



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104222; File No. SR-BOX-2025-27]

Self-Regulatory Organizations; BOX Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the QOO and FOO Order Rebate in Section V. (Manual Transaction Fees) of the Fee Schedule for Trading on the BOX Options Market LLC Facility

November 19, 2025.

Pursuant to Section 19(b)(1) under the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 30, 2025, BOX Exchange LLC (“Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon filing with the Commission. 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 the Substance of the Proposed Rule Change

The Exchange is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the Fee Schedule on the BOX Options Market LLC (“BOX”) options facility. The Exchange proposes to amend the QOO (Qualified Open Outcry) and FOO (FLEX Open Outcry) Order Rebate in Section V. (Manual Transaction Fees) of the Fee Schedule. Specifically, the Exchange proposes to add an enhanced rebate. While changes to the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

Fee Schedule pursuant to this proposal will be effective upon filing, the changes will become operative on October 1, 2025. The text of the proposed rule change is available from the principal office of the Exchange, and also on the Exchange's Internet website at <https://rules.boxexchange.com/rulefilings>.

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

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

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

1. Purpose

The Exchange proposes to amend the QOO and FOO Order Rebate in Section V. (Manual Transaction Fees) of the Fee Schedule. Specifically, the Exchange proposes to add an enhanced rebate. The Exchange notes that this is a competitive filing that is based on a proposal submitted by MIAX Sapphire, LLC ("MIAX Sapphire"), as MIAX Sapphire submitted a filing on September 11, 2025, to describe the fees and rebates that will be applicable to transactions on its trading floor.⁵ In particular, MIAX Sapphire is offering a Floor Broker Breakup Credit. The MIAX Sapphire Floor Broker Breakup Credit will apply to the Floor Broker that submits the QFO (Qualified Floor Order) or cQFO (Complex Qualified Floor Order) instead of the Floor Broker rebate for executions that trade with a Floor Market Maker. BOX is now proposing to add a similar incentive to its Fee Schedule. The Exchange notes that BOX refers to this incentive as an enhanced rebate while MIAX Sapphire refers to it

⁵ See SR-SAPPHIRE-2025-39, available at https://www.miaxglobal.com/sites/default/files/filing-files/SR_SAPPHIRE_2025_39_1.pdf

as a breakup credit. The Exchange believes that the term enhanced rebate is consistent with Section V. (Manual Transaction Fees) of the Fee Schedule and that referring to Floor Broker incentives in this section as rebates promotes clarity and avoids confusion among Floor Participants. Additionally, referring to the proposed incentive as an enhanced rebate instead of a breakup credit is consistent with how the rebate will be reported to Floor Participants.

Currently, Floor Brokers on BOX receive a \$0.10 per contract rebate for all Broker Dealer and Market Maker QOO and FOO Orders presented on the Trading Floor and \$0.05 per contract rebate for all Professional Customer QOO and FOO Orders presented on the Trading Floor. The rebate does not apply to Public Customer executions, executions subject to Section V.D of the BOX Fee Schedule, or Broker Dealer executions where the Broker Dealer is facilitating a Public Customer.⁶

The Exchange now proposes that Floor Brokers that submit QOO and FOO Orders will receive \$0.20 per contract enhanced rebate for executions that trade with a Floor Market Maker, in lieu of the existing \$0.10 and \$0.05 per contract rebates described in Section V.C. Accordingly, under the proposal, Floor Brokers that submit QOO and FOO Orders will now receive an enhanced rebate of \$0.20 per contract, instead of the existing rebates of \$0.10 or \$0.05 per contract, for executions that trade with a Floor Market Maker. The enhanced rebate will not apply to Public Customer executions, executions subject to Section V.D (Strategy QOO Order Fee Cap and Rebate & Strategy FOO Order Fee Cap and Rebate), or Broker Dealer executions where the Broker Dealer is facilitating a Public Customer. The Exchange notes that Section V.D contains separate fee caps and rebates for certain Strategy QOO and FOO Orders and dividend strategies.

⁶ See BOX Exchange Fee Schedule Section V.C.

The proposed changes are designed to attract order flow to BOX. The Exchange believes that offering the enhanced rebate provides an additional incentive for Floor Brokers to bring orders to the BOX Trading Floor.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act, in general, and Section 6(b)(4) and 6(b)(5) of the Act,⁷ in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among BOX Participants and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange notes that it operates in a highly competitive environment. Indeed, there are currently 18 registered options exchanges that trade options. Based on publicly available information, no single options exchange has more than 17% of the U.S. options market share. More specifically, in June 2025, BOX had 6.79% market share of options contracts traded, 6.22% in July 2025, and 6.39% in August 2025.⁸ The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Particularly, in Regulation NMS, 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.”⁹ As stated above, the Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The proposed fee change

⁷ 15 U.S.C. 78f(b)(4) and (5).

⁸ See https://www.cboe.com/us/options/market_share/market/2025-06-30/, https://www.cboe.com/us/options/market_share/market/2025-07-31/ and https://www.cboe.com/us/options/market_share/market/2025-08-29// (Month-to-Date (“MTD”) % of Mkt as of September 12, 2025).

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

reflects a competitive pricing structure designed to incentivize Floor Brokers to bring orders to the BOX Trading Floor.

The Exchange believes its proposal to offer Floor Brokers an enhanced rebate of \$0.20 is reasonable, equitably allocated and not unfairly discriminatory as this proposal applies equally to all Floor Brokers. The Exchange believes that its proposal will encourage Floor Broker liquidity in all classes. Additional liquidity benefits all market participants by providing more trading opportunities. Specifically, the Exchange believes that Floor Brokers serve an important function in facilitating the execution of orders and price discovery for all market participants.

The Exchange believes it is equitable and not unfairly discriminatory to only apply the rebate to Floor Brokers and not to Floor Market Makers. Floor Market Makers only represent their own interest on the Trading Floor and therefore do not need a similar incentive. Further, the Exchange believes it is equitable and not unfairly discriminatory to not apply the enhanced rebate to Public Customer executions or Broker Dealer executions where the Broker Dealer is facilitating a Public Customer, as these executions are not assessed a fee for their QOO or FOO Orders. Further, the Exchange believes it is equitable and not unfairly discriminatory to not apply the enhanced rebate to executions subject to the Strategy QOO Order Fee Cap and Rebate & Strategy FOO Order Fee Cap and Rebate because additional incentives for these orders are not necessary, as they are subject to different rebates and fee caps.

The Exchange's proposal to pay Floor Brokers an enhanced rebate for executions that trade with a Floor Market Maker is consistent with Section 6(b)(4) of the Act because it will encourage market participants to execute orders on the Trading Floor. The Exchange believes that the enhanced rebate could improve liquidity on the Exchange to the benefit of all market participants. Additionally, the proposal is also consistent with Section 6(b)(5) of the Act because it perfects the mechanisms of a free and open market and a national market system and protects investors and the public interest because it applies equally to all Floor Broker QOO Orders and

FOO Orders which are subject to an enhanced rebate and access to the Exchange is offered on terms that are not unfairly discriminatory.

The Exchange notes that the proposed enhanced rebate is similar to breakup credits used to encourage Participants to submit PIP, COPIP, Facilitation and Solicitation orders.¹⁰ Specifically, the proposed enhanced rebate is consistent with the PIP and COPIP Break-Up Credit and the Facilitation and Solicitation Break-Up Credit. In these mechanisms, break-up credits are provided to Participants representing the agency order. Similarly, the Exchange proposes to provide an enhanced rebate to Floor Brokers for executions that trade with a Floor Market Maker. The Exchange believes that providing an enhanced rebate will incentivize Floor Brokers to bring order flow to the BOX Trading Floor which will result in increased trading opportunities for all Floor Participants.

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow and discontinue or reduce use of certain categories of products in response to fee changes. Accordingly, competitive forces constrain options exchange transaction fees. Stated differently, changes to exchange transaction fees can have a direct effect on the ability of an exchange to compete for order flow. The Exchange believes the proposed changes are a reasonable attempt to effectively compete for Floor Broker orders. The Exchange believes that the proposed changes may incentivize Floor Brokers to bring order flow and, in turn, may make BOX a more competitive venue for order execution to the benefit of all market participants. As such, the Exchange believes the proposed changes are consistent with the Act.

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. Specifically, the

¹⁰ See BOX Exchange Fee Schedule Sections IV.B (PIP and COPIP Transactions) and IV.C (Facilitation and Solicitation Transactions).

proposal does not impose an undue burden on intra-market competition because all Floor Brokers are eligible to transact QOO Orders and FOO Orders¹¹ and receive a rebate, if applicable. The Exchange believes that its proposal will encourage Floor Broker liquidity in all classes. Additional liquidity benefits all market participants by providing more trading opportunities. Further, additional liquidity will contribute to a robust trading environment on the BOX Trading Floor.

The Exchange notes that BOX will not collect additional fees on any given transaction under the proposal but will provide Floor Brokers an enhanced rebate for executions that trade with a Floor Market Maker. The Exchange does not believe that Floor Market Makers will be discouraged from transacting on the Trading Floor as Floor Market Makers trade for their own accounts and benefit from having access to interact with orders that are made available in open outcry on the Trading Floor. The Exchange also believes that Floor Market Maker fees relative to other market participants do not impose an undue burden on competition because Floor Market Makers are not obligated to engage in transactions on the Trading Floor. To the extent that there is an additional competitive burden on Floor Market Makers, the Exchange believes that any such burden would be appropriate because Floor Brokers serve an important function in facilitating the execution of orders and price discovery for all market participants. Further, to the extent this proposal is successful, it will increase trading opportunities for Floor Market Makers because Floor Market Makers trade for their own accounts and benefit from having the opportunity to interact with orders that are made available in open outcry on the Trading Floor.

The Exchange does not believe that not applying the enhanced rebate to Public Customer executions or Broker Dealer executions where the Broker Dealer is facilitating a Public Customer, will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, as these executions are not assessed a fee for their QOO or FOO Orders.

¹¹ The Exchange notes that to be qualified to trade FOO Orders, a Floor Broker must: (i) be registered as a Floor Broker under Exchange Rules; (ii) have passed the FLEX Floor Exam; and (iii) have submitted a Flex Equity Options Participant Clearing Authorization (Non-Market Maker) to the Exchange.

Further, the Exchange does not believe that not applying the enhanced rebate to executions subject to the Strategy QOO Order Fee Cap and Rebate & Strategy FOO Order Fee Cap and Rebate will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because these orders are subject to different rebates and fee caps and additional incentives for these orders are not necessary. The Exchange believes that the proposed enhanced rebate will not impair these Participants from adding liquidity and competing in open outcry on the Trading Floor and will help promote competition by providing incentives for Floor Brokers to submit customer order flow to the BOX Trading Floor and thus, create a greater opportunity for customer executions.

The Exchange does not believe that offering Floor Brokers an enhanced rebate will impose an undue burden on competition because all qualified Floor Brokers are eligible to transact QOO and FOO Orders and thus may improve intra-market competition.¹² Accordingly, the Exchange believes that providing an enhanced rebate to Floor Brokers for executions that trade with a Floor Market Maker does not impose an undue burden on intra-market competition.

The Exchange believes the proposal does not impose an undue burden on intermarket competition because the proposed changes to the BOX Fee Schedule remain competitive with other options markets and will offer market participants with another choice of where to transact its business. Further, the Exchange believes that the rebate will promote competition by allowing Floor Brokers to competitively price their services and for the Exchange to remain competitive with other exchanges with open outcry trading floors. 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 and rebates to remain competitive with other exchanges. Because competitors are

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Id.

free to modify their own fees and rebates 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. The Exchange again notes that the proposed changes are a competitive response to a proposal submitted by MIAX Sapphire.¹³ For the reasons described above, the Exchange believes that the proposed rule change will encourage intermarket competition.

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 Exchange Act¹⁴ and Rule 19b-4(f)(2) thereunder,¹⁵ because it establishes or changes a due, or fee.

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

IV. Solicitation of Comments

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

¹³ See supra note 5.

¹⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁵ 17 CFR 240.19b-4(f)(2).

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-BOX-2025-27 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-BOX-2025-27. 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-BOX-2025-27 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.¹⁶

Sherry R. Haywood,

Assistant Secretary.

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¹⁶ 17 CFR 200.30-3(a)(12).