



**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-104984; File No. SR-BOX-2026-05]**

**Self-Regulatory Organizations; BOX Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adopt a New Methodology for Assessment and Collection of the Options Regulatory Fee (ORF)**

March 12, 2026.

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 March 6, 2026, BOX Exchange LLC (the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) a 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 is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the Fee Schedule to amend Section II. (Regulatory Fees) of the Fee Schedule relating to the Options Regulatory Fee (“ORF”) to adopt a new methodology for assessment and collection of ORF for transactions that occur on the Exchange (“On-Exchange ORF”).

While the changes proposed herein are effective upon filing, the Exchange intends to collect ORF under its current methodology for assessment and collection of ORF until at least June 30, 2026. The Exchange is prepared to implement On-Exchange ORF effective July 1, 2026, if by April 1, 2026, all U.S. options exchanges charging an ORF have filed to modify their current methodologies for assessment of ORF to limit the fee to transactions occurring on their

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

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

respective exchange.<sup>3</sup> However, if all other options exchanges have not filed to adopt a similar methodology by April 1, 2026, the Exchange will delay implementation commensurate with the additional time required for other options exchanges to adopt a similar method for collection and assessment of ORF.<sup>4</sup> The Exchange will file a separate rule filing with the On-Exchange ORF fee in advance of assessing and collecting it under the proposed method.<sup>5</sup> 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 its current methodology for assessment and collection of a regulatory fee to assess On-Exchange ORF only for options transactions that occur on the Exchange that would clear in the "customer"<sup>6</sup> range at The Options Clearing Corporation

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<sup>3</sup> As of the date of filing this proposal, the Exchange acknowledges that all U.S. options exchanges have filed to modify their current ORFs to adopt a similar methodology.

<sup>4</sup> The Exchange may also delay implementation if certain currently unresolved operational issues remain so and impact the industry's ability to transition to the new methodology on July 1, 2026, commensurate with any additional time required to resolve such issues (and will continue collecting ORF under its current methodology until such time that the new ORF methodology is implemented).

<sup>5</sup> As is the case today, the Exchange will notify Participants via Regulatory Notice of the applicable On-Exchange ORF rate at least 30 calendar days prior to the effective date of the change.

<sup>6</sup> Currently, The ORF is collected by OCC on behalf of BOX from either (1) a Participant that was the ultimate clearing firm for the transaction or (2) a non-Participant that was the ultimate clearing firm where a Participant was the executing clearing firm for the transaction. The Exchange uses reports from OCC to determine the identity of the executing clearing firm and ultimate clearing firm.

(“OCC”). The Exchange would no longer assess a regulatory fee for options transactions that occur on other exchanges. This proposal only proposes to amend the method of assessment and collection of the fee. A future rule filing would be filed to set the applicable On-Exchange ORF rate in advance of assessing and collecting it under the proposed method. The following provides more detail regarding the proposal.

### Background

The ORF is designed to cover a material portion of the costs to the Exchange of the supervision and regulation of Participant’s<sup>7</sup> customer options business, including performing routine surveillances, investigations, examinations, financial monitoring, as well as policy, rulemaking, interpretive and enforcement activities. The Exchange believes that revenue generated from the ORF, when combined with all of the Exchange’s other regulatory fees and fines, will cover a material portion, but not all, of the Exchange’s regulatory costs.

### Collection of ORF

The Exchange assesses the per-contract ORF to each Participant for all options transactions cleared or ultimately cleared by the Participant, which are cleared by the OCC in the “customer” range,<sup>8</sup> regardless of the exchange on which the transaction occurs. The ORF is collected by OCC on behalf of the Exchange from either: (1) a Participant that was the ultimate clearing firm<sup>9</sup> for the transaction; or (2) a non-Participant that was the ultimate clearing firm where a Participant was the executing clearing firm<sup>10</sup>

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<sup>7</sup> The term “Participant” means a firm, or organization that is registered with the Exchange pursuant to the Rule 2000 Series for purposes of participating in trading on a facility of the Exchange and includes an “Options Participant” and “BSTX Participant.” See BOX Rule 100.

<sup>8</sup> Exchange participants must record the appropriate account origin code on all orders at the time of entry in order. The Exchange represents that it has surveillances in place to verify that Participants mark orders with the correct account origin code.

<sup>9</sup> The Exchange takes into account any Clearing Member Trade Assignment (“CMTA”) transfers when determining the ultimate clearing firm for a transaction. CMTA is a form of “give up” whereby the position will be assigned to a specific clearing firm at the OCC.

<sup>10</sup> Throughout this filing, “executing clearing firm” means the clearing firm through which the entering broker indicated that the transaction would be cleared at the time it entered the original order which executed, and that clearing firm could be a designated “give up”, if applicable. The executing clearing firm may be the ultimate clearing firm if no CMTA transfer occurs. If a CMTA transfer occurs, however, the ultimate

for the transaction. The Exchange uses reports from OCC to determine the identity of the executing clearing firm and ultimate clearing firm.

To illustrate how the ORF is assessed and collected, the Exchange provides the following set of examples. If the transaction is executed on the Exchange and the ORF is assessed, if there is no change to the clearing account of the original transaction, then the ORF is collected from the Participant that is the executing clearing firm for the transaction. (The Exchange notes that, for purposes of the Fee Schedule, when there is no change to the clearing account of the original transaction, the executing clearing firm is deemed to be the ultimate clearing firm.) If there is a change to the clearing account of the original transaction (i.e., the executing clearing firm “gives-up” or “CMTAs” the transaction to another clearing firm), then the ORF is collected from the clearing firm that ultimately clears the transaction – the ultimate clearing firm. The ultimate clearing firm may be either a Participant or non-Participant of the Exchange. If the transaction is executed on an away exchange and the ORF is assessed, then the ORF is collected from the ultimate clearing firm for the transaction. Again, the ultimate clearing firm may be either a Participant or non-Participant of the Exchange. The Exchange notes, however, that when the transaction is executed on an away exchange, the Exchange does not assess the ORF when neither the executing clearing firm nor the ultimate clearing firm is a Participant (even if a Participant is “given-up” or “CMTAed” and then such Participant subsequently “gives-up” or “CMTAs” the transaction to another non-Participant via a CMTA reversal). Finally, the Exchange does not assess the ORF on outbound linkage trades, whether executed at the Exchange or an away exchange. “Linkage trades” are tagged in the Exchange’s system, so the Exchange can readily tell them apart from other trades.

#### ORF Revenue and Monitoring of ORF

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clearing firm would be the clearing firm that the position was transferred to for clearing via CMTA.

The Exchange monitors the amount of revenue collected from the ORF to ensure that it, in combination with other regulatory fees and fines, does not exceed regulatory costs. In determining whether an expense is considered a regulatory cost, the Exchange reviews 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 offset ORF.

The Exchange believes that its broad regulatory responsibilities with respect to a Participant's activities supports applying the ORF to transactions cleared but not executed by a Participant. The Exchange's regulatory responsibilities are the same regardless of whether a Participant enters a transaction or clears a transaction executed on its behalf. The Exchange regularly reviews all such activities, including performing surveillance for position limit violations, manipulation, front-running, contrary exercise advice violations and insider trading.

Revenue generated from ORF, when combined with all of the Exchange's other regulatory fees and fines, is designed to cover a material portion of the regulatory costs to the Exchange of the supervision and regulation of Participant's customer options business including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. Unlike other options exchanges, all of the Exchange's expenses support the regulatory function as the Exchange is a fully separate legal entity from BOX Options Market LLC, the equity options facility of the Exchange. The Exchange fulfills the regulatory functions and responsibilities as a national securities exchange registered with the SEC under Section 6 of the Securities Exchange Act of 1934, and oversees the BOX Options Market. Exchange expenses are solely regulatory in nature because, due to the unique structure between the Exchange and the BOX Options Market facility, the Exchange expenses are separate from the BOX Options Market facility expenses and there can be no commingling of the funds. Put another

way, all of the Exchange's expenses support the regulatory function of BOX Exchange because the Exchange expenses are completely separate from the BOX Options Market facility expenses. The ORF is designed to cover a material portion of these regulatory costs to the Exchange, including the supervision and regulation of its Participant's customer options business, including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities.

### Proposal

The Exchange appreciates the evolving changes in the market and regulatory environment and has been evaluating its current methodologies and practices for the assessment and collection of ORF while considering industry and the Securities and Exchange Commission (the "Commission") feedback. As a result of this review, the Exchange proposes to modify its current ORF to continue to assess ORF for options transactions cleared by OCC in the "customer" range, however ORF would be assessed on each side of an options transaction cleared by the OCC in the "customer" range for executions that occur on the Exchange. Specifically, the ORF would continue to be collected by OCC on behalf of the Exchange from Participants and non-Participants for all "customer" transactions executed on the Exchange. ORF would be assessed and collected on all ultimately cleared "customer" contracts, taking into account adjustments for CMTA that were provided to the Exchange the same day as the trade.<sup>11</sup>

Further, the Exchange would bill ORF according to the clearing instructions provided on the execution. More specifically, the Exchange proposes to assess ORF based on the clearing instruction provided on the execution on trade date and would not take into consideration CMTA changes or transfers that occur at OCC.<sup>12</sup> As a result of this proposed rule change, if a Participant executes a customer transaction on the Exchange and is the

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<sup>11</sup> Adjustments to CMTA that occur at OCC would not be taken into account.

<sup>12</sup> Adjustments that were made the same day as the trade on the Exchange will be taken into account.

Clearing Participant<sup>13</sup> on record on the transaction on the Exchange, the ORF will be assessed to that Participant. With this proposal, in the case where a Participant executes a customer transaction on the Exchange and a different Participant is the Clearing Participant on record on the transaction on the Exchange, the ORF will be assessed to and collected from the Participant who is the Clearing Participant on record on the transaction and not the Participant who executes the transaction. Additionally, in the case where a Participant executes a customer transaction on the Exchange and a non-Participant is the Clearing Participant on record on the transaction on the Exchange, the ORF will be assessed to the non-Participant who is the Clearing Participant on record on the transaction and not the Participant who executes the transaction. With this proposal, in the case where a Participant executes a customer transaction not on the Exchange, the Exchange will not assess an ORF, regardless of how the transaction is cleared. As is the case today, OCC will collect ORF from OCC clearing members on behalf of the Exchange based on the Exchange's instructions.

With this proposal, the Exchange intends to collect ORF under its current methodology for assessment and collection of ORF until at least June 30, 2026. The Exchange is prepared to implement On-Exchange ORF effective July 1, 2026, if by April 1, 2026, all U.S. options exchanges charging an ORF have filed to modify their current methodologies of assessment of the fee to limit the fee to transactions occurring on their respective exchange. However, if all other options exchanges have not filed to adopt a similar methodology by April 1, the Exchange will delay implementation commensurate with the additional time required for other options exchanges to adopt a similar method for collection and assessment of ORF.<sup>14</sup> The Exchange will at that time file a separate rule filing

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<sup>13</sup> The term "Clearing Participant" means an Options Participant that is self-clearing or an Options Participant that clears BOX Transactions for other Options Participants of BOX. See BOX Rule 100.

<sup>14</sup> The Exchange again notes that it may also delay implementation if certain currently unresolved operational issues remain so and impact the industry's ability to transition to the new methodology on July 1, 2026,

with the amount of the On-Exchange ORF in advance of assessing and collecting the fee under the proposed method. As is the case today, the Exchange will notify Participants via Regulatory Notice of the applicable On-Exchange ORF rate at least 30 calendar days prior to the effective date of the change. The Exchange believes a fee to cover a material portion of costs for regulatory programs associated with monitoring activities is reasonable; however, the Exchange would consider alternative approaches for assessment and collection of the fee in order to achieve consistency across the industry.

The Exchange will continue to monitor the amount of revenue collected from the ORF to ensure that it, in combination with its other regulatory fees and fines, does not exceed the Exchange's total regulatory costs.

The Exchange will monitor its regulatory costs and revenues at a minimum on a semi-annual basis. If the Exchange determines regulatory revenues exceed or are insufficient to cover a material portion of its regulatory costs in a given year, the Exchange will adjust the On-Exchange ORF by submitting a fee change filing to the Commission. The Exchange will notify Participants of adjustments to the On Exchange ORF via a Regulatory Notice in advance of any change.

Lastly, the Exchange also proposes to make non-substantive technical changes within Section II.C. of the Fee Schedule to add numbering within subsection C and relocate Endnote 14.

## 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,<sup>15</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among BOX

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commensurate with any additional time required to resolve such issues (and will continue collecting ORF under its current methodology until such time that the new ORF methodology is implemented).

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

Participants and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposed change to assess and collect an On-Exchange ORF is reasonable, equitable and not unfairly discriminatory for various reasons. First, On-Exchange ORF is reasonable, equitable and not unfairly discriminatory in that it is charged to all Exchange transactions that clear in the “customer” range at the OCC. Similar to ORF today, the Exchange believes On-Exchange ORF ensures fairness by assessing a specific fee to those Participants that require more Exchange regulatory services based on the amount of customer options business they conduct. Over recent years, options trading volume has increased with a growing percentage of the volume applicable to customer transactions. Customers trading on the Exchange (through a Participant) benefit from the protections of a robust regulatory program including the maintenance of fair and orderly markets and protections against fraud and other manipulation. The Exchange believes it is equitable and not unfairly discriminatory to assess a regulatory fee to transactions that clear in the “customer” range to cover regulatory costs, but not to transactions clearing in the “firm” or “market maker” range because Clearing Participants and Market Makers<sup>16</sup> (who clear in the Firm and Market Maker range), as those market participants are generally subject to other Exchange fees, fines and obligations. For example, Clearing Participants and Market Makers are required to pay Exchange application fees, permit fees, and connectivity fees, amongst others. In addition, all fines issued by the Exchange for regulatory infractions are assessed only to Participants and would be applied to regulatory revenues. As with today’s ORF, the Exchange expects that Clearing Participants from whom On-Exchange ORF is collected will pass through the fee to their customers (as the Exchange understands occurs today). In addition, Market Makers in particular are subject to various quoting and other

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<sup>16</sup> The term “Market Maker” means an Options Participant registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in the Rule 8000 Series. All Market Makers are designated as specialists on the Exchange for all purposes under the Exchange Act or Rules thereunder. See BOX Rule 100.

obligations to ensure that they provide stable and liquid markets, which benefit all market participants including customers. Excluding Market Maker transactions from On-Exchange ORF will allow Market Makers to better manage their costs more effectively thus enabling them to better allocate resources toward technology, risk management, and capacity to ensure continued liquidity provision.

In addition to the overall increase in “customer” range volume generally, regulating customer trading activity is more labor intensive and requires greater expenditure of human and technical resources than regulating non-customer trading activity, which tends to be more automated and less labor-intensive. For example, there are costs associated with main office and branch office examinations (e.g., staff and travel expenses), as well as investigations into customer complaints and terminations of registered persons. As a result, the costs associated with administering the customer component of the Exchange's overall regulatory program are materially higher than the costs associated with administering the non-customer component (e.g., Clearing Participant proprietary transactions) of its regulatory program.<sup>17</sup> While the Exchange notes that it has broad regulatory responsibilities with respect to its Participant’s activities, irrespective of where their transactions take place, the Exchange believes it is reasonable to assess the proposed fee to only those transactions occurring on the Exchange. The proposed change more narrowly tailors the fee to products and transactions with a direct connection to the Exchange. With this proposal, transactions that would clear in the “customer” range occurring on other exchanges would no longer be subject to an ORF assessed by the Exchange.

The Exchange believes it is equitable and not unduly discriminatory to modify the method of collecting the fee such that On-Exchange ORF will not consider CMTAs reported directly to OCC as is done in today’s method of ORF. CMTA transfers are considered today under the current collection methodology for ORF as a convenience to industry members in

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<sup>17</sup> If the Exchange changes its method of funding regulation or if circumstances otherwise change in the future, the Exchange may decide to modify On-Exchange ORF or assess a separate regulatory fee on Participant proprietary transactions if the Exchange deems it advisable.

administering a pass through of the fee to their customers. Limiting the On-Exchange ORF to transactions on the Exchange poses a limitation in the use of CMTA for this purpose. The Exchange understands that a CMTA may be added at order entry, via post-trade edit on the Exchange, or post-trade at OCC. CMTA transfers that occur at OCC do not necessarily contain reliable information regarding the Exchange on which the original transaction occurred.<sup>18</sup> Without specific information as to where the original transaction occurred, the Exchange would not be able to accurately account for CMTA transfers that occur at OCC.

The Exchange further believes that the proposed change to the method for assessment and collection of the fee is reasonable because it would help ensure that revenue collected from the On-Exchange ORF, in combination with other regulatory fees and fines, would cover a material portion of the Exchange's regulatory costs.

As noted above, the Exchange will also continue to monitor on at least a semiannual basis the amount of revenue collected from the On-Exchange ORF, even as amended, to ensure that it, in combination with its other regulatory fees and fines, would cover a material portion of the Exchange's regulatory costs and not exceed it.

Lastly, the Exchange believes the proposed changes within Section II.C. of the Fee Schedule to add numbering within subsection C and relocate Endnote 14 are reasonable, equitable, and not unfairly discriminatory, as these non-substantive technical amendments will bring greater clarity to the Fee Schedule.

#### 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. This proposal does not create an unnecessary or inappropriate intra-market burden on competition because On-Exchange ORF applies to all customer activity on the Exchange, thereby raising regulatory revenue

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<sup>18</sup> Under the current methodology for assessing ORF, the Exchange on which the transaction occurred is irrelevant.

to offset regulatory expenses. It also supplements the regulatory revenue derived from non-customer activity. 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 regulatory revenue collected from the On-Exchange ORF, in combination with its other regulatory fees and fines, does not exceed regulatory costs. In addition, the Exchange will not implement the On-Exchange ORF until all other options exchanges are prepared to adopt a similar model to avoid overlapping ORFs.

Lastly, the Exchange believes the proposed changes within Section II.C. of the Fee Schedule to add numbering within subsection C and relocate Endnote 14 do not impose an undue burden on competition, as these non-substantive technical amendments will bring greater clarity to the Fee Schedule.

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>19</sup> and paragraph (f) of Rule 19b-4<sup>20</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>19</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>20</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-BOX-2026-05 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-2026-05. 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-2026-05 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>21</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>21</sup> 17 CFR 200.30-3(a)(12).