to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–24X–2026–31 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–24X–2026–31. 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–24X–2026–31 and should be submitted on or before December 4, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[21]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–23184 Filed 11–12–26; 8:45 am]

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[21] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106859; File No. SR–Phlx–2026–67]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Fees for NDX Options

November 9, 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 27, 2026, Nasdaq PHLX LLC (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend the fees for Nasdaq 100® Index (''NDX'') options and fees for the nonstandard expiration dates (''NDXP'') in the Exchange's Pricing Schedule at Options 7, Section 5.A, and to adopt a new NDX Incentive Program at Options 7, Section 5.B.

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on November 1, 2026.

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

[2] 17 CFR 240.19b–4.

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

1. Purpose

The Exchange proposes to increase NDX and NDXP options pricing for Non-Customers[3] and adopt a new NDX Incentive Program (''Program'') at Options 7, Section 5.B to offer Market Makers[4] the opportunity to earn rebates based on market quality metrics in certain NDXP options. Each change is described below.

Transaction Fees

As set forth in Options 7, Section 5.A, the Exchange currently charges all Non-Customer[5] orders in NDX and NDXP a $0.75 per contract transaction fee. Customer[6] orders are currently assessed a $0.50 per contract transaction fee in NDX and NDXP. These transaction fees apply to electronic simple and complex executions as well as floor transactions.

The Exchange now proposes to increase the Non-Customer options transaction fees in NDX and NDXP from $0.75 to $1.25 per contract. As a result, Professionals, Lead Market Makers, Market Makers, Broker-Dealers and Firms would each be assessed a transaction fee of $1.25 per contract in NDX and NDXP options, which would continue to apply to electronic simple and complex executions as well as floor transactions. The Exchange is not proposing to amend the Customer transaction fee of $0.50 per contract in NDX and NDXP options, or the transaction fees for other index options in Options 7, Section 5.

The surcharges set forth in the notes to Options 7, Section 5.A would continue to apply, unchanged, in addition to the transaction fees for NDX and NDXP options. Specifically: (i) note

[3] The term ''Non-Customer'' applies to transactions for the accounts of Lead Market Makers, Market Makers, Firms, Professionals, Broker-Dealers and JBOs. *See* Options 7, Section 1(c).

[4] The term ''Market Maker'' is defined in Options 1, Section 1(b)(29) as a member of the Exchange who is registered as an options Market Maker pursuant to Options 2, Section 12(a). A Market Maker includes SQTs and RSQTs as well as Floor Market Makers. *See* Options 7, Section 1(c).

[5] The term ''Non-Customer'' applies to transactions for the accounts of Lead Market Makers, Market Makers, Firms, Professionals, Broker-Dealers and JBOs. *See* Options 7, Section 1(c).

[6] The term ''Customer'' applies to any transaction that is identified by a member or member organization for clearing in the Customer range at The Options Clearing Corporation (''OCC'') which is not for the account of a broker or dealer or for the account of a ''Professional'' (as that term is defined in Options 1, Section 1(b)(45)). *See* Options 7, Section 1(c).

1 provides that a surcharge of $0.25 per contract is assessed to Non-Customers in NDX and NDXP options; (ii) note 3 provides that a surcharge is assessed to electronic simple Non-Customer orders in NDX and NDXP options that remove liquidity according to a premium schedule, which ranges from $1.00 per contract for premiums of less than $3.00 to $3.00 per contract for premiums greater than or equal to $50.00; (iii) note 5 provides that a surcharge of $0.50 per contract is assessed to all Non-Customer complex executions in NDX and NDXP options; (iv) note 6 provides that a surcharge of $0.25 per contract is assessed to all Customer complex executions in NDX and NDXP options; and (v) note 7 provides that a surcharge of $0.25 per contract is assessed to all market participants for simple and complex executions in NDX and NDXP options with a premium price of $25.00 or greater.

By way of example, under the proposed pricing a Market Maker electronic simple order in NDXP options with a premium of $5.00 that adds liquidity would be assessed $1.50 per contract (the $1.25 transaction fee plus the $0.25 note 1 surcharge), as compared to $1.00 per contract today. If the same order removed liquidity, it would be assessed $3.00 per contract (the $1.25 transaction fee, the $0.25 note 1 surcharge, and the $1.50 note 3 surcharge), as compared to $2.50 per contract today. A Non-Customer complex execution in NDX options with a premium of $30.00 would be assessed $2.25 per contract (the $1.25 transaction fee, the $0.25 note 1 surcharge, the $0.50 note 5 surcharge, and the $0.25 note 7 surcharge), as compared to $1.75 per contract today. By comparison, a Customer complex execution in NDX options with a premium of $30.00 would continue to be assessed $1.00 per contract (the $0.50 transaction fee, the $0.25 note 6 surcharge, and the $0.25 note 7 surcharge).

While the Exchange is increasing the NDX and NDXP Non-Customer Options Transaction Charge, the Exchange believes that market participants will continue to transact NDX and NDXP options on Phlx given the large notional value of NDX. Each options contract has a multiplier of $100, so a single contract represents notional exposure equal to $100 times the index level. For example, at an index level of 20,000, one NDX or NDXP options contract represents approximately $2,000,000 in notional value. At that level, the proposed $1.25 per contract transaction fee represents approximately 0.00625 basis points of notional value, and the proposed $0.50 increase represents approximately 0.0025 basis points. Because the Exchange's transaction fees are assessed per contract regardless of the size of the underlying exposure, the cost of the fee relative to the economic exposure obtained is small. It remains small even after the proposed increase. The Exchange notes that the increase is modest relative to the value of the exposure each NDX and NDXP options contract provides.

NDX Incentive Program

The Exchange proposes to adopt the Program at new Options 7, Section 5.B, titled ''Incentive Programs.'' The Program is designed to incentivize Market Makers to post tighter, more consistent quotes in short-dated NDXP options, to the benefit of all market participants that trade those options on Phlx.

Program Period. As proposed in paragraph (a) of proposed Options 7, Section 5.B, the qualification period for the Program would be a calendar month, and the Program would operate month-to-month. Rebates would be paid each calendar month to eligible Market Makers.

Eligible Participants. As proposed in paragraph (b) of proposed Options 7, Section 5.B, all Market Makers would be eligible for the Program.

Eligible Options and Measurement Windows. As proposed in paragraph (c)(1), of proposed Options 7, Section 5.B, the Eligible Options would be P.M.-settled Nasdaq-100 Index options (''NDXP'') that (i) expire on the same trading day on which they are traded (''0DTE'') or (ii) expire on the next trading day (''1DTE''). Eligible strike prices would be all strikes divisible by $25, and no moneyness filter would be applied. Whether a particular options series qualifies at a given time would be determined by the bid premium test described below. As proposed in paragraph (c)(2) of proposed Options 7, Section 5.B, the Exchange would measure quoting performance during the following windows (collectively, the ''Measurement Windows''), with all times in Central Time: (i) for 0DTE options, 8:30 a.m. to 3:00 p.m.; and (ii) for 1DTE options, 8:30 a.m. to 3:15 p.m.

Premium Tiers and Maximum Widths. As proposed in paragraph (d) of proposed Options 7, Section 5.B, the Program would consist of two independently scored Premium Tiers, each with a Bid Premium Range and a Maximum Width. Premium Tier 1 would have a Bid Premium Range of $8.00 up to and including $80.00 and a Maximum Width of $2.00. Premium Tier 2 would have a Bid Premium Range of $0.20 up to but not including $8.00 and a Maximum Width of $1.00. At each Snapshot (described below), the best bid premium submitted by any Market Maker to Phlx through the Specialized Quote Feed (''SQF'')[7] would determine the applicable Premium Tier and Maximum Width. An options series could qualify for at most one Premium Tier per Snapshot, and an options series whose best Market Maker bid falls outside both Bid Premium Ranges would not be measured at that Snapshot.

Scoring Methodology. As proposed in paragraph (e)(1) of proposed Options 7, Section 5.B, the Exchange would measure quoting performance at a randomly selected time within each 15-second interval during the applicable Measurement Window (each, a ''Snapshot''). As proposed in paragraph (e)(2) of proposed Options 7, Section 5.B, at each Snapshot an options series would constitute a ''Qualified Observation'' for a given Premium Tier if the best Market Maker bid submitted through SQF in that options series falls within the Bid Premium Range for that Premium Tier. Only the best displayed quote of Market Makers on Phlx would be considered for this purpose, and a Qualified Observation would apply uniformly to all Market Makers for purposes of the Program. As proposed in paragraph (e)(3), for each options series that constitutes a Qualified Observation, a Market Maker would earn a ''Performant Quote'' tally if the width of its displayed quotation on Phlx (determined from the Market Maker's best displayed bid and best displayed offer) is equal to or less than the applicable Maximum Width for that Premium Tier. A Performant Quote need

[7] ''Specialized Quote Feed'' or ''SQF'' is an interface that allows Lead Market Makers, Streaming Quote Traders (''SQTs'') and Remote Streaming Quote Traders (''RSQTs'') to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses into and from the Exchange. Features include the following: (1) options symbol directory messages (*e.g.,* underlying and complex instruments); (2) system event messages (*e.g.,* start of trading hours messages and start of opening); (3) trading action messages (*e.g.,* halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge requests from the Lead Market Maker, SQT or RSQT. Lead Market Makers, SQTs and RSQTs may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the Order Price Protection, the Market Order Spread Protection, and Size Limitation Protection in Options 3, Section 15(a)(1), (a)(2) and (b)(2), respectively, for single leg orders, or (ii) Complex Order Price Protection as defined in Options 3, Section 16(c)(1) for Complex Orders. *See* Supplementary Material .03(C) of Options 3, Section 7.

not be the best quote in the market; it would be judged solely against the applicable Maximum Width.

As proposed in paragraph (e)(4) of proposed Options 7, Section 5.B, a Market Maker's Monthly Score for each Premium Tier would be calculated as follows: 70% × (monthly sum of Performant Quotes for 0DTE options ÷ monthly sum of Qualified Observations for 0DTE options) + 30% × (monthly sum of Performant Quotes for 1DTE options ÷ monthly sum of Qualified Observations for 1DTE options). Scores would be calculated to two decimal places (*e.g.,* 62.47%).

By way of example, assume that at a particular Snapshot a 0DTE options series has the following quotes: Market Maker 1 (''MM1'') $7.90 × $9.90; Market Maker 2 (''MM2'') $8.00 × $9.00; and Market Maker 3 (''MM3'') $7.80 × $10.00. The best Market Maker bid of $8.00 would qualify the options series for Premium Tier 1, which has a Maximum Width of $2.00. MM1's quote is $2.00 wide, which equals the Maximum Width, so MM1's quote is a Performant Quote even though its bid is below $8.00. MM2's quote is $1.00 wide, which is less than the Maximum Width, so MM2's quote is a Performant Quote. MM3's quote is $2.20 wide, which exceeds the Maximum Width, so MM3's quote is not a Performant Quote. If this were the only Snapshot for the month, there would be one 0DTE Qualified Observation and no 1DTE Qualified Observations, and the Market Makers would be scored as follows: MM1, 70% × (1⁄1); MM2, 70% × (1⁄1); and MM3, 70% × (0⁄1).

Funding and Payouts. As proposed in paragraph (f) of proposed Options 7, Section 5.B, the Exchange would award rebates each calendar month to the highest-scoring Market Makers in each Premium Tier. In Premium Tier 1, the Market Makers ranked first, second and third would receive monthly rebates of $400,000, $250,000 and $100,000, respectively. In Premium Tier 2, the Market Makers ranked first and second would receive monthly rebates of $150,000 and $50,000, respectively. The Exchange would therefore pay up to $950,000 in total Program rebates in a given month. For each Premium Tier, the Exchange will remove two trading days from each Market Maker's monthly measurement for that Premium Tier, selected in a manner that maximizes the Market Maker's overall Monthly Score for that Premium Tier. The days removed may differ between Premium Tiers. The Removal of Days provision in Options 7, Section 1(b) would also apply to the Program for purposes of excluding days from the Monthly Score;[8] otherwise, all trading days in the month would count toward the Monthly Score. In the event of identical Monthly Scores, the applicable award(s) would be split evenly among the tied Market Makers.[9]

Reporting. As proposed in paragraph (g), the Exchange would provide Market Makers with a report of their daily performance via Nasdaq Report HQ. In addition, the Exchange would distribute daily standings to all Market Makers and disclose the Monthly Scores of the top three Premium Tier 1 Market Makers and the top two Premium Tier 2 Market Makers, without identifying the Market Makers.

Voluntary Participation; No Quoting Obligation. As proposed in paragraph (h), participation in the Program would be entirely voluntary. No Market Maker would be required to participate by quoting in NDXP options, and participation would not create any quoting obligation beyond a Market Maker's existing obligations under the Exchange's rules.[10]

Program Design. The Exchange has designed the Program to focus on those options series and times in which tight, consistent quoting is most valuable to market participants. The Exchange is limiting the Program to 0DTE and 1DTE NDXP options because these short-dated options account for a significant portion of NDXP trading activity and present heightened quoting risk for Market Makers given their rapid time decay and sensitivity to movements in the underlying index. The Exchange proposes to weight 0DTE performance at 70% and 1DTE performance at 30% because 0DTE options represent the larger share of short-dated NDXP options activity, while 1DTE options remain an important part of the market. The two Premium Tiers, with Maximum Widths of $2.00 for bid premiums of $8.00 up to and including $80.00 and $1.00 for bid premiums of $0.20 up to but not including $8.00, are intended to set width standards that are demanding yet achievable relative to the price of the option, recognizing that higher-priced options are typically quoted with wider absolute spreads. Measuring performance at a randomly selected time within each 15-second interval is designed to reward continuous quality quoting throughout the Measurement Windows, rather than quoting only at predictable times. Fixed, ranked rebates provide Market Makers with a clear, transparent incentive to compete with one another on market quality, while allowing the Exchange to control the total cost of the Program. Finally, distributing daily standings and disclosing the top Monthly Scores without identifying the Market Makers is intended to promote competition among participants by allowing each Market Maker to gauge its performance against the field, while protecting the confidentiality of individual firms' results.

The Exchange is proposing the Non-Customer fee increase and the Program together. While the Exchange is increasing the fees assessed to Non-Customers in NDX and NDXP options, the Program is designed to improve the quality of the NDXP market in which those Non-Customers, as well as Customers, transact. The Exchange believes that tighter, more consistent Market Maker quotes in short-dated NDXP options will improve execution quality for all participants that interact with those quotes, including Non-Customers paying the increased fees.

[8] Options 7, Section 1(b) provides, Removal of Days for Purposes of Pricing Tiers: (1) (A) Any day that the Exchange announces in advance that it will not be open for trading will be excluded from the options tier calculations set forth in its Pricing Schedule; and (B) any day with a scheduled early market close (''Scheduled Early Close'') may be excluded from the options tier calculations only pursuant to paragraph (3) below. (2) The Exchange may exclude the following days (''Unanticipated Events'') from the options tier calculations only pursuant to paragraph (3) below, specifically any day that: (A) the market is not open for the entire trading day, (B) the Exchange instructs members in writing to route their orders to other markets, (C) the Exchange is inaccessible to members during the 30-minute period before the opening of trade due to an Exchange system disruption, or (D) the Exchange's system experiences a disruption that lasts for more than 60 minutes during regular trading hours. (3) If a day is to be excluded as a result of paragraph (1)(B) or (2) above, the Exchange will exclude the day from any member's monthly options tier calculations as follows: (A) the Exchange may exclude from the ADV calculation any Scheduled Early Close or Unanticipated Event; (B) the Exchange may exclude from the calculation based on a percentage of industry volume any Scheduled Early Close or Unanticipated Event; and (C) the Exchange may exclude from any other applicable options tier calculation provided for in its Pricing Schedule (together with (3)(A) and (3)(B), ''Tier Calculations'') any Scheduled Early Close or Unanticipated Event; provided, in each case, that the Exchange will only remove the day for members that would have a lower Tier Calculation with the day included. If a day is removed from a calculation based on a percentage of monthly industry volume, volume executed that day will be removed from both the numerator and the denominator of the calculation.

[9] In the event of a tie in Premium Tier 1, the tied Market Makers would receive an equal amount. For example, assuming these Monthly Scores at the end of a month: Market Maker A: 67.81%, Market Maker B: 67.81%, Market Maker C: 56.78%, and Market Maker D: 49.58%; Market Makers A and B each would receive a rebate of $325,000 ((400,000 + 250,000)/2), Market Maker C would receive a rebate of $100,000, and Market Maker D would receive no rebate.

[10] *See* Options 2, Section 5 (Market Maker quoting obligations).

Further, Market Makers have the ability to earn rebates through the Program while also enhancing market quality in these options on Phlx.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[11] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[12] in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Transaction Fees

The Exchange believes that its proposal to increase the Non-Customer transaction fees in NDX and NDXP options from $0.75 to $1.25 per contract for electronic simple and complex executions as well as floor transactions is reasonable because Customers will continue to be assessed a lower fee as compared to Non-Customers, and the existing surcharges in NDX and NDXP options will continue to apply unchanged. The Exchange believes that, even with the increase, Non-Customer pricing in NDX and NDXP options will remain competitive and will continue to attract order flow to the Exchange.

The Exchange believes that the proposed Non-Customer transaction fee of $1.25 per contract in NDX and NDXP options is reasonable when considered in relation to the notional value of these products. NDX and NDXP options contracts each have a multiplier of $100, so a single contract represents notional exposure equal to $100 times the index level.[13] Because the Exchange's transaction fees are assessed per contract regardless of the size of the underlying exposure, the cost of the fee relative to the economic exposure obtained is small. It remains small even after the proposed increase. Viewed another way, a market participant seeking comparable Nasdaq 100 exposure through other products would generally need to trade many more contracts, each of which is subject to its own transaction fees. For example, a market participant seeking exposure equivalent to one NDX contract through options overlying Invesco QQQ Trust (''QQQ'')[14] would need to trade approximately 41 QQQ options contracts. Those contracts would be subject to per-contract transaction fees of up to $0.22 each on the Exchange for an aggregate cost of approximately $9.02. On a notional-equivalent basis, therefore, the proposed NDX and NDXP options fees remain lower than the cost of obtaining similar exposure through alternative products. The Exchange also notes that the proposed fee is lower in some cases and higher in other cases than fees assessed by other exchanges for proprietary broad-based index options with similarly large notional values, such as S&P 500 Index (''SPX'') options on Cboe Exchange, Inc. (''Cboe'').[15] For these reasons, the Exchange believes that the proposed fee increase, while meaningful in absolute terms, is modest relative to the value of the exposure each contract provides. The Exchange believes the increase will not discourage market participants from transacting in NDX and NDXP options on the Exchange.

At the same time, the Exchange is adopting the Program, which is designed to improve the quality of the NDXP market in which Non-Customers transact. Pricing by symbol is a common practice on many U.S. options exchanges as a means to incentivize order flow to be sent to an exchange for execution in particular products. The Exchange notes that market participants are offered different ways to gain exposure to the Nasdaq 100 Index, whether through the Exchange's proprietary products like options overlying NDX, NDXP or XND, or separately through multi-listed options overlying Invesco QQQ. Offering such products provides market participants with a variety of choices in selecting the product they desire to utilize in order to gain exposure to the Nasdaq 100 Index. Market participants also may trade competing proprietary broad-based index options on other exchanges, such as SPX and Russell 2000 Index (''RUT'') options listed on Cboe.[16]

The Exchange believes that its proposal to increase the Non-Customer transaction fees in NDX and NDXP is equitable and not unfairly discriminatory because the increased fee will be applied uniformly to all Non-Customers. Continuing to assess a lower fee to Customers as compared to Non-Customers is equitable and not unfairly discriminatory because Customer liquidity benefits all market participants by providing more trading opportunities, which attracts Market Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants, to the benefit of all market participants who may interact with the order flow.

The Exchange believes that the Program is reasonable because it is designed to incentivize Market Makers to provide tighter, more consistent quotes in 0DTE and 1DTE NDXP options. Improved market quality benefits all market participants, not only the Market Makers that earn rebates. Tighter quotes reduce the cost of trading for Customers and other participants that interact with Market Maker quotes, more consistent displayed liquidity contributes to price discovery, and higher-quality markets attract additional order flow, which further deepens liquidity on the Exchange.

The Program is also reasonable because rebates are tied to objective, transparent metrics, namely Qualified Observations and Performant Quotes measured at random Snapshots against published Bid Premium Ranges and Maximum Widths, which are applied in the same manner to every Market Maker. The fixed rebate amounts, which total up to $950,000 per month, are reasonable in light of the improvement in market quality the Program is designed to achieve and the effort required of Market Makers to maintain quotes at or within the Maximum Widths throughout the Measurement Windows. Removing two trading days per month in the manner that maximizes each Market Maker's Monthly Score is reasonable because it accommodates occasional technical or market disruptions and applies equally to every participant, and splitting awards evenly among Market Makers with identical Monthly Scores is a fair and objective means of resolving ties.

[11] 15 U.S.C. 78f(b).

[12] 15 U.S.C. 78f(b)(4) and (5).

[13] For example, at an index level of 20,000, one NDX or NDXP contract represents approximately $2,000,000 in notional value. At that level, the proposed $1.25 per contract transaction fee represents approximately 0.00625 basis points of notional value, and the proposed $0.50 increase represents approximately 0.0025 basis points.

[14] QQQ is an exchange-traded fund based on the same Nasdaq 100 Index as NDX and XND.

[15] *See* Cboe Fees Schedule at: *https://www.cboe.com/us/options/membership/fee_schedule/.* With respect to non-customers, the base SPX rate is $0.28 for a market maker (falling to $0.21 on the SPX/SPXW Liquidity Provider Sliding Scale) which is notionally adjusted to $1.06 (falling to $0.80 on the SPX/SPXW Liquidity Provider Sliding Scale) and thus lower than ISE's proposed $1.25 for Market Maker. The base SPX rate is $0.26 for a firm (with a further proprietary products sliding scale) which is notionally adjusted to $0.99 (with a further proprietary products sliding scale) and thus lower than ISE's proposed $1.25 for Firm. The base SPX rate is $0.42 for a broker-dealer/professional which is notionally adjusted to $1.60 and thus higher than ISE's proposed $1.25 for Broker-Dealers and Professionals.

[16] *See, e.g.,* pricing for on Cboe's Fees Schedule. *See also* SPX pricing on Cboe's Fees Schedule.

The Exchange believes that the Program is equitable and not unfairly discriminatory because while participation is entirely voluntary, all Market Maker are eligible for the Program, and all Market Makers would be measured against the same Qualified Observations, Maximum Widths, and scoring formula. Participation does not create any quoting obligation beyond a Market Maker's existing obligations under the Exchange's rules. Limiting the Program to Market Makers is equitable and not unfairly discriminatory because, unlike other market participants, Market Makers have quoting obligations under the Exchange's rules [17] and bear the risks associated with continuously quoting in short-dated options. The Program is designed to reward Market Makers for quoting behavior that only they can provide in this manner, and the resulting improvement in market quality accrues to the benefit of all market participants. Ranking Market Makers and paying fixed rebates to the highest scorers is equitable and not unfairly discriminatory because every participant has the same opportunity to achieve a top ranking based on its quoting performance.

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

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

In terms of intra-market competition, the Exchange will apply the proposed Non-Customer transaction fees uniformly to all Non-Customers. Continuing to assess a lower fee to Customers as compared to Non-Customers does not impose an undue burden on competition because Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants, to the benefit of all market participants who may interact with the order flow.

The Program does not impose an undue burden on intra-market competition. Participation is voluntary and open to all Market Makers, and all participants are measured against the same objective criteria. Limiting the Program to Market Makers does not impose a burden on competition that is not necessary or appropriate because Market Makers are subject to quoting obligations and risks that other market participants do not bear, and the improved market quality the Program is designed to produce benefits all market participants that trade NDXP options on the Exchange. Ranking Market Makers and paying rebates to the highest scorers is intended to promote, rather than burden, competition among Market Makers to provide the best market quality.

In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other options exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. As noted above, market participants are offered an opportunity to transact in NDX, NDXP, or XND, or separately execute options overlying QQQ. Offering these products provides market participants with a variety of choices in selecting the product they desire to use to gain exposure to the Nasdaq 100 Index. Likewise, competing options exchanges offer market maker incentive programs, and the Exchange must design the Program to attract and retain Market Maker liquidity in competition with those venues.

In addition to the Exchange, market participants have alternative options exchanges that they may participate on and direct their order flow, which list proprietary products that compete with NDX and NDXP.[18] In sum, if the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of members or competing options exchanges to maintain their competitive standing in the financial markets.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[19]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include file number SR–Phlx–2026–67 on the subject line.

Paper Comments

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

All submissions should refer to file number SR–Phlx–2026–67. 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

[17] *See supra* note 9.

[18] *See e.g.,* pricing for RUT on Cboe's Fees Schedule. *See also* SPX pricing on Cboe's Fees Schedule. Both RUT and SPX are proprietary products on the Cboe markets that are broad-based index options, like NDX.

[19] 15 U.S.C. 78s(b)(3)(A)(ii).

obscene or subject to copyright protection.

All submissions should refer to file number SR–Phlx–2026–67 and should be submitted on or before December 4, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–23104 Filed 11–12–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106872; File No. SR–MX2–2026–11]

Self-Regulatory Organizations; MX2 LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Exchange's Fee Schedule

November 10, 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 30, 2026, MX2 LLC (''MX2'' or the ''Exchange'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the 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 is filing with the Commission a proposed rule change to amend the Exchange's fee schedule applicable to Members [3] (the ''Fee Schedule'') pursuant to Exchange Rules 15.1(a) and (c). As is further described below, the Exchange proposes to amend the MX2 Options Fee Schedule (the ''Options Fee Schedule'') to: establish a separate category within the fee structure for fees and rebates on transactions in options overlying SPY, QQQ, and IWM, (ii) reduce the Taker rebate for Customer transactions in SPY, QQQ and IWM options, and (iii) reduce the Maker fee for Market Maker transactions in SPY, QQQ and IWM options. The Exchange proposes to implement the changes to the Options Fee Schedule pursuant to this proposal on November 2, 2026. The text of the proposed rule change is provided in Exhibit 5.

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 purpose of the proposed rule change is to amend the Options Fee Schedule to (i) establish a separate category within the fee structure for fees and rebates on transactions in options overlying the Standard and Poor's Depositary Receipts Trust (''SPY''), the INVESCO QQQ Trust, Series 1 (''QQQ''), and the iShares Russell 2000 Index Fund (''IWM''), each of which are options in the Penny Interval Program (''Penny options''),[4] (ii) reduce the Taker [5] rebate for Customer [6] transactions in SPY, QQQ and IWM options, and (iii) reduce the Maker [7] fee for Market Maker [8] transactions in SPY, QQQ and IWM options.

Under the Options Fee Schedule, transactions are currently assessed a per contract fee (or provided a per contract rebate) dependent on the capacity of the Member,[9] whether the underlying security is a Penny option or is not in the Penny Interval Program (Non-Penny option),[10] and finally, whether the transaction adds [11] (*i.e.,* a ''Maker'') or removes [12] (*i.e.,* a ''Taker'') liquidity from the MX2 Options Book. Options on SPY, QQQ, and IWM are Penny options and are therefore currently subject to the rates applicable to Penny options. Specifically, for Penny options, including SPY, QQQ, and IWM, the Exchange currently provides a Customer Maker rebate of ($0.28) per contract and a Customer Taker rebate of ($0.48) per contract, and assesses a Maker fee of $0.50 per contract and a Taker fee of $0.50 per contract for Non-Customer transactions, including Market Maker, Professional, Firm, Away Market Maker, and Broker-Dealer transactions.

The Exchange now proposes to establish separate fees and rebates for executions of options in SPY, QQQ and IWM, separately from other Penny options. To do so, the Exchange proposes to add a new column for SPY/QQQ/IWM to the transaction fee table in the Options Fee Schedule and to clarify in the heading of the existing Penny column that it applies to Penny options other than SPY/QQQ/IWM. The Exchange believes that separately accounting for SPY, QQQ, and IWM is appropriate because these options are highly liquid and are commonly treated separately by other options exchanges.[13]

As noted above, as it relates to Professional, Firm, Away Market Maker, and Broker-Dealer executions of SPY, QQQ, and IWM options, the Exchange is not proposing to change the fees currently assessed, it is simply carving out SPY, QQQ and IWM into a separate category within the fee structure. Said another way, the proposed SPY, QQQ and IWM fees for Professional, Firm, Away Market Maker, and Broker-Dealer transactions will continue to be the same fees assessed to transactions in Penny options currently. As it relates to

[20] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] *See* Exchange Rule 1.5(p).

[4] MX2 Options provides Fee Code ''P'' for transactions in Penny options. The Exchange is proposing to continue to use the Fee Code ''P'' for transaction in Penny options excluding SPY, QQQ, and IWM. The Exchange is proposing to provide the Fee Code ''x'' for transactions in SPY, QQQ, and IWM. Fee codes are provided by the Exchange on the monthly invoices provided to Members.

[5] Transactions that remove liquidity from the Exchange are referred to as ''Taker'' transactions.

[6] MX2 Options provides fee qualifier ''c'' for Customer transactions.

[7] Transactions that add liquidity to the Exchange are referred to as ''Maker'' transactions.

[8] MX2 Options provides fee qualifier ''m'' for market maker transactions.

[9] Specifically, the capacities include Customer, Market Maker, Professional, Firm Away Market Maker, and Broker-Dealer. MX2 Options provides fee qualifier ''p'' for professional transactions, fee qualifier ''f'' for firm transactions, fee qualifier ''a'' for away market maker transactions, and fee qualifier ''b'' for broker-dealer transactions. Each of market maker transactions, professional transactions, firm transactions, away market maker transactions, and broker-dealer transactions are referred to as ''Non-Customer'' transactions.

[10] MX2 Options provides the Fee Code ''N'' for transactions in Non-Penny options.

[11] MX2 Options provides the Fee Code ''D'' for transactions which add liquidity to the MX2 Options Book.

[12] MX2 Options provides the Fee Code ''R'' for transactions which remove liquidity from the MX2 Options Book.

[13] *See* the MIAX Sapphire Fee Schedule, Section 1)a)i), available at: *https://www.miaxglobal.com/markets/us-options/sapphire-options/fees. See also* BOX Options Exchange Fee Schedule, Section IV.A., available at: *https://boxoptions.com/resources/fee-schedule/;* and Nasdaq ISE, Options 7, Pricing Schedule, Section 3, Regular Order Fees and Rebates, available at: *https://listingcenter.nasdaq.com/rulebook/ise/rules.*