



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104056; File No. SR-MRX-2025-21]

### Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the MRX Pricing Schedule at Options 7, Section 3

September 25, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 11, 2025, Nasdaq MRX, LLC (“MRX” 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 Exchange’s Pricing Schedule at Options 7, Section 3, Table 1 to offer a rebate for eligible Members that add liquidity in Penny Symbols, as described further below.

The Exchange initially filed the proposed pricing changes on September 2, 2025 (SR-MRX-2025-18). On September 11, 2025, the Exchange withdrew that filing and submitted this filing.

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.

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

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

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 Exchange's Pricing Schedule at Options 7, Section 3, Table 1 to offer a rebate for eligible Members that add liquidity in Penny Symbols. The Exchange initially filed the proposed pricing changes on September 2, 2025 (SR-MRX-2025-18). On September 11, 2025, the Exchange withdrew that filing and submitted this filing.

Today, the Exchange assesses all Non-Priority Customers<sup>3</sup> a \$0.50 per contract Tier 4 maker fee in Penny Symbols, and all Priority Customers<sup>4</sup> a \$0.47 per contract Tier 4 maker rebate in Penny Symbols.<sup>5</sup> The Exchange now proposes to offer Members in Tier 4 a rebate if at least half of their trading volume adds liquidity in Penny Symbols. Specifically, the Exchange proposes to amend note 2 in Options 7, Section 3, Table 1, which is currently reserved, to provide that Members that add liquidity greater than or equal to 50% of their Total Affiliated

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<sup>3</sup> "Non-Priority Customers" include Market Makers, Non-Nasdaq MRX Market Makers (FarMMs), Firm Proprietary / Broker-Dealers, and Professional Customers.

<sup>4</sup> 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).

<sup>5</sup> As set forth in Table 3 of Options 7, Section 3, the Tier 4 volume requirement is based on executing more than 0.70% of Total Customer ADV. Total Customer ADV is Priority Customer Total Consolidated Volume divided by Customer Total Consolidated Volume, including volume executed by Affiliated Members or Affiliated Entities. Priority Customer Total Consolidated Volume is a Member's total Priority Customer volume executed on MRX in that month, including volume executed by Affiliated Members or Affiliated Entities. All eligible volume from Affiliated Members or an Affiliated Entity will be aggregated in determining applicable tiers.

Member<sup>6</sup> or Affiliated Entity<sup>7</sup> Volume within a month will also be paid a rebate of \$0.02 per contract on all their Penny Symbol transactions for that month. For purposes of proposed note 2, “Total Affiliated Member or Affiliated Entity Volume” will mean all volume executed by the Member on the Exchange in all symbols and order types, including volume executed by Affiliated Members or Affiliated Entities. This note 2 incentive will be available to Members through December 31, 2025.

As proposed, this note 2 incentive would only apply to Members that achieve Tier 4 and meet the proposed qualifications in note 2. Effectively, for example, a qualifying Non-Priority Customer under the proposed note 2 incentive would pay \$0.48 per contract for all their Penny Symbol transactions adding liquidity for that month (i.e., \$0.50 maker fee - \$0.02 note 2 incentive). A Priority Customer qualifying for the note 2 incentive would receive a higher maker rebate of \$0.49 per contract (i.e., \$0.47 maker rebate + \$0.02 note 2 incentive).

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>9</sup> 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

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<sup>6</sup> An "Affiliated Member" is a Member that shares at least 75% common ownership with a particular Member as reflected on the Member's Form BD, Schedule A.

<sup>7</sup> An "Affiliated Entity" is a relationship between an Appointed Market Maker and an Appointed OFP for purposes of qualifying for certain pricing specified in the Pricing Schedule. Market Makers and OFPs are required to send an email to the Exchange to appoint their counterpart, at least 3 business days prior to the last day of the month to qualify for the next month. The Exchange will acknowledge receipt of the emails and specify the date the Affiliated Entity is eligible for applicable pricing, as specified in the Pricing Schedule. Each Affiliated Entity relationship will commence on the 1st of a month and may not be terminated prior to the end of any month. An Affiliated Entity relationship will automatically renew each month until or unless either party terminates earlier in writing by sending an email to the Exchange at least 3 business days prior to the last day of the month to terminate for the next month. Affiliated Members may not qualify as a counterparty comprising an Affiliated Entity. Each Member may qualify for only one (1) Affiliated Entity relationship at any given time.

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(4) and (5).

discrimination between customers, issuers, brokers, or dealers.

The Exchange's proposed changes to its Pricing Schedule are reasonable in several respects. As a threshold matter, the Exchange is subject to significant competitive forces in the market for options securities transaction services that constrain its pricing determinations in that market. The fact that this market is competitive has long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. Circuit stated as follows: “[n]o one disputes that competition for order flow is ‘fierce.’ ... As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’ ....”<sup>10</sup>

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”<sup>11</sup>

Numerous indicia demonstrate the competitive nature of this market. For example, clear substitutes to the Exchange exist in the market for options security transaction services. The Exchange is only one of eighteen options exchanges to which market participants may direct their order flow. Within this environment, market participants can freely and often do shift their

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<sup>10</sup> NetCoalition v. SEC, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

<sup>11</sup> Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

order flow among the Exchange and competing venues in response to changes in their respective pricing schedules. As such, the proposal represents a reasonable attempt by the Exchange to increase its liquidity and market share relative to its competitors.

The Exchange believes that it is reasonable to provide Members in Tier 4 the proposed \$0.02 per contract Penny Symbol rebate if they add liquidity greater than or equal to 50% of their Total Affiliated Member or Affiliated Entity Volume because the Exchange seeks to incentivize Members to add greater liquidity on the Exchange in Penny Symbols in order to obtain the proposed rebate. By requiring Members to meet both the highest Tier 4 volume requirement and a significant add liquidity component (at least 50% of their Total Affiliated Member or Affiliated Entity Volume), the proposed incentive could potentially encourage more trading activity and additional liquidity on MRX. This, in turn, could improve overall market quality for all market participants through more trading opportunities and tighter spreads. The Exchange also believes that setting the proposed threshold at 50%, as discussed above, is reasonable because this could encourage Members to aggregate volume and add liquidity as the majority of their overall activity in Penny Symbols on the Exchange. The Exchange also believes it is reasonable to have the note 2 incentive be available through December 31, 2025 so that the Exchange can use the time period in between to consider the benefits of the program and evaluate whether to extend. The Exchange believes that this four month period will provide sufficient time for the Exchange to evaluate the incentive and Members' responses to it.

The Exchange further believes that the proposed note 2 incentive is equitable and not unfairly discriminatory because the proposed incentive will be provided uniformly to all similarly situated market participants. Any Member may qualify for Tier 4 by meeting the volume requirements for that tier. The Exchange believes that requiring all Members to add liquidity greater than or equal to 50% of their Total Affiliated Member or Affiliated Entity Volume to receive the \$0.02 rebate is equitable and not unfairly discriminatory because the proposal applies a uniform percentage threshold across all Members. While Members may begin

from different absolute trading levels, each is measured against its own Total Affiliated Member or Affiliated Entity activity on the Exchange. This ensures that all Members are evaluated by the same proportionate standard, rather than one group being held to stricter or looser requirements based on absolute volume thresholds. By applying a consistent percentage requirement, the proposal ensures that every Member seeking the proposed note 2 incentive must demonstrate a comparable level of commitment to add liquidity relative to its total activity on the Exchange. Furthermore, the proposed incentive will be temporary and will only be available through December 31, 2025, after which the Exchange must come in with another rule filing if it wishes to extend this incentive. To the extent the proposed incentive attracts additional liquidity on the Exchange during this time period, the Exchange believes it will benefit all market participants by providing more trading opportunities, tighter spreads, and increased order interaction.

The Exchange notes that Priority Customers will continue to receive more favorable pricing under the proposal, as discussed above. The Exchange does not believe its proposal is unfairly discriminatory as the Exchange has historically provided more favorable pricing to Priority Customers.<sup>12</sup> Priority Customer order flow enhances liquidity on the Exchange to the benefit of all market participants by providing more trading opportunities, which in turn attracts Market Makers and other market participants who may interact with this order flow.

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 proposed changes to provide the note 2 incentive to Tier 4 Members do not impose an undue burden on competition because any Member may qualify for Tier 4 by meeting the volume requirements for that tier. As discussed above, the proposal applies a uniform percentage threshold across all Members, which the

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<sup>12</sup> See e.g., maker/taker pricing for Priority Customers in Options 7, Section 3, Table 1; and complex order fees for Priority Customers in Options 7, Section 4.

Exchange believes will ensure that every Member seeking the proposed note 2 incentive will demonstrate a comparable level of commitment to add liquidity relative to its total activity on the Exchange. While Priority Customers will continue to receive more favorable pricing under the proposal, the Exchange does not believe that this is unfairly discriminatory because the Exchange has historically provided more favorable pricing to Priority Customers.<sup>13</sup> Priority Customer order flow enhances liquidity on the Exchange to the benefit of all market participants by providing more trading opportunities, which in turn attracts Market Makers and other market participants who may interact with this order flow.

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 options exchanges 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. 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 order execution venues 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.

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<sup>13</sup> See supra note 12.

### 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.<sup>14</sup> 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](mailto:rule-comments@sec.gov). Please include file number SR-MRX-2025-21 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-2025-21. 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

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<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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-2025-21 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>15</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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