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.

As noted above, the proposed rule change conforms LTSE Rule 3.291 to FINRA Rule 3220 so that it is substantially similar to FINRA's rule, thereby promoting uniform standards across the securities industry. The Exchange also notes the changes proposed herein align LTSE Rule 3.291 with a recent filing submitted by FINRA and approved by the Commission.[16] The Exchange believes further that these changes will help to reduce and avoid potential confusion among Members of the Exchange that are also members of FINRA by harmonizing LTSE Rule 3.291 with FINRA Rule 3220. The proposed rule change is designed to enable the Exchange to incorporate LTSE Rule 3.291 into the 17d–2 Agreement, further reducing duplicative regulation of Members that are also members of FINRA. For the avoidance of doubt, LTSE Rule 3.291 would equally apply to Exchange-only Members as the Exchange believes it appropriately protects against improprieties that might arise when substantial gifts or monetary payments are given to certain persons.

The Exchange believes the proposed rule change would promote efficiency without reducing protection for investors and the public interest. The proposed changes to LTSE Rule 3.291 to conform to the rules of FINRA improve transparency, awareness, and understanding of the Rule's requirements. The Exchange believes these proposed changes would also help facilitate compliance with LTSE Rule 3.291.

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 proposed rule change is not designed to address any competitive issues but rather to provide greater harmonization among Exchange and FINRA rules of similar purpose, resulting in less burdensome and more efficient regulatory compliance for common members and facilitating FINRA's performance of its regulatory functions under the 17d–2 Agreement. As such, 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.

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

The proposed rule change is effective upon filing pursuant to Section 19(b)(3) of the Exchange Act [17] and paragraph (f)(6) of Rule 19b–4 thereunder,[18] in that the proposed rule change does not significantly affect the protection of investors or the public interest; does not impose any significant burden on competition; and does not become operative for 30 days after filing or such shorter time as the Commission may designate.

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 (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–LTSE–2026–25 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–2026–25. 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 (*http://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of LTSE and on its internet website at *https://longtermstockexchange.com/.* 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–2026–25 and should be submitted on or before November 25, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[19]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–22452 Filed 11–3–26; 8:45 am]

BILLING CODE 8011–01–P

[16] *See supra* note 4.

[17] 15 U.S.C. 78s(b)(3).

[18] 17 CFR 240.19b–4(f)(6).

[19] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106780; File No. SR–ISE–2026–53]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing of Proposed Rule Change To Amend the Strike Price Intervals for Options on Certain Exchange-Traded Fund Shares That Meet the Qualifying Securities Criteria

October 30, 2026.

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 October 19, 2026, Nasdaq ISE, LLC (''ISE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II 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 strike intervals for options on certain Exchange-Traded Fund Shares (''ETFs'').

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

[2] 17 CFR 240.19b–4.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/ise/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

The Exchange proposes to amend Options 4, Section 5, Series of Options Contracts Open for Trading, to revise certain strike intervals applicable to options on ETFs that are more than one month and less than nine months from expiration and to make related organizational changes to that section. The Exchange also proposes to amend the rule text related to Qualifying Securities in Supplementary Material .03 to Options 4, Section 5 (Short Term Options Series Program).

Background

Currently, Options 4, Section 5(d) provides that, except as otherwise provided in the Supplementary Material thereto, the interval between strike prices of series of options on individual stocks will be:

(1) $2.50 or greater where the strike price is $25.00 or less;

(2) $5.00 or greater where the strike price is greater than $25.00; and

(3) $10.00 or greater where the strike price is greater than $200.00.

Current Section 5(e) separately provides that options on SPDR S&P 500 ETF (''SPY''), iShares Core S&P 500 ETF (''IVV''), PowerShares QQQ Trust (''QQQ''), iShares Russell 2000 Index Fund (''IWM''), SPDR Dow Jones Industrial Average ETF (''DIA''), and SPDR® Gold Trust (''GLD'') (collectively ''enumerated ETFs''), may be listed at $1 or greater intervals; Section 5(e) applies only to the aforementioned ETFs. The unlettered paragraph of Section 5(d) generally provides $1 or greater intervals for ETFs where the strike price is $200 or less and $5.00 or greater intervals where the strike price is greater than $200.

Additionally, currently Supplementary Material .03(e) to Options 4, Section 5 permits the Exchange to open for trading Short Term Option Series at strike price intervals of (i) $0.50 or greater where the strike price is less than $100, and $1 or greater where the strike price is between $100 and $150 for all option classes that participate in the Short Term Options Series Program; (ii) $0.50 for option classes that trade in one dollar increments and are in the Short Term Option Series Program; or (iii) $2.50 or greater where the strike price is above $150.

Today, the Exchange's listing rules at Supplementary Material .03 to Options 4, Section 5 permit the listing of additional expirations on eligible individual stocks or Exchange-Traded Fund Shares that meet certain criteria on a quarterly basis (''Qualifying Securities''). Specifically, as measured on the last day of the prior calendar quarter, an underlying security must have either (A) a market capitalization greater than 700 billion dollars for an individual stock, based on the closing price, or (B) Assets under Management (''AUM'') greater than 50 billion dollars (under (B)(i)) or greater than 25 billion dollars (under (B)(ii)) for an Exchange-Traded Fund Share, based on net asset value (''NAV''). Further, eligible individual stocks or ETFs must have monthly options volume, as measured by sides traded in the last month preceding the quarter end, of greater than 10 million options, or greater than 5 million options for an Exchange-Traded Fund Share that qualified under (B)(ii) of the Qualifying Securities criteria; must have a position limit of at least 250,000 contracts; and must participate in the Penny Interval Program.[3]

Each calendar quarter, the Exchange applies the Qualifying Securities criteria to individual stocks and ETFs to determine eligibility for the following quarter as a Qualifying Security. Beginning on the second trading day in the first month of each calendar quarter, the market capitalization of individual stocks is calculated based on the closing price established on the primary exchange on the last trading day of the prior calendar quarter and the AUM for ETFs is calculated based on the NAV established on the primary exchange on the last trading day of the prior calendar quarter.[4]

Proposal

At this time, the Exchange proposes to amend Options 4, Section 5, Series of Options Contracts Open for Trading. Specifically, the Exchange proposes to incorporate current Options 4, Section 5(e) into Options 4, Section 5(d) and remove the ''(e)'' designation so that it becomes unlettered text within Section 5(d). Under the proposal, the general $1-or-greater interval for ETFs where the strike price is $200 or less and the $5.00-or-greater interval where the strike price is greater than $200, as well as the $1-or-greater interval for the enumerated ETFs, will remain unchanged, except that ETF Qualifying Securities may be listed at $0.50 or greater intervals where the strike price is less than $100, as described below.[5]

The Exchange also proposes to amend current Options 4, Section 5(e) to remove the clause ''Notwithstanding any other provision regarding the interval of strike prices of series of options on Exchange-Traded Fund Shares in this Rule,'' and to amend certain ETF names to reflect the current name.[6]

So that the first sentence of the proposed unlettered paragraph states, ''The interval of strike prices on SPDR S&P 500 ETF (''SPY''), iShares Core S&P 500 ETF (''IVV''), PowerShares QQQ Trust (''QQQ''), iShares Russell 2000 Index Fund (''IWM''), the SPDR Dow Jones Industrial Average ETF (''DIA''), and SPDR® Gold Trust (''GLD'') options will be $1 or greater.'' The Exchange

[3] The ''Penny Interval Program'' means the program described in Supplementary Material .01 to Options 3, Section 3. Under the program, the Exchange lists option classes with minimum quoting increments of: (A) one cent ($0.01) for all options contracts in QQQ, SPY, and IWM; (B) one cent ($0.01) for all other options contracts in the Penny Program trading at less than $3.00; and (C) five cents ($0.05) for all other options contracts in the Penny Program trading at or above $3.00.

[4] The data establishing the volume thresholds is established by using data from the last month of the prior calendar quarter from The Options Clearing Corporation. For options listed on the first trading day of a given calendar quarter, the volume is calculated using the last month of the quarter prior to the last trading calendar quarter. *See* Supplementary .03 to Options 4, Section 5.

[5] *See* current Options 4, Section 5(d) and (e). Additionally, the strike intervals for Short Term Option Series specified in Supplementary Material .03(e) to Options 4, Section 5 will also remain unchanged. The Short Term Option Series Program permits ETFs with one month or less to expiration to be listed at $0.50 intervals where the strike price is less than $100.

[6] The Exchange proposes to add ''Trust'' after S&P 5000 ETF. The Exchange proposes to change the ''PowerShares QQQ Trust'' to ''Invesco QQQ Trust.'' The Exchange proposes to change ''iShares Russell 2000 Index Fund'' to the ''iShares Russell 2000 ETF.'' The Exchange proposes to remove the ''the'' before ''SPDR Dow Jones Industrial Average ETF'' and add ''Trust'' to the end of the name. The Exchange is adding ''and'' before the last name on the list.

proposes to add new sentences to the end of that proposed unlettered paragraph that state,

> Further, notwithstanding any other provision in this Rule regarding the interval of strike prices of series of options on Exchange-Traded Fund Shares, the interval of strike prices for options on an Exchange-Traded Fund Share that is a Qualifying Security under Supplementary Material .03 to Options 4, Section 5 will be $0.50 or greater where the strike price is less than $100, but only for a calendar quarter for which the Exchange has determined that the Exchange-Traded Fund Share satisfies each of the Qualifying Securities criteria. If an Exchange-Traded Fund Share ceases to meet the criteria of a Qualifying Security, any series of options listed at $0.50 strike price intervals under this paragraph may remain listed, but the Exchange may not list additional series of options until the Exchange-Traded Fund Share again meets the criteria of a Qualifying Security.

The Exchange's proposal is designed to fill the gap between existing listing rules such that options on ETF Qualifying Securities [7] may list $0.50 strike intervals where the strike price is less than $100 for options that are more than one month and less than nine months [8] from expiration.

Further, the Exchange proposes conforming organizational changes to Options 4, Section 5. The existing intervals for individual stocks in Section 5(d) are designated as subparagraphs (1) through (3). The current subsection (e) designation is removed; former subsection (f) is renumbered as subparagraph (d)(i), titled ''Volatility Indexes:'' with conforming cross-reference amendments; former subsection (h) is renumbered as subparagraph (d)(ii) and titled ''Index-Linked Securities''; and former subsection (i) is renumbered as subparagraph (d)(iii). Former subsection (j) is renumbered as (e); former subsection (k) is renumbered as (f); and former subsection (g) is relocated to the end of Section 5 as new subsection (g).

ETF Qualifying Securities are highly liquid and actively traded, and only a select group of ETFs meets the stringent requirements. ETF Qualifying Securities occupy a unique position at the top of the ETF liquidity spectrum and are readily distinguishable from the broader population of ETFs. The 250,000-contract position limit is the highest position limit under Exchange rules; options that qualify for this limit are highly liquid securities that have met stringent requirements. Additionally, in order to qualify for the Penny Interval Program, an options class must be among the 300 most actively traded multiply listed option classes overlying securities priced below $200. Permitting $0.50 strike intervals for ETF Qualifying Securities for expirations more than one month and less than nine months away under Options 4, Section 5(d) is reasonable because these instruments possess sufficient liquidity to support finer strike granularity without adverse effects on market quality.

The proposed change reflects that ETFs increasingly trade at lower dollar prices than traditional large-cap equities and market-cap-weighted index ETFs, particularly narrower thematic, sector, commodity, currency, and single-country products. ETF Qualifying Securities span a broad range of asset classes, including domestic and international equity, fixed income, commodities, currencies, and alternative strategies, and are widely used by retail and institutional investors alike to obtain diversified, low-cost exposure. For ETF Qualifying Securities trading below $100, the current $1 minimum interval for expirations more than one month away, beyond what can be listed today for ETFs in the Short Term Options Series Program, represents a percentage move in the underlying that materially exceeds the corresponding percentage move for higher-priced securities. For example, a $1 interval on a $50 ETF represents a 2% move in the underlying, whereas a $1 interval on a $200 ETF represents only a 0.5% move. By contrast, a $0.50 interval on a $50 ETF represents a 1% move, and a $0.50 interval on a $25 ETF represents a 2% move. The proposed $0.50 interval would produce percentage moves that are more consistent across the price spectrum and more closely aligned with the daily and long-term price behavior of many ETFs.

The Exchange believes that the absence of $0.50 strike price intervals below $100 in ETF Qualifying Securities for expirations more than one month and less than nine months away significantly constrains investors' hedging and trading opportunities. Investors commonly use expirations in this aforementioned timeframe to hedge or express a view on a position over a multi-month horizon, such as protecting a holding through a quarter-end or an anticipated market event. Because these positions are held longer and are often sized to a specific risk tolerance, the precision of the strike price is economically meaningful: a strike that is too far from the investor's target level either leaves unwanted exposure unhedged or requires the investor to pay for more protection than needed. Today, $0.50 intervals below $100 are available for ETFs only in the Short Term Option Series Program, for options with one month or less to expiration, so investors seeking comparable precision over a longer horizon have no listed alternative. The Exchange proposes to extend the $0.50 interval only to the select group of ETFs that qualify as ETF Qualifying Securities. These ETFs sit at the top of the ETF liquidity spectrum: each must have AUM greater than $25 billion, meet substantial monthly options volume thresholds, carry the highest position limit permitted under Exchange rules (250,000 contracts), and participate in the Penny Interval Program. This liquidity supports finer strike granularity without adverse effects on market quality. The proposal is also consistent with the treatment of SPY, one of the most liquid ETFs, which may be listed at $1 or greater intervals at all strike prices. Because SPY trades at a high dollar price, a $1 interval represents only a small fraction of a percent of the underlying's value. ETF Qualifying Securities trading below $100 warrant comparable precision: the proposed $0.50 interval would result in at-the-money series based on the underlying ETF moving 1% or less for underlyings priced at or above $50, and reasonably small percentage moves for underlyings priced below $50. For example, an investor holding an ETF Qualifying Security trading at $50 who seeks to protect against a decline of more than 5% through an expiration four months away would want a $47.50 put. Under the current $1 interval, the investor must choose between a $47 put, which leaves an additional 1% of downside unprotected, and a $48 put, which costs more than the protection requires. The proposed $0.50 interval would allow the investor to purchase the $47.50 put and hedge precisely to the desired level. The Exchange believes that the proposed strike-setting regime is consistent with the more measured price movements typical of broad-based and diversified ETFs.

Considering the fact that many ETF Qualifying Securities consistently trade at price levels below $100, and that the current $1 minimum interval may result in at-the-money and near-the-money series being spaced more widely than investors require to manage risk, the Exchange believes that continuing to maintain the current $1 minimum interval below $100 may have a negative

[7] As used herein, ''ETF Qualifying Securities'' are ETFs approved for options trading pursuant to Options 4, Section 3(h) that also satisfy the Qualifying Securities criteria in Supplementary Material .03 to Options 4, Section 5. Each quarter the Exchange identifies the Qualifying Securities on its website.

[8] Strike price interval rules do not apply to long-term options series until the time to expiration is less than nine months. *See* Options 4, Section 8.

effect on investing, trading, and hedging opportunities, and volume. The Exchange believes that the investing, trading, and hedging opportunities available with options on ETF Qualifying Securities far outweigh any potential negative impact of allowing such options to trade in more finely tailored intervals below the $100 price point.

The proposed strike-setting regime would permit strikes to be set to reflect the value of the underlying more closely and allow investors and traders to roll open positions from a lower strike to a higher strike in conjunction with the price movements of the underlying ETF. Under the current rule, where the next higher available series would be $1 away from, for example, a $50 strike, an investor would need for the underlying product to move 2%—from $50 to $51—before executing a roll up. With the proposed rule change, the investor would be able to roll an open options position from a $50 strike to a $50.50 strike, which is only a 1% move for the underlying. As a result, the proposed rule change will allow the Exchange to better respond to customer demand for ETF strike prices more precisely aligned with the smaller, incremental price movements typical of ETF Qualifying Securities.

The Exchange believes that the proposed rule change, like the other strike price programs currently offered by the Exchange, will benefit investors by providing investors the flexibility to tailor their investment and hedging decisions using options more closely on ETF Qualifying Securities. Moreover, by allowing series of such options to be listed at $0.50 intervals below $100, the proposal will moderately augment the potential total number of options series available on the Exchange. However, the Exchange believes it and the Options Price Reporting Authority (''OPRA'') have the necessary systems capacity to handle any potential additional traffic associated with this proposed rule change. The Exchange also believes that Members will not have a capacity issue due to the proposed rule change. In addition, the Exchange represents that it does not believe that this expansion will cause fragmentation of liquidity, but rather, believes that finer strike intervals will serve to increase liquidity available as well as price efficiency by providing more trading opportunities for all market participants.

To mitigate the potential for excessive series proliferation, the Exchange will apply its existing series maintenance policies to options listed pursuant to the proposed $0.50 interval, including its policies governing the delisting of series with low or no open interest. The Exchange will monitor the impact of the proposed rule change on trading volume, quotation traffic, and open interest, and will report to the Commission upon request.

Qualifying Securities Amendment

The Exchange also proposes to amend the rule text related to ''Qualifying Securities'' in Supplementary Material .03 to Options 4, Section 5, which governs the Exchange's Short Term Option Series Program.[9] The amendment seeks to clarify the applicability of Table 1 Short Term Option Daily Expirations as compared to Table 2. Under Supplementary Material .03 of Options 4, Section 5, the Exchange may list Short Term Option Weekly Expirations that expire on each of the next five Fridays that are business days, excluding Fridays on which standard, Monthly Options Series, or Quarterly Options Series expirations occur. The Exchange may also list series of options on the symbols in Table 1 and pursuant to the criteria noted in Table 2 of Supplementary Material .03 that expire at the close of business on each of the next two Mondays, Tuesdays, Wednesdays, and Thursdays that are business days beyond the current week (''Short Term Option Daily Expirations''). The Exchange may have no more than two Short Term Option Daily Expirations beyond the current week for each of those days at one time.

Currently, Table 1 lists specific symbols and the number of Short Term Option Daily Expirations each may trade on each day.[10] Table 2 does not list specific symbols, rather it sets out the expirations available to categories of ''Qualifying Securities'' which are required to meet certain criteria on a quarterly basis to qualify for certain expirations.[11]

Currently, the rule text states that,

Qualifying Securities are defined as eligible individual stocks or Exchange-Traded Fund Shares, which are separate and apart from the symbols listed in Table 1, that have received approval to list additional expiries on specific symbols, that meet the following criteria on a quarterly basis:

The Exchange proposes to amend the rule text to instead provide,

Qualifying Securities are individual stocks and Exchange-Traded Fund Shares that satisfy each of the following criteria on a quarterly basis. Options on the symbols listed in Table 1 may trade the number of Short Term Option Daily Expirations, on the days set forth in Table 1, regardless of whether they satisfy the following criteria. A Qualifying Security may trade the number of Short Term Option Daily Expirations on the days set forth in Table 2 only for the calendar quarter for which the Exchange has determined that it satisfies each of the following criteria. If a symbol listed in Table 1 is also a Qualifying Security, the Exchange may list, for each day, the greater of the number of Short Term Option Daily Expirations set forth in Table 1 and the number set forth in Table 2. The criteria are as follows:

The expiration dates in Table 1 are not dependent on the Table 1 symbols meeting the criteria for a Qualifying Security. By way of example, shares of the SPDR® Gold Trust (''GLD'') are Exchange-Traded Fund Shares under Options 4, Section 3(h)(iv). GLD is also listed by name in Table 1, which permits two Monday and two Wednesday Short Term Option Daily Expirations. Every quarter the Exchange may list two Monday and two Wednesday expirations for GLD under Table 1. In a quarter in which GLD meets the (B)(i) criteria, the Exchange may also list two Tuesday and two Thursday expirations under Table 2. If, in the following quarter, GLD fails a Qualifying Securities criterion, the Exchange may not list the Tuesday and Thursday expirations, but may retain the Monday and Wednesday expirations. Therefore, GLD always has its Table 1 expirations and may also have Table 2 expirations in any calendar quarter in which it satisfies each of the Qualifying Securities criteria. The proposed rule text seeks to make the interaction between Table 1 and Table

[9] The Exchange proposes a minor technical amendment to add a space between Table 1 and Table 2 in the paragraph below Short Term Options Daily Expirations.

[10] SPY, IWM, and QQQ may each trade two expirations on Monday, Tuesday, Wednesday, and Thursday, USO and UNG may each trade two Wednesday expirations only and GLD, SLV, and TLT may each trade two expirations on Monday and on Wednesday.

[11] To be a Qualifying Security, an underlying security must meet four criteria: As measured on the last day of the prior calendar quarter, it must have either (A) a market capitalization greater than $700 billion for an individual stock, based on the closing price, or (B) assets under management (''AUM'') greater than $50 billion (under (B)(i)) or greater than $25 billion (under (B)(ii)) for an Exchange-Traded Fund Share, based on net asset value (''NAV''). It must meet specified monthly options volume thresholds. It must have a position limit of at least 250,000 contracts. It must participate in the Penny Interval Program. Each calendar quarter, the Exchange applies these criteria to individual stocks and Exchange-Traded Fund Shares to determine which securities are Qualifying Securities for the following quarter. Market capitalization and AUM are measured using the closing price or NAV on the primary exchange on the last trading day of the prior calendar quarter. Volume thresholds are measured using data from The Options Clearing Corporation for the last month of the prior calendar quarter. *See* Supplementary Material .03 of Options 4, Section 5.

2 clear and does not substantively change the application of the rules.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[12] in general, and furthers the objectives of Section 6(b)(5) of the Act,[13] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. In particular, the proposed rule change will allow investors to use options on ETF Qualifying Securities more easily. The proposed rule change would allow investors to better trade and hedge positions in options on ETF Qualifying Securities where the strike price is less than $100 and that are more than one month and less than nine months from expiration, and would ensure that investors in such options are not at a disadvantage simply because the underlying trades below $100. Investors use these expirations to hedge or express a view over a multi-month horizon, where strike precision is economically meaningful, and today the $0.50 interval below $100 is available for ETFs only in the Short Term Option Series Program for expirations of one month or less. The proposal fills that gap and permits ETF Qualifying Securities to achieve percentage strike spacing comparable to that already available for the enumerated ETFs, such as SPY, at their higher prices. The proposed $0.50 strike interval on these uniquely liquid instruments will enhance hedging precision, promote price discovery, and remove an impediment to the efficient functioning of the options market.

The Exchange believes that the proposed rule change is consistent with Section 6(b)(1) of the Act, which requires an exchange to be organized and have the capacity to carry out the purposes of the Act and the rules and regulations thereunder. The proposal would enable the Exchange to respond to customer demand for options on ETF Qualifying Securities to trade in $0.50 intervals below a $100 strike price. The Exchange does not believe that the proposed rule would create additional capacity issues or affect market functionality. As noted above, options on ETF Qualifying Securities currently trade in $1 intervals at strike prices at or below $200 for expirations more than one month away. Because ETF Qualifying Securities frequently trade at prices below $100, that $1 minimum interval can produce percentage strike spacing that is materially wider than what investors and traders require to establish, roll, and manage risk. This proposal addresses that issue by establishing a $0.50 minimum interval below $100 for all ETF Qualifying Securities with more than one month and less than nine months to expiration on a class-neutral basis.

The Exchange believes that the proposed rule change, like other strike-price programs currently offered by the Exchange, will benefit investors by giving them increased flexibility to tailor their investment and hedging decisions more closely. Applying the $0.50 interval to any ETF Qualifying Security, rather than specifically naming underlyings, avoids arbitrary distinctions between ETFs that are economically similar and allows the Exchange to keep pace with new ETFs approved for options trading without piecemeal rulemaking. Because ETF Qualifying Securities must already be approved for options trading pursuant to Options 4, Section 3(h) and satisfy the Qualifying Securities criteria, the underlyings eligible for the proposed $0.50 interval will have satisfied the same regulatory safeguards that apply to existing options on ETFs, including standards designed to ensure liquidity and transparency and to reduce susceptibility to manipulation of the underlying. Further, because eligibility is determined quarterly, any series listed at $0.50 intervals may remain listed if an ETF ceases to qualify, but no additional such series may be listed until the ETF again meets the Qualifying Securities criteria, which protects investors holding existing positions while limiting the $0.50 interval to ETFs that currently qualify.

ETF Qualifying Securities are highly liquid and actively traded, and only a select group of ETFs meets the stringent requirements, including a 250,000-contract position limit, the highest position limit under Exchange rules, and participation in the Penny Interval Program. Permitting $0.50 strike intervals for ETF Qualifying Securities for expirations more than one month and less than nine months away in Options 4, Section 5(d) is therefore reasonable because these instruments possess sufficient liquidity to support finer strike granularity without adverse effects on market quality.

With regard to the impact of this proposal on system capacity, the Exchange believes it and OPRA have the necessary systems capacity to handle any potential additional traffic associated with this proposed rule change. The Exchange believes that its Members will not have a capacity issue as a result of this proposal. In addition, the Exchange will apply its existing series maintenance policies, including its policies governing the delisting of series with low or no open interest, to mitigate the potential for excessive series proliferation.

Finally, the conforming organizational changes to Options 4, Section 5 are intended to bring greater clarity to the Exchange's rules by organizing the text in such a way as to group like concepts for greater readability. These proposed changes are consistent with the Act as they are non-substantive.

Qualifying Securities Amendment

The proposed amendment to Supplementary Material .03 to Options 4, Section 5 is consistent with the Act because the proposal makes clear and more transparent the rule text associated with Qualifying Securities. As amended, the rule text more directly provides that the Exchange may list Table 1 symbols for the days and expirations noted, regardless of the criteria applicable to Qualifying Securities. In contrast, the Exchange may list the days and expirations noted in Table 2 for a Qualifying Security, depending on which criteria are met, only for a quarter in which the security meets those criteria. The proposal is intended to reduce ambiguity, which removes impediments to and perfects the mechanism of a free and open market.

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

The Exchange does not believe that the proposed rule change will impose any intra-market burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposal does not remove or reduce any strike price interval currently available; it only permits additional, finer strike price intervals for options on ETF Qualifying Securities that are more than one month and less than nine months from expiration. The proposal will apply equally to all market participants and to every ETF that satisfies the Qualifying Securities criteria. Rather than burdening competition, the Exchange believes that the proposed rule change will result in additional investment options and opportunities to achieve the investment and trading objectives of market participants seeking efficient trading and hedging vehicles, to the benefit of investors, market participants, and the marketplace in general. In addition, the proposal will allow options on ETF

[12] 15 U.S.C. 78f(b).

[13] 15 U.S.C. 78f(b)(5).

Qualifying Securities trading below $100 to achieve percentage strike spacing comparable to that already available for the enumerated ETFs, such as SPY, which are similarly popular and widely traded ETF products, permitting investors to employ similar investment and hedging strategies across these options.

The Exchange does not believe that the proposed rule change will impose any inter-market burden on competition, as other options markets may adopt a similar rule.

Qualifying Securities Amendment

The proposal does not impose any intra-market burden on competition because the rule text is intended to clarify existing rules and does not substantively amend the rules. The proposal does not impose any inter-market burden on competition as other exchanges with the same rule are able to list identical options pursuant to Supplementary Material .03 to Options 4, Section 5.

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

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 self-regulatory organization 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.

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–ISE–2026–53 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–ISE–2026–53. 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–ISE–2026–53 and should be submitted on or before November 25, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–22453 Filed 11–3–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106788; File No. SR–CboeEDGX–2026–073]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Introduce Enhancements to the Missed Liquidity Report Offered as Part of the Cboe Timestamping Service

October 30, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on October 21, 2026, Cboe EDGX Exchange, Inc. (''Exchange'' or ''EDGX'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a ''non-controversial'' proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b–4(f)(6) thereunder.[4] 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

Cboe EDGX Exchange, Inc. (the ''Exchange'' or ''EDGX Options'') proposes to introduce enhancements to the Missed Liquidity Report offered as part of the Cboe Timestamping Service.

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/edgx/*), 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

The Exchange proposes introduce enhancements to the Cboe Timestamping Service, which is a market data service comprised of the Missed Liquidity Report, Missed Cancels Report and All Cancels Report. Specifically, the Exchange seeks to update the Missed Liquidity Report to now include Complex Order Auction (''COA'')[5] and Complex Automated Improvement Mechanism (''C–AIM'')[6]

[14] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(iii).

[4] 17 CFR 240.19b–4(f)(6).

[5] *See* EDGX Rule 21.20 (d), ''Complex Order Auctions (''COA'').'' By way of background, a COA provides enhanced automatic execution possibilities for complex orders, while continuing to provide potential for price improvement. *See generally,* ''Complex Order Handling,'' available at: https://.cboe.com//us/options/trading/complex-orders/.

[6] *See* Rule 21.22, ''Complex Automated Improvement Mechanism (''C–AIM'' or ''C–AIM Auction'').'' By way of background, the Automated

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