



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103618; File No. SR-MRX-2025-15]

**Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Decrease the Options Regulatory Fee (ORF) as of January 2, 2026**

August 1, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 25, 2025, Nasdaq MRX, LLC (“MRX” or “Exchange”) filed with the Securities and Exchange Commission (the “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 MRX’s Pricing Schedule at Options 7, Section 5C, Options Regulatory Fee. Specifically, this proposal decreases MRX’s Options Regulatory Fee or “ORF” rate for January 2, 2026.<sup>3</sup>

While the changes proposed herein are effective upon filing, the Exchange has designated the proposed rule change to be operative on January 2, 2026.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The Exchange filed SR-MRX-2025-15 on July 17, 2025. On July 25, 2025, the Exchange withdrew [sic] SR-MRX-2025-15 and filed this rule change.

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/mrx/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

MRX proposes to decrease its January 2, 2026 ORF rate from \$0.0139 to \$0.0116 per contract side. MRX previously filed a rule proposal to amend its current methodology of assessment and collection of ORF to assess ORF only for options transactions that occur on MRX that are cleared in the Customer<sup>4</sup> range at The Options Clearing Corporation (“OCC”).<sup>5</sup> In that proposal, MRX amended its ORF rate from the current MRX ORF of \$0.0010 per contract side to \$0.0139 per contract side for January 2, 2026.<sup>6</sup> At this time, MRX proposes to decrease the rate it originally filed in its ORF proposal in May 2025,<sup>7</sup> applicable to January 2, 2026,

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<sup>4</sup> Currently, the ORF is assessed by MRX and collected via the OCC from Priority Customers, Professional Customers, and Broker-Dealers that are not affiliated with a clearing member. These market participants clear in the “C” range at OCC. ORF will continue to be assessed and collected from these market participants under the new methodology. On MRX, a “Priority Customer” is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq MRX Options 1, Section 1(a)(36); a “Professional Customer” is a person or entity that is not a broker/dealer and is not a Priority Customer; and a “Broker-Dealer” order is an order submitted by a Member for a broker-dealer account that is not its own proprietary account.

<sup>5</sup> See Securities Exchange Act Release No. 103103 (May 22, 2025), 90 FR 22797 (May 29, 2025) (SR-MRX-2025-11) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Methodology for Its Options Regulatory Fee as of January 2, 2026).

<sup>6</sup> See id.

<sup>7</sup> See id.

because it has experienced a decrease to its FINRA Regulatory Services Agreement (“RSA”) fees. As a result of this decrease and accounting for actual revenue since May 2025, MRX proposes to decrease its ORF rate for January 2, 2026.

Of note, MRX is not amending its methodology for January 2, 2026.<sup>8</sup> MRX will endeavor to ensure that ORF Regulatory Revenue generated from ORF will not exceed 82% of Options Regulatory Cost. MRX will ensure that ORF Regulatory Revenue does not exceed [sic] Options Regulatory Cost. MRX will notify Members via an Options Trader Alert of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change. In this case, the Exchange notified Members via an Options Trader Alert of these changes at least 30 calendar days prior to January 2, 2026.<sup>9</sup>

The Exchange will continue to monitor ORF Regulatory Revenue to ensure that it, in combination with other regulatory fees and fines, does not exceed Options Regulatory Costs. In determining whether an expense is considered an Options Regulatory Cost, the Exchange will continue to review all costs and makes determinations if there is a nexus between the expense and a regulatory function. The Exchange notes that fines collected by the Exchange in connection with a disciplinary matter will continue to offset Options Regulatory Cost.

As is the case today, ORF Regulatory Revenue is designed to recover a material portion of the Options Regulatory Costs to the Exchange for the supervision and regulation of Members’ transactions, including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. As discussed

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<sup>8</sup> See id. MRX will assess ORF for options transactions cleared by OCC in the Customer range to each MRX Member for executions that occur on MRX. ORF will be collected by OCC on behalf of MRX from MRX Members and non-Members for all Customer transactions executed on MRX. ORF will be assessed and collected on all ultimately cleared Customer contracts, taking into account adjustments for CMTA that were provided to MRX the same day as the trade. Further, MRX will bill ORF according to the clearing instructions provided on the execution. More specifically, MRX will assess ORF based on the clearing instruction provided on the execution on trade date and will not take into consideration CMTA changes or transfers that occur at OCC.

<sup>9</sup> See <https://www.nasdaqtrader.com/MicroNews.aspx?id=OTA2025-33>.

above, Options Regulatory Costs include direct regulatory expenses<sup>10</sup> and certain indirect expenses in support of the regulatory function.<sup>11</sup>

Finally, the Exchange notes that this proposal will sunset on February 1, 2026, at which point the Exchange would revert back to the ORF methodology and rate of \$0.0004 per contract side.<sup>12</sup>

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>13</sup> Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act<sup>14</sup>, which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its members, and other persons using its facilities. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>15</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that decreasing its January 2, 2026 ORF rate from \$0.0139 to \$0.0116 per contract side is reasonable because it would help ensure that ORF Regulatory Revenue does not exceed a material portion of the Exchange’s ORF Regulatory Costs. As noted above, the ORF is designed to recover a material portion, but not all, of the Exchange’s ORF Regulatory Costs. Further, the Exchange believes the proposed fee change is reasonable because

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<sup>10</sup> The direct expenses include in-house and third-party service provider costs to support the day-to-day regulatory work such as surveillances, investigations, and examinations.

<sup>11</sup> The indirect expenses include support from such areas as Office of the General Counsel, technology, finance, and internal audit.

<sup>12</sup> The Exchange proposes to reconsider the sunset date in 2026 and determine whether to proceed with the proposed ORF structure at that time.

<sup>13</sup> 15 U.S.C. 78f(b).

<sup>14</sup> 15 U.S.C. 78f(b)(4).

<sup>15</sup> 15 U.S.C. 78f(b)(5).

Customer transactions will be subject to a lower ORF than the rate that would otherwise be in effect on January 2, 2026.

The Exchange had designed the ORF to generate ORF Regulatory Revenue that would be less than the amount of the Exchange's ORF Regulatory Costs to ensure that it, in combination with its other regulatory fees and fines, does not exceed ORF Regulatory Costs, which is consistent with the view of the Commission that regulatory fees be used for regulatory purposes and not to support the Exchange's business operations. As discussed above, however, after review of its ORF Regulatory Costs and ORF Regulatory Revenue, which includes revenues from ORF and other regulatory fees and fines, the Exchange determined that absent a reduction in ORF it may collect ORF Regulatory Revenue which would exceed its ORF Regulatory Costs. Indeed, the Exchange notes that when taking into account the lower cost resulting from the amended FINRA RSA, it estimates the ORF may generate ORF Regulatory Revenue that would cover more than the approximated Exchange's projected ORF Regulatory Costs. As such, the Exchange believes it is reasonable and appropriate to decrease the ORF rate.

The Exchange also believes that the fee change is equitable and not unfairly discriminatory in that it will be charged to all Members on all transactions that occur on MRX and clear in the Customer range at OCC. The Exchange believes the ORF ensures fairness by assessing higher fees to those Members that require more Exchange regulatory services based on the amount of Customer options business they conduct. A large portion of the Options Regulatory Cost relates to Customer allocation because obtaining Customer information may be more time intensive. For example, non-Customer market participants are subject to various regulatory and reporting requirements which provides the Exchange certain data with respect to these market participants. In contrast, Customer information is known by Members of the Exchange and is not readily available to MRX.<sup>16</sup> The Exchange may have to take additional

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<sup>16</sup> The Know Your Customer or "KYC" provision is the obligation of the broker-dealer.

steps to understand the facts surrounding particular trades involving a Customer which may require requesting such information from a broker-dealer. Further, Customers require more Exchange regulatory services based on the amount of options business they conduct. For example, there are Options Regulatory Costs associated with main office and branch office examinations (e.g., staff expenses), as well as investigations into Customer complaints and the terminations of registered persons. As a result, the Options Regulatory Costs associated with administering the Customer component of the Exchange's overall regulatory program are materially higher than the Options Regulatory Costs associated with administering the non-Customer component when coupled with the amount of volume attributed to such Customer transactions. Further, MRX's Customer regulation occurs to a large extent on Exchange. The Exchange does not believe that significant Options Regulatory Costs result from activity attributed to Customers that may occur across options markets. To that end, the amount of Options Regulatory Cost allocated to on-exchange Customer transactions is significant. Also, with respect to Customer transactions, options volume continues to surpass volume from other options participants. Additionally, there are rules in the Exchange's Rulebook that deal exclusively with Customer transactions, such as rules involving doing business with a Customer, which would not apply to non-Customer market participants. For these reasons, regulating Customer trading activity is "much more labor-intensive" and therefore, more costly.

Also, assessing ORF on Customer executions that occur on MRX is reasonable, equitable and not unfairly discriminatory because it will avoid overlapping ORFs that would otherwise be assessed by MRX and other options exchanges that also assess an ORF. Further, the Exchange believes that collecting 82% of Options Regulatory Cost is appropriate and correlates to the degree of regulatory responsibility and Options Regulatory Cost borne by the Exchange with respect to Customer transactions. The Exchange's proposal continues to ensure that Options Regulatory Revenue, in combination with other regulatory fees and fines, does not exceed Options Regulatory Costs. Fines collected by the Exchange in connection with a disciplinary

matter will continue to offset Options Regulatory Cost. The Exchange will review the ORF Regulatory Revenue and would amend the ORF if it finds that its ORF Regulatory Revenue exceeds its projections.<sup>17</sup>

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 intra-market competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes, however, the proposed change is not designed to address any competitive issues. Indeed, this proposal does not create an unnecessary or inappropriate inter-market burden on competition because it is a regulatory fee that supports regulation in furtherance of the purposes of the Act. The Exchange is obligated to ensure that the amount of ORF Regulatory Revenue, in combination with its other regulatory fees and fines, does not exceed ORF Regulatory Cost.

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) of the Act<sup>18</sup> and paragraph (f) of Rule 19b-4<sup>19</sup> thereunder. 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 necessary or appropriate in the public interest, for the protection of investors, or 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 change should be approved or disapproved.

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<sup>17</sup> MRX would submit a rule change to the Commission to amend ORF rates.

<sup>18</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>19</sup> 17 CFR 240.19b-4(f).

#### 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](mailto:rule-comments@sec.gov). Please include file number SR-MRX-2025-15 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-MRX-2025-15. 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-MRX-2025-15 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

**Vanessa A. Countryman,**

*Secretary.*

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<sup>20</sup> 17 CFR 200.30-3(a)(12).