

- If investors' limit orders lose execution priority for a nominal amount, investors may, over time, decline to use them, thus depriving the markets of liquidity.
- When market participants can gain execution priority for a nominal amount, important customer protection rules such as exchange priority rules and the Manning Rule⁶³ could be undermined.
- Flickering quotations that can result from widespread sub-penny pricing could make it more difficult for broker-dealers to satisfy their best execution obligations and other regulatory responsibilities.
- Widespread sub-penny quoting could decrease market depth and lead to higher transaction costs.
- Decreasing depth at the inside could cause institutions to rely more on execution alternatives away from the exchanges, potentially increasing fragmentation in the securities markets.⁶⁴

In connection with approvals of RLPs of other national securities exchanges, the Commission has granted a limited exemption from Rule 612(a).⁶⁵ The Commission recognized that the vast majority of marketable retail orders are internalized by OTC market makers, and to the extent that OTC market makers offer price improvement over the NBBO, it is typically offered in sub-penny amounts. The Commission stated that OTC market makers typically select a sub-penny price for a trade without quoting at that exact amount or accepting orders from retail customers seeking that exact price. The Commission further recognized that exchanges, and exchange member firms, cannot compete for marketable retail order flow on the same basis because it would be impractical for exchange electronic systems to generate sub-penny executions without exchange liquidity providers or retail brokerage firms having first submitted sub-penny orders or quotations, which the Sub-Penny Rule expressly prohibits.⁶⁶

Similarly, EDGX's proposed Program does not raise any new concerns

⁶³ See FINRA Rule 5320 (Prohibition Against Trading Ahead of Customer Orders).

⁶⁴ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005) (Adopting Release for Regulation NMS). See also BYX RLP Permanent Approval Order at 53186; BYX RLP Pilot Approval Order at 71657.

⁶⁵ See, e.g., RPI Approval Order at 53186; RPI Pilot Approval Order at 71657–58; Securities Exchange Act Release No. 104625 (January 16, 2026), 91 FR 2813 Jan. 22, 2026 (“ERPI Exemption Order”).

⁶⁶ See, e.g., RPI Pilot Approval Order at 71658; see also RPI Approval Order at 53186; ERPI Exemption Order at 2814.

regarding the problems the Sub-Penny Rule was designed to address, and the limited exemption granted in this order should continue to promote competition between exchanges and OTC market makers in a manner that is reasonably designed to minimize the problems that the Commission identified when adopting the Sub-Penny Rule. Under the Program, sub-penny prices will not be disseminated through the consolidated quotation data stream,⁶⁷ which should avoid quote flickering and reduced depth at the inside quotation.⁶⁸

Furthermore, granting this limited exemption would not reduce incentives for market participants to display limit orders. Enabling the Exchange to compete for retail order flow through the proposed Program should not materially detract from the current incentives to display limit orders, while potentially resulting in greater order interaction and price improvement for marketable retail orders on a public national securities exchange. To the extent that the Program may raise Manning Rule and best execution issues for broker-dealers, these issues are already presented by the existing practices of OTC market makers.⁶⁹

This exemption from the Sub-Penny Rule is limited solely to the operation of the RPI Program by the Exchange. This exemption does *not* extend beyond the scope of EDGX Rule 11.21. In addition, this exemption is conditioned on the Exchange continuing to conduct the Program, in accordance with Exchange Rule 11.21 and substantially as described in the Exchange's request for exemptive relief and the proposed rule change.⁷⁰ Any further changes in Exchange Rule 11.21 may cause the Commission to reconsider this exemption.

VII. Conclusion

For the reasons set forth above, the Commission finds that the proposed rule change, as modified by Amendment Nos. 3 and 4, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, the requirements of Sections 6(b)(5).⁷¹

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁷² that the proposed rule change (SR–ChoeEDGX–2025–072), as modified by Amendment

⁶⁷ See *supra* Section II.A (discussing dissemination of the Retail Liquidity Identifier).

⁶⁸ See BYX RLP Pilot Approval Order at 71658; ERPI Exemption Order at 2815.

⁶⁹ *Id.*

⁷⁰ See *supra* note 11.

⁷¹ 15 U.S.C. 78f(b)(5).

⁷² 15 U.S.C. 78s(b)(2).

Nos. 3 and 4, be, and hereby is, approved.

It is further ordered, pursuant to Rule 612(d) under Regulation NMS, that the Exchange is granted a limited exemption from Rule 612 of Regulation NMS with respect to the operation of the Program as set forth in Exchange Rule 11.21 to allow the Exchange to accept and rank RPI Interest priced equal to or greater than \$1.00 per share in increments of \$0.001.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷³

Vanessa A. Countryman,
Secretary.

[FR Doc. 2026–05660 Filed 3–23–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 36027; 812–15912]

Advisors Series Trust and Scharf Investments, LLC

March 19, 2026.

AGENCY: Securities and Exchange Commission (“Commission” or “SEC”).

ACTION: Notice.

Notice of an application under section 6(c) of the Investment Company Act of 1940 (“Act”) for an exemption from section 15(a) of the Act, as well as from certain disclosure requirements in rule 20a–1 under the Act, Item 19(a)(3) of Form N–1A, Items 22(c)(1)(ii), 22(c)(1)(iii), 22(c)(8) and 22(c)(9) of Schedule 14A under the Securities Exchange Act of 1934, and sections 6–07(2)(a), (b), and (c) of Regulation S–X (“Disclosure Requirements”).

Summary of Application: The requested exemption would permit Applicants to enter into and materially amend subadvisory agreements with subadvisers without shareholder approval and would grant relief from the Disclosure Requirements as they relate to fees paid to the subadvisers.

Applicants: Advisors Series Trust and Scharf Investments, LLC.

Filing Dates: The application was filed on October 3, 2025, and amended on February 27, 2026.

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 SEC's Secretary at Secretaries-Office@sec.gov and serving

⁷³ 17 CFR 200.30–3(a)(12) and 17 CFR 200.30–3(a)(83).

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. The email should include the file number referenced above. Hearing requests should be received by the Commission by 5:30 p.m., Eastern time on April 13, 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.

ADDRESSES: The Commission: *Secretaries-Office@sec.gov*. Applicants: Rachael L. Schwartz, Esq., Sullivan & Worcester, LLP, *rschwartz@sullivanlaw.com*, with a copy to: Elaine E. Richards, Vice President and Secretary, Advisors Series Trust, *elaine.richards@usbank.com*.

FOR FURTHER INFORMATION CONTACT: Rachel Loko, Senior Special Counsel, 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’ application, dated February 27, 2026, 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/search-filings>. 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.

Vanessa A. Countryman,
Secretary.

[FR Doc. 2026–05667 Filed 3–23–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105049; File No. SR–CBOE–2025–090]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Order Approving a Proposed Rule Change To Permit Orders for the Accounts of Market-Makers With an Appointment in the Applicable Class To Be Solicited as the Contra-Side Order Submitted Into Certain Exchange Auctions

March 19, 2026.

I. Introduction

On December 9, 2025, Cboe Exchange, Inc. (the “Exchange” or “Cboe”) filed with the Securities and Exchange Commission (the “Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b–4 thereunder,² a proposed rule change to permit orders for the accounts of Market-Makers with an appointment in the applicable class on the Exchange to be solicited as the contra-side order submitted for execution against an agency order into certain Exchange auctions. The proposed rule change was published for comment in the **Federal Register** on December 22, 2025.³ On February 5, 2026, 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 The Commission did not receive any comments on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposed Rule Change

The Automated Improvement Mechanism (“AIM”) is an electronic auction intended to provide an order that a Trading Permit Holder⁶ represents as agent (“Agency Order”) with the opportunity to receive price improvement over the National Best Bid

or Offer (“NBBO”).⁷ The Solicitation Auction Mechanism (“SAM”) is an electronic auction intended to provide a larger-sized Agency Order with the opportunity to receive price improvement over the NBBO.⁸ AIM and SAM auctions are also available for flexible exchange options (“FLEX Options”) (“FLEX AIM” and “FLEX SAM,” respectively).⁹ Upon submitting an Agency Order into one of these auctions, the initiating Trading Permit Holder (“Initiating TPH”) must also submit a contra-side second order (the “Initiating Order”) for the same size as the Agency Order. The Initiating Order guarantees that the Agency Order will receive an execution at no worse than the auction start price. Upon commencement of an auction, market participants submit responses to trade against the Agency Order. At the conclusion of an AIM Auction, depending on the contra-side interest (including auction responses) available, the Initiating Order may be allocated a certain percentage of the Agency Order.¹⁰ At the conclusion of a SAM Auction, depending on the contra-side interest (including auction responses) available, the Initiating Order may be allocated the entire Agency Order or none of the Agency Order.¹¹

Currently, the introductory paragraphs of Rules 5.37 and 5.73 prohibit orders for the accounts of Market-Makers with an appointment in the applicable class on the Exchange in all classes except S&P 500 Index options (“SPX”) to be solicited to execute against the Agency Order in a simple AIM or FLEX AIM Auction. The introductory paragraphs of Rules 5.39 and 5.73 prohibit orders for the accounts of Market-Makers with an appointment in the applicable class on the Exchange to be solicited to execute against the Agency Order in a simple SAM or FLEX SAM Auction. The Exchange proposes to amend Rules 5.37, 5.39, 5.73, and 5.74 to permit orders for the accounts of Market-Makers with an appointment in the applicable class on the Exchange, in all classes, to be

⁷ See Cboe Rule 5.38 (AIM).

⁸ See Cboe Rule 5.39 (SAM).

⁹ See Cboe Rules 5.73 (FLEX AIM) and 5.74 (FLEX SAM).

¹⁰ See Cboe Rule 5.37. Specifically, under Cboe Rule 5.37(e), the AIM Initiating Order will receive an allocation of 50% of the Agency Order if there is one other User at the same price or 40% of the Agency Order if there are two or more other Users at the same price. See also Cboe Rule 5.73(e) for rules concerning the execution of an Agency Order in the FLEX AIM.

¹¹ See Cboe Rule 5.39(e). See also Cboe Rule 5.74(e) for rules concerning the execution of an Agency Order in the FLEX SAM.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 104437 (December 17, 2025), 90 FR 59906 (December 22, 2025) (“Notice”).

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 104768, 91 FR 5972 (February 10, 2026). The Commission designated March 22, 2026, as the date by which the Commission shall approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

⁶ “Trading Permit Holder” has the meaning set forth in the Cboe Bylaws. See Cboe Rule 1.1.