



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104231; File No. SR-PHLX-2025-54]

Self-Regulatory Organizations; Nasdaq PHLX LLC.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule Equity 7, Section 3 (Nasdaq PSX Fees) to Establish Port and Disaster Recovery Fees for Newly Added CORE FIX Entry Ports and Remove the Temporary Fee Waiver Language Pertaining to OUCH 5.0

November 19, 2025.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on September 25, 2025, Nasdaq PHLX LLC (“Phlx” 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 Rule Equity 7, Section 3 (Nasdaq PSX Fees) to establish port and disaster recovery fees for newly added CORE FIX entry ports and remove the temporary fee waiver language pertaining to OUCH 5.0, as described further below.

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/bx/rulefilings>, and at the principal office of the Exchange.

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

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange recently established CORE FIX, a new Order⁴ entry protocol that will cater to the customer segment that currently uses FIX but does not have a need for its routing capabilities.⁵ CORE FIX will utilize the same standardized protocol as FIX but eliminate the intricate RASH-based software layer that provides for Order routing functionality. Currently,

⁴ See Securities Exchange Act Release No. 104020 (Sept. 23, 2025), the release is awaiting publication in the Federal Register but is available at, <https://www.sec.gov/files/rules/sro/phlx/2025/34-104020.pdf>. The term "Order" means an instruction to trade a specified number of shares in a specified System Security submitted to the System by a Participant. An "Order Type" is a standardized set of instructions associated with an Order that define how it will behave with respect to pricing, execution, and/or posting to the Exchange Book when submitted to the System. An "Order Attribute" is a further set of variable instructions that may be associated with an Order to further define how it will behave with respect to pricing, execution, and/or posting to the Exchange Book when submitted to the System. The available Order Types and Order Attributes, and the Order Attributes that may be associated with particular Order Types, are described in Rules 4702 and 4703. One or more Order Attributes may be assigned to a single Order; provided, however, that if the use of multiple Order Attributes would provide contradictory instructions to an Order, the System will reject the Order or remove non-conforming Order Attributes. See Equity 1, Section 1(a)(11).

⁵ The CORE FIX Order entry protocol is a proprietary protocol that allows subscribers that do not utilize routing strategies to gain faster direct access to quickly enter orders into the System and receive executions. CORE FIX accepts limit Orders from members, and if there are matching Orders, they will execute. Nonmatching Orders are added to the Limit Order Book, a database of available limit Orders, where they are matched in price-time priority. CORE FIX only provides a method for members to send Orders and receive status updates on those Orders.

Phlx charges a \$400/port/month port fee and a \$25/port/month disaster recovery port fee for similar Order entry protocols such as OUCH and RASH.⁶

The Exchange proposes to amend Equity 7, Section 3 to adopt a fee of \$400/port/month and a disaster recovery port fee of \$25/port/month for the newly added CORE FIX order protocol, which is similar to other current port fees. Additionally, the Exchange proposes a 30-day waiver of the CORE FIX production port fee for up to five (5) newly added CORE FIX ports. The fee waiver would be offered for a three-month period, beginning on the date when CORE FIX first becomes available on the Exchange, which such date the Exchange shall announce in an Equity Trader Alert. At the end of the three-month period, users would no longer be eligible for the waiver. A user may only receive the 30-day waiver once per port (up to a maximum of five ports) within the three-month window. The Exchange proposes to offer this temporary waiver to encourage new, prospective customers to adopt, and returning customers to utilize, the CORE FIX Order entry protocol.

The Exchange also proposes to amend Equity 7, Section 3 to provide a 30-day waiver for the \$300 Testing Facility fee described in “Testing Facilities” subparagraph (a) for up to five⁷ newly added CORE FIX Testing Facility ports. This fee waiver would be offered for a three-month period, beginning on the date when CORE FIX first becomes available on the Exchange, which such date the Exchange shall announce in an Equity Trader Alert. At the end of the three-month period, users would no longer be eligible for the waiver. A user may only receive the 30-day waiver once per port (up to a maximum of five ports) within the three-month window. The

⁶ The OUCH Order entry protocol is a proprietary protocol that allows members to enter, replace, and cancel orders and receive executions. OUCH is intended to allow participants and their software developers to integrate NASDAQ into their proprietary trading systems or to build custom front ends. The RASH (Routing and Special Handling) Order entry protocol is a proprietary protocol that allows members to enter Orders, cancel existing Orders and receive executions. RASH allows participants to use advanced functionality, including discretion, random reserve, pegging and routing. See <https://www.nasdaqtrader.com/Trader.aspx?id=rash>.

⁷ The fee waiver is limited to a maximum of five CORE FIX ports per CRD membership.

Testing Facility provides subscribers with a virtual System test environment that closely approximates the production environment on which they may test their automated systems that integrate with the Exchange. For example, the Testing Facility provides subscribers with a virtual System environment for testing upcoming releases and product enhancements, as well as testing firm software prior to implementation. The Exchange proposes to offer this temporary waiver to encourage customers to test the updated version of the CORE FIX Order entry protocol free of charge.

The Exchange is also proposing to make a technical change to Equity 7, Section 3 to remove the temporary waiver provided to the OUCH Order entry ports. Similar to the proposed waiver for CORE FIX, the OUCH production port fee waiver was for a three-month period, which began in November 2022. The three-month waiver period for OUCH is no longer applicable. Therefore, the Exchange is proposing to amend the rules to remove the language.

2. Statutory Basis

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

The Exchange's proposed changes to its fee schedule are reasonable in several respects. As a threshold matter, the Exchange is subject to significant competitive forces in the market for equity securities transaction services that constrain its pricing determinations in that market. 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

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(4) and (5).

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.”¹⁰

Phlx believes that it is reasonable, equitable and not unfairly discriminatory to establish a port fee and a disaster recovery port fee for CORE FIX and to provide a temporary fee waiver for up to five newly added CORE FIX order entry ports (production and Testing Facility environments). As described above, the proposed fees are similar to the fees charged for other similar ports such as RASH and OUCH. Participants are not required to use the CORE FIX port. The Exchange also believes it is important to provide users an opportunity to test CORE FIX free of charge. The temporary fee waivers would encourage users to test and adopt the enhanced CORE FIX Order entry protocol.

Additionally, the Exchange believes that it is reasonable and not unfairly discriminatory to remove the language in Equity 7, Section 3 referencing the fee waiver for OUCH 5.0 because the three-month time period for the waiver has lapsed and is no longer applicable to OUCH 5.0 subscribers. The removal of the temporary fee waiver would be applicable to all market participants. The Exchange believes that it is necessary to make a non-technical change to the fee schedule to ensure that the fees are clear and accurately reflect the Exchange’s intent.

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.

Intermarket Competition

The Exchange believes that the proposed fee and temporary fee waivers will not impose an undue burden on competition because utilization of the Exchange’s ports and services are

¹⁰ Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

completely voluntary and subject to competition both from the other live exchanges and from off-exchange venues, which include alternative trading systems that trade national market system stock. Moreover, the proposed fees and waivers would facilitate adoption of a new Order entry protocol, which is pro-competitive because the new protocol bolsters the efficiency, functionality, and overall attractiveness of the Exchange in an absolute sense and relative to its peers. Accordingly, the Exchange does not believe that the proposed change will impair the ability of members, participants, or competing order execution venues to maintain their competitive standing in the financial markets.

Additionally, the removal of the temporary OUCH fee waivers is a technical change to ensure that the Exchange's rulebook is current and accurately reflects the current fee offerings. Therefore, the Exchange does not believe that there is any burden on competition.

Intramarket Competition

In terms of intramarket competition, the proposed change to the fee available to a member does not impose a burden on competition and will not place any category of Exchange participant at a competitive disadvantage. The proposed fees and the change to temporarily waive fees for newly added CORE FIX order entry ports (production and Testing Facility environments) will apply uniformly to all similarly situated participants. The temporary fee waivers are available to all users and would enable users to test the CORE FIX enhancements at no cost. The Exchange notes that its members are free to trade on other venues to the extent they believe that these proposals are not attractive. Additionally, the removal of the temporary OUCH fee waivers is a non-substantive change that will not impose any burden on competition because the waivers are no longer applicable and the removal of the expired waivers will apply to all market participants.

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 is effective upon filing pursuant to Section 19(b)(3)(A)¹¹ of the Act and subparagraph (f)(2) of Rule 19b-4¹² thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

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.

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-2025-54 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-2025-54. 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.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(2).

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-PHLX-2025-54 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.¹³

Sherry R. Haywood,

Assistant Secretary.

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¹³ 17 CFR 200.30-3(a)(12).