted by an RMO may interact. First, not all RMOs rely on the Identifier when submitting Retail Orders to the Exchange. In addition, Retail Orders may continue to be submitted even when the Identifier is not being disseminated and will continue to be eligible to execute against contra-side hidden liquidity that may be priced equal to or above (for buy orders) or below (for sell order) the Protected NBB or Protected NBO.

Proposed Rule 11.21(f) (Retail Order Designation)

The Exchange proposes to amend Rule 11.21(f) (currently titled Attribution) by changing the title to ''Retail Order Designation,'' moving the text of current Rule 11.21(f) to proposed Rule 11.24(h) (Attribution), and introducing rule text that describes how RMOs may designate Retail Orders submitted to the Exchange to interact with contra-side interest. Proposed Rule 11.21(f) is based off BYX Rule 11.24(f) (Retail Order Designation) and will contain a nearly identical definition of a Type 1 Retail Order [39] while also introducing a new Type 2 Retail Order.

The Exchange proposes to introduce Rule 11.21(f)(1), which describes a Type 1 Retail Order. Type 1-designated Retail Orders must be designated as IOC and will interact with available contra-side RPI Orders and other price improving contra-side interest but will not interact with other available contra-side interest in the System that is not offering price improvement or route to other markets. The portion of a Type 1-designated Retail Order that does not execute against contra-side RPI Orders or other price improving liquidity will be immediately and automatically cancelled.

The Exchange also proposes to introduce Rule 11.21(f)(2), which describes a Type 2 Retail Order. Type 2-designated Retail Orders will be executed, posted to the EDGX Book, or cancelled according to the User's instructions. A Type 2-designated Retail Order will be ineligible to execute with a resting RPI Order that is not priced better than the Protected NBB or Protected NBO. A Type 2-designated Retail Order can either be submitted as an EDGX Only Order or as an order eligible for routing pursuant to Rule 11.11.

Proposed Rule 11.21(g) (Order Priority)

The Exchange proposes to introduce Rule 11.21(g) titled Order Priority which will describe how RPI Orders will be ranked and executed upon receipt by the Exchange. RPI Orders in the same security shall be ranked according to price then time of entry into the System, as provided for in Rule 11.9 and executions shall occur in price/time priority in accordance with Rule 11.9. Any remaining unexecuted portion of an RPI Order will remain available to interact with other incoming Retail Orders. Any remaining unexecuted portion of a Type 2 Retail Order will cancel, execute, or post to the EDGX Book in accordance User instruction. RPI Orders are ineligible to execute at prices that are equal to or inferior to the Protected NBB or Protected NBO. An RPI Order that is priced equal to or inferior to the Protected NBB or Protected NBO will not be cancelled and will become eligible to execute against Retail Orders should the RPI Order become priced better to the Protected NBB or Protected NBO at a later time. The Exchange has provided the following examples to demonstrate how RPI Order priority will function.

Example 4

- Protected NBBO for security ABC is $10.00 × $10.05.
- User 1 enters an RPI Order to buy ABC at $10.015 for 500 shares.
- User 2 enters an RPI Order to buy ABC at $10.02 for 500 shares.
- User 3 enters an RPI Order to buy ABC at $10.035 for 500 shares.
- User 4 enters a Retail Order to sell ABC at $10.00 for 1,000 shares.
- *Result:* User 4's Retail Order to sell ABC for 1,000 executes first against User 3's bid for 500 shares at $10.035 because it is the best priced bid, then against User 2's bid for 500 shares at $10.02 because it is the next best priced bid. User 1 is not filled because the entire size of the Retail Order to sell 1,000 shares is depleted. The Retail Order executes against RPI Orders in price/time priority.

Example 5

- Protected NBBO for security ABC is $10.00 × $10.05.
- User 1 enters an RPI Order to buy ABC at $10.015 for 500 shares.
- User 2 enters an RPI Order to buy ABC at $10.02 for 100 shares.
- User 3 enters an RPI Order to buy ABC at $10.035 for 500 shares.
- User 4 enters a Retail Order to sell ABC at $10.00 for 1,000 shares.
- *Result:* User 4's Retail Order to sell ABC for 1,000 executes first against User 3's bid for 500 shares at $10.035 because it is the best priced bid, then against User 2's bid for 100 at $10.02 because it is the next best priced bid. User 1 then receives an execution for 400 of its bid for 500 at $10.015, at which point the entire size of the Retail Order to sell 1,000 is depleted.

Example 6

- Protected NBBO for security ABC is $10.00 × $10.05.
- User 1 enters an RPI Order to buy ABC at $10.015 for 500 shares.
- User 2 enters an RPI Order to buy ABC at $10.02 for 100 shares.
- User 3 enters a Non-Displayed Order to buy ABC at $10.03 for 500 shares.
- User 4 enters a Retail Order to sell ABC at $10.00 for 1,000 shares.
- *Result:* User 4's Retail Order to sell ABC for 1,000 executes first against User 3's bid for 500 shares at $10.03 because it is the best priced bid, then against User 2's bid for 100 at $10.02 because it is the next best priced bid. User 1 then

[39] *See* BYX Rule 11.24(f)(1).

receives an execution for 400 of its bid for 500 at $10.015, at which point the entire size of the Retail Order to sell 1,000 is depleted.

Proposed Rule 11.21(h) (Attribution)

The Exchange proposes to introduce Rule 11.21(h) titled Attribution, which will contain details about how RMOs may designate Retail Orders to be identified as such. The Exchange notes that the text from current Rule 11.21(f) (Attribution) will be relocated to proposed Rule 11.21(h) with minor changes in order to incorporate rule text from current Rule 11.21(e). Pursuant to proposed Rule 11.21(h), and as is currently described in Rule 11.21(f), an RMO may designate a Retail Order to be identified as a Retail Order on the EDGX Book Feed on an order-by-order basis. An RMO may also instruct the Exchange to identify all its Retail Orders as Retail Orders on a port-by-port basis where that port is also designated as a Retail Order Port. An RMO that instructs the Exchange to identify all its Retail Orders as Retail Orders on a Retail Order Port will be able to override such setting and designate any individual Retail Order from that port as Attributable or Non-Attributable, as set forth in Rule 11.6(a). The Exchange proposes to relocate the language from current Rule 11.21(e) (Order Designation) to proposed Rule 11.21(h) stating that a Retail Order will be identified as Retail when routed to an away Trading Center unless otherwise instructed by an RMO as this language more appropriately describes order attribution rather than how an order will interact with contra-side interest as is proposed in proposed Rule 11.21(f). The Exchange proposes to keep the existing language from current attribution Rule 11.21(f) stating all Retail Priority Orders, as defined in Interpretations and Policies .01 to Rule 11.9, will be identified as such on the EDGX Book Feed in order to avoid investor confusion. The Exchange notes that it is proposing non-substantive changes to the existing rule text being relocated from current Rules 11.21(e) and 11.21(f) to proposed Rule 11.21(h) to clarify that the term ''Retail'' refers to a Retail Order.

Proposed Rule 11.21(i)

As discussed in proposed Rule 11.21(a)(3), the EDGX RPI Program will be limited to trades occurring at prices equal to or greater than $1.00 per share. The Exchange notes that it will periodically notify the membership regarding the securities included in the EDGX RPI Program through an information circular, which is the same practice utilized by its affiliate, BYX, in its current RPI Program.[40]

Comparison to Existing Retail Liquidity Programs

The Exchange notes that in addition to being substantially similar to the proposed RPI Program on its affiliate equity exchange, BYX, the proposed EDGX RPI Program is similar to other retail liquidity programs offered by the New York Stock Exchange LLC (''NYSE''),[41] NYSE National, Inc. (''NYSE National''),[42] Investors' Exchange LLC (''IEX''),[43] and Nasdaq BX, Inc. (''Nasdaq BX''),[44] with important distinctions highlighted below.

First, the Exchange notes that its proposal differs from all other retail liquidity programs as it is proposing to allow Retail Orders to be entered with any time-in-force and is not limiting Retail Orders to only be entered with a time-in-force of IOC. The Exchange believes allowing Retail Orders to be entered with any time-in-force instruction rather than limiting the time-in-force to IOC will provide for additional execution opportunities for Retail Orders and will create a deeper pool of liquidity on the Exchange, which provides for greater execution opportunities for all Users and provides for overall enhanced price discovery and price improvement opportunities on the Exchange. While a resting Retail Order will not be eligible to interact with a resting RPI Order that was not originally executable upon receipt of the Retail Order due to the RPI Order's requirement to execute only against incoming Retail Orders, the ability of the Retail Order to execute against other liquidity on the Exchange, including hidden liquidity that may offer price improvement, stands to provide additional execution opportunities to the Retail Order that it otherwise would not have received if required to be entered with a time-in-force of IOC.

Next, the Exchange notes that its proposed RPI Order may be entered in price increments of $0.001, which is identical to the corresponding RPI Orders on BYX, NYSE, and Nasdaq BX but differs from the price increments of RPI Orders on IEX and NYSE National, whose equivalent RPI Orders may only be entered in $0.005 increments. The Exchange believes that providing Users the ability to enter RPI Orders in $0.001 increments while simultaneously proposing to allow RPI Orders to be entered as MidPoint Peg Orders provides Users the appropriate balance in having the ability to control how much price improvement is offered to contra-side Retail Orders using $0.001 increments while also having more certainty and control over its order flow by choosing to utilize the MidPoint Peg Order type. If a User chooses to submit an RPI Order with a limit price in a $0.001 increment, the User risks being priced lower than other hidden liquidity on the EDGX Book and not earning an execution against an incoming Retail Order. Additionally, the User's RPI Order entered in $0.001 increments may be subject to movement in the NBBO and become unexecutable if the order is no longer priced at least $0.001 better than the Protected NBB or Protected NBO. Alternatively, if a User enters an RPI MidPoint Peg Order, the User knows that any execution will occur at the NBBO midpoint and that its order will remain executable, as it will always be priced at least $0.001 better than the Protected NBB or Protected NBO as it is a pegged order with a limit price that updates as the NBBO updates.

The Exchange believes that the distinctions highlighted above will make the EDGX RPI Program an attractive alternative to other retail liquidity programs and provide RMOs with the ability to submit Retail Orders to the Exchange with a chance at receiving additional price improvement compared to what is already available on the Exchange.

Non-Displayed Order Behavior

The Exchange currently permits orders to be entered with a Non-Displayed instruction (a ''Non-Displayed Order'') pursuant to Rule 11.6(e)(2). The Exchange now proposes to amend Rule 11.6(e)(2) and Rule 11.10(a)(4)(C)–(D) in order to more accurately describe the price at which a Non-Displayed Order posts to the EDGX Book and at what price a Non-Displayed Order may execute in certain situations. The Exchange believes the below changes to Rule 11.6(e)(2) and Rule 11.10(a)(4)(C)–(D) are necessary in order to provide market participants with greater certainty and clarity regarding the entry and execution of orders with Non-Displayed instructions on the Exchange.

The Exchange proposes to introduce Rule 11.6(e)(2)(A), which provides that when a Non-Displayed Order is entered,

[40] *See* BYX Rule 11.24(h). The Exchange notes that BYX has proposed to remove BYX Rule 11.24(h) as part of the BYX Enhanced RPI Proposal, but currently the Program is limited to securities priced at or above $1.00.

[41] *See* NYSE Rule 7.44 (Retail Liquidity Program).

[42] *See* NYSE National Rule 7.44 (Retail Liquidity Program).

[43] *See* IEX Rule 11.232 (Retail Price Improvement Program).

[44] *See* Nasdaq BX Equity 4, Rule 4780 (Retail Price Improvement Program).

the Non-Displayed Order will be executed against previously posted orders on the EDGX Book that are priced equal to or better than the price of the Non-Displayed Order, up to the full amount of such previously posted orders, unless such executions would trade through a Protected Quotation.[45] Any portion of a Non-Displayed Order that cannot be executed in this manner will be posted to the EDGX Book (unless the Non-Displayed Order has a time-in-force of IOC) and/or routed if it has been designated as a routable order.

The Exchange next proposes to introduce Rule 11.6(e)(2)(B), which describes the price at which a Non-Displayed Order is posted and ranked on the EDGX Book in the event that it is not executed pursuant to proposed Rule 11.6(e)(2)(A). Proposed Rule 11.6(e)(2)(B)(i) provides if the limit price of a Non-Displayed Order would lock the EDGX Book, the Non-Displayed Order will be posted on the EDGX Book at the locking price and will be executed as set forth in Rule 11.10(a)(4)(C). If, however, an inbound Non-Displayed Order cannot execute due to User instruction (*e.g.,* Post Only[46] or minimum quantity) and does not contain a price slide instruction, the Non-Displayed Order will be cancelled. An inbound Non-Displayed Order that cannot execute upon entry and contains a price slide instruction will be ranked at the locking price upon entry. Proposed Rule 11.6(e)(2)(B)(ii) provides if the limit price of the Non-Displayed Order would cross a Protected Quotation and the Non-Displayed Order contains a price slide instruction, the Non-Displayed Order will be executed as set forth in Rule 11.6(l)(1)(B) or cancel, based on User instruction. If the entered limit price of the Non-Displayed Order would cross a Protected Quotation and the Non-Displayed Order does not contain a price slide instruction, the Non-Displayed Order will cancel or route, based on User instruction. Proposed Rule 11.6(e)(2)(B)(iii) provides in situations where there is a resting Non-Displayed Order on the buy (sell) side of the market and an incoming Non-Displayed Order on the sell (buy) side of the market is unable to execute due to User instruction (*e.g.,* Post Only or minimum quantity) and posts to the EDGX Book at a price that locks the resting Non-Displayed Order, an incoming Non-Displayed Order on the buy (sell) side of the market may execute with the resting Non-Displayed Order on the sell (buy) side of the market at the locking price ahead of the Non-Displayed Order on the buy (sell) side of the market. The Exchange believes that it is more appropriate to permit later-arriving orders to execute ahead of a resting order posted to the EDGX Book that is in a locked state due to the presence of a contra-side order with specific User instructions (*e.g.,* Post Only or minimum quantity) rather than cancel or slide the later-arriving order due to the information leakage that would occur as a result of the cancellation. The Exchange has included an example to demonstrate the operation of proposed Rule 11.6(e)(2)(B)(iii).

Example 7

- NBBO for security ABC is $10.00 × $10.05.
- User 1 enters a MidPoint Peg order to buy 100 shares of ABC at $10.03. User 1's order is posted to the EDGX Book and ranked at $10.025.
- User 2 enters a MidPoint Peg Post Only order to sell 100 shares of ABC at $10.02. User 2's order is posted to the EDGX Book and ranked at $10.025.
- User 3 enters an IOC order to buy 100 shares of ABC at $10.05.
- *Result:* Pursuant to proposed Rule 11.6(e)(2)(B)(iii), User 3's order trades with User 2's MidPoint Peg Post Only order at a price of $10.025. In this instance, User 3's order trades with User 2's order ahead of User 1's order because when User 2's order was originally entered, it was unable to execute due to the Post Only instruction. As both User 2's order and User 1's order are non-displayed orders (MidPoint Peg orders by nature are non-displayed), the Exchange allows User 2's order to post to the EDGX Book and be ranked at the locking price as the non-displayed nature of these orders would not cause a violation of Regulation NMS. The Exchange believes that if it were instead to slide User 2's order in accordance with Rule 11.6(l)(3) or cancel User 2's order so that it would not create an internal locked book, the act of sliding or cancelling User 2's order would result in information leakage. As such, the Exchange believes that it is appropriate to permit User 3's order to trade ahead of User 1's resting order at a price of $10.025.

In conjunction with the proposed changes to Rule 11.6(e)(2), the Exchange also proposes to amend Rule 11.10(a)(4)(C)–(D) to better describe the execution of Non-Displayed Orders in situations where a locked market exists on the EDGX Book. Rule 11.10(a)(4)(C) currently states that certain orders are permitted to post and rest on the EDGX Book at prices that lock contra-side liquidity, provided, however, that the System will never display a locked market. The Exchange proposes to add language to Rule 11.10(a)(4)(C) to provide that consistent with Rule 11.9, which sets forth the Exchange's rule regarding priority of orders, Non-Displayed Orders and orders subject to display-price sliding as set forth in Rule 11.6(l)(1) (defined as the "Resting Orders") cannot be executed pursuant to Rule 11.10 when such Resting Orders would be executed at prices equal to displayed orders on the opposite side of the market (the "Locking Price").[47] The Exchange also proposes to amend Rule 11.10(a)(4)(D) to conform with the proposed changes in Rule 11.10(a)(4)(C) with regard to the use of the terms Resting Order and Locking Price. Proposed Rule 11.10(a)(4)(D) will be revised from its current text to provide that in the event that an incoming order described in sub-paragraphs (A) and (B) is a Market Order or is a Limit Order priced more aggressively than the Locking Price of a Resting Order as described in sub-paragraph (C), the Exchange will execute the Resting Order at, in the case of a Resting Order bid, one-half minimum price variation less than the Locking Price, and, in the case of a Resting Order offer, one-half minimum price variation more than the Locking Price.

Implementation

The Exchange proposes to implement the RPI Program on EDGX during the first half of 2026 and will announce the date via Trade Desk Notice.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange

[45] *See* Rule 1.5(u). The term "Protected Quotation" shall mean a quotation that is a Protected Bid or Protected Offer.

[46] *See* Rule 11.6(n)(4). A Post Only instruction is an instruction that may be attached to an order that is to be ranked and executed on the Exchange pursuant to Rule 11.9 and Rule 11.10(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the EDGX Book, except as described below. An order with a Post Only instruction will remove contra-side liquidity from the EDGX Book if the order is an order to buy or sell a security priced below $1.00 or if the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, include the applicable fees charged or rebates provided.

[47] Any incoming order that would execute against the Resting Order at the Locking Price would receive a priority advantage over the displayed order at the Locking Price. As such, the Exchange does not execute a Resting Order against an incoming order at the Locking Price if there is also a displayed order resting on the EDGX Book at the Locking Price.

and, in particular, the requirements of Section 6(b) of the Act.[48] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[49] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[50] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission has repeatedly emphasized that the U.S. capital markets should be structured with the interests of retail investors in mind[51] and has recently proposed a series of rules designed, in part, to attempt to bring order flow back to the exchanges from off-exchange trading venues.[52] The Exchange believes its proposal to introduce an RPI Program on EDGX is consistent with the Commission's goal of ensuring that the equities markets continue to serve the needs of the investing public. Specifically, introducing the Program on EDGX would protect investors and the public interest by providing retail investors the ability to obtain price improvement on EDGX, a national securities exchange. The Exchange is committed to innovation that improves the quality of the equities markets and believes that the proposed EDGX RPI Program may increase the attractiveness of the Exchange for the execution of Retail Orders submitted on behalf of the millions of ordinary investors that rely on these markets for their investment needs.

The Exchange believes the proposed EDGX RPI Program promotes just and equitable principles of trade and is not unfairly discriminatory. While the proposed EDGX RPI Program would differentiate among its Members, the Exchange does not believe that such segmentation is inconsistent with section 6(b)(5) of the Act, as it does not permit *unfair* discrimination. The Commission has previously stated that the markets generally distinguish between retail investors, whose orders are considered desirable by liquidity providers because such retail investors are presumed to be less informed about short-term price movements, and professional traders, whose orders are presumed to be more informed.[53] The Commission has further stated that without opportunities for price improvement, retail investors may encounter wider spreads that are a consequence of liquidity providers interacting with more informed order flow.[54] The Exchange believes that its proposed EDGX RPI Program is reasonably designed to attract marketable retail order flow to the exchange as it will help to ensure that retail investors benefit from the better price that liquidity providers are willing to provide to retail orders in exchange for minimizing their adverse selection costs.

The Exchange believes that the proposed RPI Order behavior that does not permit an RPI Order to execute immediately against resting Retail Orders upon entry is not unfairly discriminatory because the proposed RPI Order is an optional order type that any liquidity provider may utilize as part of its investment strategy. As an example, a liquidity provider may choose to submit a limit order with a time-in-force of Day, and that order may execute immediately upon entry with hidden liquidity on the EDGX Book. Conversely, another liquidity provider may choose to submit an RPI Order knowing that the order will not execute immediately upon entry, but rather will be posted to the EDGX Book, foregoing potentially receiving an immediate executions in exchange for the strong likelihood of executing against an incoming, contra-side Retail Order, which is generally a more desirable outcome for more sophisticated market participants.[55] The Exchange is not proposing to amend the functionality of any existing order types on the Exchange, but rather seeks to provide an additional order type that provides liquidity providers with greater control over its contra-side execution. The proposed RPI Order is completely optional, can be utilized by any liquidity provider, and will be an additional order type from which liquidity providers may choose when determining how best to submit order flow to the Exchange. While the proposed RPI Order is limited to executing only with incoming contra-side Retail Orders and not resting Retail Orders on the EDGX Book, the Exchange believes that liquidity providers are in the best position to determine whether the proposed RPI Order is appropriate for the liquidity provider's current investment strategy. If a liquidity provider wishes to prioritize speed of execution or wishes to have the ability to execute immediately upon entry without regard to the contra-side order type, it is free to utilize another order type on the Exchange.

The Exchange further believes the proposed change would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and protect investors and the public interest because proposed Rule 11.21 is based on BYX Exchange Rule 11.24, providing for the BYX RPI Program, and is also similar to rules providing for the NYSE, NYSE National, IEX, and Nasdaq BX retail liquidity programs. The Exchange believes that its proposal to permit an RPI Order to be entered in pricing increments of $0.001 or as an RPI MidPoint Peg Order provides Users the appropriate balance in having the ability to control how much price improvement is offered to contra-side Retail Orders while also having more certainty and control over its order flow. For example, if a User chooses to submit an RPI Order with a limit price in a $0.001 increment, the User risks being priced lower than other hidden liquidity on the EDGX Book and not earning an execution against a Retail Order. Additionally, the User's RPI Order may be subject to movement in the NBBO and become unexecutable if the order is no longer priced at least $0.001 better than the Protected NBB or Protected NBO. Alternatively, a User who elects to enter an RPI MidPoint Peg Order knows that any execution will occur at the NBBO midpoint and that its order will remain executable, as it will always be priced

[48] 15 U.S.C. 78f(b).

[49] 15 U.S.C. 78f(b)(5).

[50] *Id.*

[51] *Supra* note 17.

[52] *Supra* notes 18 and 21. *See also,* Securities Exchange Act Release No. 96496 (December 14, 2022), 88 FR 5440 (January 27, 2023) (''Regulation Best Execution''); Securities Exchange Act Release No. 96493 (December 14, 2022), 88 FR 3786 (January 20, 2023) (''Disclosure of Order Execution Information'').

[53] *Id.*

[54] *Id.*

[55] Marketable retail order flow is generally seen as more desirable by institutional liquidity providers as executions against retail orders are less prone to adverse selection. Adverse selection is the phenomenon where the price of a stock drops right after a liquidity provider purchases the stock. The Commission has previously opined that retail liquidity programs may be beneficial to institutional investors as they may be able to reduce their possible adverse selection costs by interacting with retail order flow. *See* Securities Exchange Act Release No. 68303 (November 27, 2012), 77 FR 71652 (December 3, 2012), SR–BYX–2012–019 (''BYX RPI Pilot Approval Order'') at 71656.

at least $0.001 better than the Protected NBB or Protected NBO as it is a pegged order with a limit price that updates as the NBBO updates.

Proposed Rule 11.21 sets forth definitions, order types,, and the operation, priority, and attribution of orders in the Program that are based on rules previously approved by the Commission for retail price improvement programs currently offered by equity exchanges. Additionally, proposed Rule 11.21 will retain the processes for RMO application, qualification, disapproval and disqualification that were previously approved under Rule 11.21 for the proposed RPI Program with non-substantive changes. Accordingly, the Exchange also believes the proposed change would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and protect investors and the public interest by promoting consistency among exchange rules setting forth retail price improvement programs, which could encourage retail investors to direct order flow to the proposed Program to seek out price improvement opportunities.

The Exchange believes that the introduction of the EDGX RPI Program promotes just and equitable principles of trade and is consistent with Section 6(b)(5) of the Act as it encourages Users to submit RPI Orders with limit prices that are priced at least $0.001 better than the Protected NBB or Protected NBO in exchange for the ability to guarantee the opportunity to execute against a contra-side Retail Order. As previously stated, all Users are eligible to submit RPI Orders. While the Exchange believes that most RPI Orders will be submitted by or on behalf of professional traders, retail investors will have the opportunity to receive better-priced executions should their executing broker choose to submit a marketable Retail Order to the Exchange. The Exchange believes the introduction of the EDGX RPI Program will deepen the Exchange's pool of available liquidity, increase marketable retail order flow to the Exchange and provide additional competition for marketable retail order flow, most of which is currently executed off-exchange in the OTC markets. Promoting competition for retail order flow among execution venues stands to benefit retail investors, who may be eligible to receive greater price improvement on the Exchange by interacting with an RPI Order than they would if their order was internalized by a broker-dealer on the OTC market.

The Exchange believes that its proposal to permit Retail Orders to be entered with any time-in-force and not be limited to a time-in-force of IOC as is the case with existing retail liquidity programs promotes just and equitable principles of trade and is consistent with Section 6(b)(5) of the Act because it provides an RMO submitting orders on behalf of retail customers additional control over how its Retail Orders will interact with liquidity resting on the EDGX Book. For instance, an RMO may choose to submit a Retail Order with a time-in-force of IOC, which would behave identical to a Retail Order submitted to the Exchange's affiliate RPI Program on BYX, and would immediately cancel if it does not receive an execution against an RPI Order or other price improving liquidity on the EDGX Book.[56] However, an RMO may also choose to utilize a time-in-force that permits the Retail Order to post to the EDGX Book or route to an away market center if it is not immediately executed.[57] By permitting a Retail Order to post to the EDGX Book, the Retail Order will be eligible not only to execute against a resting RPI Order immediately upon entry, but may also be designated as a Retail Priority Order[58] if the order does not execute against a resting RPI Order and instead posts to the EDGX Book. If an RMO chooses to designate its Retail Order as a Retail Priority Order, the displayed portion of the Retail Priority Order is given allocation priority ahead of all other available interest on the EDGX Book.

The Exchange views the ability to enter Retail Orders with any time-in-force an important feature that benefits retail investors by increasing both the likelihood and speed with which their non-marketable Retail Orders are executed. If speed is a priority, then an RMO is free to select a time-in-force of IOC and will only receive an execution if there is a resting RPI Order priced at least $0.001 better than the NBBO or a hidden order providing price improvement. If, however, speed is not a concern and an RMO would like to increase its odds that its Retail Order will be filled on the Exchange after posting to the EDGX Book, the RMO may elect to submit its order as a Retail Priority Order. RMOs are also free to simply choose to designate a Retail Order with a time-in-force other than IOC and not as a Retail Priority Order, which would permit the Retail Order to post to the EDGX Book or route to an away market and receive an execution under standard price/display/time priority. The Exchange has already proven that it can attract Retail Orders through its retail priority offering[59] and now believes that it can provide price improvement to those Retail Orders through the introduction of the RPI Program on the Exchange and building a greater depth of book against which Retail Orders may be eligible to execute.

The Exchange believes its proposal to introduce additional rule text describing the entry and execution of Non-Displayed Orders on the Exchange promotes just and equitable principles of trade by providing additional clarity and transparency to market participants on how the System processes Non-Displayed Orders. Specifically, the Exchange is providing additional information regarding the price at which a Non-Displayed Order is posted and ranked on the EDGX Book when a Non-Displayed Order either locks or crosses a Protected Quotation or when a Non-Displayed Order locks the EDGX Book. By introducing the proposed rule text, Users will have a better understanding of how a Non-Displayed Order is posted and ranked during certain scenarios involving locked and crossed markets, which benefits all Users and the marketplace as a whole. In addition, the Exchange believes its proposal to introduce additional rule text describing the entry and execution of Non-Displayed Orders on the Exchange is not unfairly discriminatory as all Users and market participants will be subject to the same application of the Exchange's rules and will have equal access to the Exchange rulebook.

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 that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposal does not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Rather, the proposed rule change is designed to increase intramarket competition for

[56] *See* proposed Rule 11.21(f)(1).

[57] *See* proposed Rule 11.21(f)(2).

[58] *See* Rule 11.9, Interpretations and Policies .01. A Retail Priority Order is a Retail Order that is entered on behalf of a person that does not place more than 390 equity orders per day on average during a calendar month for its own beneficial account(s).

[59] A review of internal Exchange data found that approximately 44% of all Retail Orders submitted to EDGX between January 2025–July 2025 were designated as Retail Priority Orders. Retail Orders (including Retail Priority Orders) accounted for approximately 18.6% of all orders executed on EDGX during the period January 2025–July 2025.

retail order flow by introducing a retail liquidity program on a regulated market. The proposed change could encourage additional competition by promoting additional trading opportunities for retail investors at both the NBBO midpoint as well as at sub-penny increments priced better than the Protected NBB or Protected NBO. The proposed change regarding Non-Displayed Order entry and execution is not being made for competitive reasons, but rather to provide Users with additional clarity and transparency about what price a Non-Displayed Order is posted, ranked, and executed during certain scenarios involving locked and crossed markets.

The Exchange also believes the proposed rule change does not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the Act. As discussed above, IEX, NYSE, NYSE National, and Nasdaq BX each operate RLPs and the Exchange believes that its proposed rule change will allow it to compete for additional retail order flow with the aforementioned exchanges.[60] Furthermore, the Exchange's proposal will promote competition between the Exchange and off-exchange trading venues where the majority of retail order flow trades today.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.[61]

[60] *Supra* notes 41–44.

[61] *See supra* note 7 (citing to the Commission's order instituting proceedings to determine whether to disapprove the proposed rule change). April 1, 2026, is the date by which the Commission shall issue an order approving, disapproving, or extending the period for not more than 60 days. *See* 15 U.S.C. 78s(b)(2)(B)(ii).

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment No. 3, 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–2025–072 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–2025–072. 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–2025–072 and should be submitted on or before February 11, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[62]

J. Matthew DeLesDernier,

Deputy Secretary.

[FR Doc. 2026–01016 Filed 1–20–26; 8:45 am]

BILLING CODE 8011–01–P

[62] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104612]

Order Granting Temporary Exemptive Relief, Pursuant to Section 36(a)(1) of the Securities Exchange Act of 1934 From Compliance With Rule 600(b)(69)(ii) of Regulation NMS

January 15, 2026.

I. Introduction

On September 18, 2024, the Securities and Exchange Commission ("SEC" or "Commission") adopted Regulation NMS: Minimum Pricing Increments, Access Fees and Transparency of Better Priced Orders,[1] which among other things, accelerated the implementation of the odd-lot information definition in Rule 600(b)(69) of Regulation NMS [2] and added information about the best odd-lot order to the definition of odd-lot information.[3] The Commission adopted a compliance date for implementing odd-lot information as the first business day of May 2026.[4]

By letter dated July 9, 2025, the Operating Committees of the Consolidated Quotation Plan ("CQ Plan"), Consolidated Tape Association Plan ("CTA Plan"), and the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis ("UTP Plan") (collectively, the "Plans") [5] requested that the Commission provide temporary exemptive relief for two years from the requirement to disseminate certain odd-lot information as defined in Rule 600(b)(69)(ii) of Regulation NMS.[6] As discussed below, the Commission is providing temporary exemptive relief to

[1] Securities Exchange Act Release No. 101070 (Sept. 18, 2024), 89 FR 81620 (Oct. 8, 2024) ("Adopting Release").

[2] 17 CFR 242.600(b)(69).

[3] 17 CFR 242.600(b)(69)(iii).

[4] *See* Adopting Release, *supra* note 1, at 81679–81681.

[5] The Plans are effective national market system plans that govern the collection, consolidation, processing and dissemination of quotation and transaction information for NMS stocks by the exclusive SIPs. The Securities Industry Automation Corporation ("SIAC" an affiliate of the New York Stock Exchange LLC ("NYSE")) is the exclusive SIP for the CTA and CQ Plans, and the Nasdaq Stock Market LLC ("Nasdaq") is the exclusive SIP for the UTP Plan.

[6] *See* letter from James P. Dombach, Davis Wright Tremaine, Counsel to the Operating Committees of the Plans, dated July 9, 2025 ("Request Letter") *available at https://www.sec.gov/files/rules/exorders/2026/34-104612-incoming-letter-james-p-dombach-davis-wright-tremaine.pdf.*