SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104624; File No. SR–ISE–2025–15]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, To Amend the Short Term Option Series Program To List Qualifying Securities

January 16, 2026.

I. Introduction

On May 1, 2025, the Nasdaq ISE, LLC (''ISE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend the Exchange's Short Term Option Series Program to permit the listing of up to two Monday and Wednesday expirations for options on certain individual stocks or Exchange-Traded Fund Shares (as defined below). The proposed rule change was published for comment in the **Federal Register** on May 21, 2025.[3] On June 27, 2025, the Commission designated a longer period within which to take action on the proposed rule change.[4] On July 1, 2025, the Exchange filed Amendment No. 1 to the proposed rule change (''Amendment No. 1''), which replaced and superseded the original filing in its entirety.[5] Amendment No. 1 was published for comment in the **Federal Register** on July 15, 2025.[6] On August 7, 2025, the Commission instituted proceedings to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.[7] The Commission designated a longer period within which to take action on the proposed rule change on November 3, 2025.[8]

This order approves the proposed rule change, as modified by Amendment No. 1.

II. Description of the Proposal, as Modified by Amendment No. 1

Currently, the Exchange may open for trading series of options on certain symbols that expire at the close of business on each of the next two Mondays, Tuesdays, Wednesdays, and Thursdays, respectively, that are business days beyond the current week and are not business days in which standard expiration series, Monthly Options Series or Quarterly Options Series expire (''Short Term Option Daily Expirations'').[9] Table 1 in Supplementary Material .03 to Options 4, Section 5 specifies each symbol that qualifies as a Short Term Option Daily Expiration as well as the permitted expiration days.[10]

The Exchange proposes to expand the Short Term Option Series Program to permit the listing of up to two Monday and Wednesday expirations beyond the current week for options on certain individual stocks or Exchange-Traded Fund Shares [11] (collectively, ''Qualifying Securities''). The Exchange proposes to define Qualifying Securities as eligible individual stocks or Exchange-Traded Fund Shares, which are separate and apart from the symbols listed in Table 1 in Supplementary Material .03 to Options 4, Section 5, that have received approval to list additional expiries on specific symbols, and that meet the following criteria on a quarterly basis: (1) an underlying security, as measured on the last day of the prior calendar quarter, must have: (A) a market capitalization of greater than 700 billion dollars for an individual stock based on the closing price [12], or (B) assets under management (''AUM'') greater than 50 billion dollars for an Exchange-Traded Fund Share based on net asset value (''NAV''); (2) monthly options volume, as measured by sides traded in the last month preceding the quarter end, of greater than 10 million options; (3) a position limit of at least 250,000 contracts; and (4) participation in the Penny Interval Program [13] (collectively, ''Qualifying Securities Criteria'').[14]

Each calendar quarter, the Exchange would apply the Qualifying Securities Criteria to individual stocks and Exchange-Traded Fund Shares to determine eligibility for the following quarter as a Qualifying Security.[15] Beginning on the second trading day in the first month of each calendar quarter, the market capitalization of individual stocks shall be calculated based on the closing price established on the primary exchange on the last trading day of the prior calendar quarter and the AUM for Exchange-Traded Fund Shares shall be calculated based on the NAV established on the primary exchange on the last trading day of the prior calendar quarter.[16] The data establishing the volume thresholds would be established by using data from the last month of the prior calendar quarter from The Options Clearing Corporation (''OCC'').[17] For options listed on the first trading day of a given calendar quarter, the volume would be calculated using the last month of the quarter prior to that calendar quarter.[18] The Exchange would make the list of Qualifying Securities

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 103048 (May 15, 2025), 90 FR 21805.

[4] *See* Securities Exchange Act Release No. 103343, 90 FR 29098 (July 2, 2025). The Commission designated August 19, 2025, as the date by which the Commission shall approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change. *See id.*

[5] Amendment No. 1 is publicly available on the Commission's website at: *https://www.sec.gov/comments/sr-ise-2025-15/srise202515-619387-1817874.pdf.*

[6] *See* Securities Exchange Act Release No. 103434 (July 10, 2025), 90 FR 31716 (''Amendment No. 1'').

[7] *See* Securities Exchange Act Release No. 103658, 90 FR 38832 (Aug. 12, 2025). Comments on the proposed rule change are available at: *https://www.sec.gov/comments/sr-ise-2025-15/srise202515.htm.*

[8] *See* Securities Exchange Act Release No. 104173, 90 FR 51424 (Nov. 17, 2025). The Commission designated January 16, 2026, as the date by which the Commission shall approve or disapprove the proposed rule change, as modified by Amendment No. 1.

[9] *See* Supplementary Material .03 to Options 4, Section 5.

[10] *See id.* As set forth in Table 1 of Supplementary Material .03 to Options 4, Section 5, the Exchange currently permits expirations in SPDR S&P 500 ETF Trust (''SPY''), iShares Russell 2000 ETF (''IWM''), and Invesco QQQ Trust (''QQQ'') on Mondays, Tuesdays, Wednesdays and Thursdays. *See* Amendment No. 1, *supra* note 6, 90 FR at 31717, n.9. The Exchange also permits expirations in SPDR Gold Shares, iShares Silver Trust, and iShares 20+ Year Treasury Bond ETF on Mondays and Wednesdays, as well as expirations in United States Oil Fund, LP and United States Natural Gas Fund, LP on Wednesdays. *See id.*

[11] *See* Options 4, Section 3(h) (defining ''Exchange-Traded Fund Shares'').

[12] The Exchange states that the closing price and the opening price shall be that of the primary exchange where the security is listed. *See* Amendment No. 1, *supra* note 6, 90 FR at 31717, n.10.

[13] *See* Supplementary Material .01 to Options 3, Section 3.

[14] The Exchange has noted the additional expiries in a proposed Table 2 in Supplementary Material .03 to Options 4, Section 5, along with the Qualifying Securities Criteria.

[15] *See* proposed Supplementary Material .03 to Options 4, Section 5. The Exchange states that the number of individual stocks currently meeting all four criteria for a Qualifying Security is eight and, as of June 27, 2025, one Exchange-Traded Fund Share currently meets all four criteria for a Qualifying Security that does not already have Monday and Wednesday expirations. *See* Amendment No. 1, *supra* note 6, 90 FR at 31729.

[16] *See* proposed Supplementary Material .03 to Options 4, Section 5.

[17] *See id.*

[18] *See id.* The Exchange states that OCC data becomes available for the end of a quarter on the first trading day of a new quarter. *See* Amendment No. 1, *supra* note 6, 90 FR at 31718, n.11.

available by close of business on the first trading day of the quarter.[19]

For Qualifying Securities, the Exchange would be permitted to list two Short Term Option Daily Expiration Dates beyond the current week for each Monday and Wednesday expiration at one time. The Exchange would not list an expiry on a day when there will be an earnings announcement that takes place after market close. Earnings announcements would include official public quarterly or yearly earnings filed with the Commission (''Earnings Announcement'').[20] The Exchange states that Qualifying Securities that do not continue to meet the above criteria would no longer be permitted to be listed as Monday and Wednesday expirations beginning on the second day of the following quarter.[21]

The Exchange states that the proposed Monday Qualifying Securities expirations would be similar to the current Monday expirations in SPY, QQQ, and IWM (among other symbols that may list a Monday expiration) in Short Term Option Daily Expirations set forth in Supplementary Material .03 to Options 4, Section 5, such that the Exchange may open for trading on any Friday or Monday that is a business day (beyond the current week) series of options on Qualifying Securities to expire on any Monday of the month that is a business day and is not a Monday in which standard expiration options series, Monthly Options Series,[22] or Quarterly Options Series[23] expire, provided that Monday expirations that are listed on a Friday must be listed at least one business week and one business day prior to the expiration (''Monday Qualifying Securities Expirations'').[24] In the event Qualifying Securities expire on a Monday and that Monday is the same day that a standard expiration options series, Monthly Options Series, or Quarterly Options Series expires, the Exchange would skip that week's listing and instead list the following week; therefore, the two weeks would not be consecutive.[25]

Additionally, the proposed Wednesday Qualifying Securities expirations would be similar to the current Wednesday expirations in SPY, QQQ, and IWM (among other symbols that may list a Wednesday Expiration) in Short Term Option Daily Expirations set forth in Supplementary Material .03 to Options 4, Section 5, such that the Exchange may open for trading on any Tuesday or Wednesday that is a business day (beyond the current week) series of options on Qualifying Securities to expire on any Wednesday of the month that is a business day and is not a Wednesday in which standard expiration options series, Monthly Options Series, or Quarterly Options Series expire (''Wednesday Qualifying Securities Expirations'').[26] In the event Qualifying Securities expire on a Wednesday and that Wednesday is the same day that a standard expiration options series, Monthly Options Series, or Quarterly Options Series expires, the Exchange would skip that week's listing and instead list the following week; therefore, the two weeks would not be consecutive.[27]

Monday and Wednesday Qualifying Securities Expirations would be treated similar to existing SPY, QQQ, and IWM Monday and Wednesday expirations.[28] The interval between strike prices for the proposed Monday and Wednesday Qualifying Securities Expirations would be the same as those currently applicable to the Short Term Option Series Program.[29] As is the case with other equity options series listed pursuant to the Short Term Option Series Program, the proposed Monday and Wednesday Qualifying Securities Expirations series would be p.m.-settled.[30]

III. Discussion and Commission Findings

The Commission finds that the Exchange's proposal, as modified by Amendment No. 1, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.[31] In particular, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act.[32] Section 6(b)(5) of the Act requires that the rules of a national securities exchange be designed, among other things, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest, and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission received comment letters addressing the proposed rule change's consistency with the Act, specifically focusing on the impact of the proposed additional expirations in Qualifying Securities on certain market participants as well as the options market generally.[33] One of these commenters also expressed qualified support for the proposal.[34] The Commission addresses the issues raised by commenters below.

A. Investor Protection Considerations

Commenters raised concerns about the risk of harm to customers due to post-close price movements on the day of expiration.[35] One commenter stated that ''[a]dditional expirations have the potential to both confuse and harm retail investors'' such as through ''assignment risk based on post-close price changes for customers who may believe that their option positions

[19] *See id.* at 31718. The Exchange states that it would make this information freely accessible to the public on ISE's website. *See id.* at 31718, n.12.

[20] *See* proposed Supplementary Material .03 to Options 4, Section 5. The Exchange states that pre-announcements or ''guidance'' shall not be considered an Earnings Announcement. *See* Amendment No. 1, *supra* note 6, 90 FR at 31718, n.14.

[21] *See id.* at 31718.

[22] In the Monthly Options Series, the Exchange may list and trade options series that expire at the close of business on the last business day of a calendar month. *See* Supplementary Material .09 to Options 4, Section 5.

[23] In the Quarterly Options Series, the Exchange may list and trade options series that expire at the close of business on the last business day of a calendar quarter. *See* Supplementary Material .04 to Options 4, Section 5.

[24] *See* Amendment No. 1, *supra* note 6, 90 FR at 31718.

[25] *See id.* Today, Monday expirations in SPY, QQQ, and IWM similarly skip the weekly listing in the event the weekly listing expires on the same day in the same class as a standard expiration options series, Monthly Options Series, or Quarterly Options Series. *See id.*

[26] *See id.*

[27] *See id.* Today, Wednesday expirations in SPY, QQQ, and IWM similarly skip the weekly listing in the event the weekly listing expires on the same day in the same class as a standard expiration options series, Monthly Options Series, or Quarterly Options Series. *See id.*

[28] *See id.*

[29] *See id.* Specifically, the Monday and Wednesday Qualifying Securities Expirations would have a strike interval of (i) $0.50 or greater for strike prices below $100, and $1 or greater for strike prices between $100 and $150 for all option classes that participate in the Short Term Option Series Program, (ii) $0.50 for option classes that trade in one dollar increments and are in the Short Term Option Series Program, or (iii) $2.50 or greater for strike prices above $150. *See* Supplementary Material .03(e) to Options 4, Section 5.

[30] *See* Amendment No. 1, *supra* note 6, 90 FR at 31718.

[31] In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[32] 15 U.S.C. 78f(b)(5).

[33] *See* Letters from Nathaniel Pomeroy, Principal, Wolverine Execution Services, LLC, dated June 17, 2025 (''WEX Letter''); Joseph Corcoran, Managing Director and Associate General Counsel, and Gerald O'Hara, Vice President and Assistant General Counsel, Securities Industry and Financial Markets Association, dated August 5, 2025 (''SIFMA Letter'').

[34] *See* SIFMA Letter at 1, 2, 7.

[35] *See* WEX Letter at 3; SIFMA Letter at 3–4.

closed out-of-the-money as of the 4 p.m. (ET) regular market closure.'' [36]

In order to analyze the impact of its proposal, including potential risks associated with post-close price movements, the Exchange estimated the impact of the proposal on strike breaks [37] occurring on non-Earnings Announcement Mondays and non-Earnings Announcement Wednesdays from 2022 through 2025, utilizing a sample of Qualifying Securities (''Sample Qualifying Securities'') [38] as a proxy. The Exchange states that, in 2024, the proposal would have resulted in 66 additional strike breaks with the addition of these expirations (22 strike breaks in 2024 on Monday expiries after regular trading hours, and 44 strike breaks in 2024 on Wednesday expiries after regular trading hours).[39]

In addition, using SPY data from Wednesday, April 2, 2025,[40] the Exchange conducted an analysis of a customer's propensity to rationally exercise or abandon outstanding options contracts by the tender of an exercise notice.[41] The Exchange states that over 90% of open call contracts were liquidated by customers prior to the close, and a substantial portion of the remaining open call contracts were rationally abandoned.[42] In particular, customers with calls in SPY on April 2, 2025 had a high liquidation ratio and fewer than 1% of call contracts were unliquidated and unabandoned.[43] With regard to put data for SPY on April 2, 2025, the Exchange states that out-of-the-money options were either liquidated or exercised and only a small percentage of options went unexercised.[44] According to the Exchange, very few puts remained unexercised at the higher strikes.[45] The Exchange states that the risk exposure to an event similar to April 2, 2025 for the proposed Wednesday expirations would be substantially similar to the current risk that a put writer is exposed to with Friday expirations.[46] The Exchange concluded that since the rational abandonment and out-of-the-money exercise rates were so high, ''it is clear that customers are largely aware of the exposure between 4:00 and 5:00 p.m. ET and therefore, the risk from the unliquidated position is undertaken knowingly.'' [47]

A commenter, in response to the Exchange's analysis of customer propensity to rationally exercise or abandon options contracts by the tender of an exercise notice (using SPY options on April 2, 2025),[48] stated that the ''impacts of post-close price changes on a single expiration date across several individual securities that meet the requirements to be listed as Qualifying Securities . . . could result in losses, even if the number of unabandoned and unliquidated contracts is not a significant percentage of the total number of contracts traded on that day.'' [49] This commenter further stated that ''there were still measurable impacts on investors, broker-dealers, and the markets as a result of those holders whose call options were exercised and who ended up owning shares of SPY at the lower post-close price.'' [50]

In response to the commenter, the Exchange stated that options holders are already subject to price moves in the underlying between 4:00 p.m. and 5:30 p.m. ET in every option,[51] and broker-dealers that are subject to know-your-customer and suitability requirements under FINRA Rules 2090 (Know Your Customer) and 2111 (Suitability) [52] should have risk management procedures and controls addressing changes to the price of the underlying after the market close.[53] Further, the Exchange stated that the Options Disclosure Document, which broker-dealers must provide their clients, discloses the risks of options trading, ''including the right to submit a contrary exercise notice.'' [54] The Exchange also provided examples of currently traded products that experience price movements after hours, such as options on exchange-traded products (''ETPs'') with expirations occurring from several days a week to every business day of the week, and stated that ''non-Friday expiries in various ETPs currently have instances of strike breaks on Mondays and Wednesdays.'' [55]

The Commission acknowledges commenters' concerns, but believes the proposal is consistent with the protection of investors. Although there are risks associated with post-close price movements, these risks exist with other expiring options, and the Exchange's data may indicate that customers are generally aware of the exposure risk between 4:00 and 5:30 p.m. ET.[56] In this proposal, the Exchange has considered this risk and, crucially, will not list an expiry on a day when there will be an Earnings Announcement after market close, which should limit a potential source of post-close price volatility that could result in increased assignment risk. The proposal responds to investor demand for shorter-dated options [57] by offering a limited expansion of shorter-dated options, which may provide the investing public and other market participants more flexibility to closely tailor their investment and hedging decisions in these options, while limiting a potential source of post-close price volatility.

In addition, there are existing rules and standards of conduct for broker-dealers that would apply to options on Qualifying Securities. For example, the Exchange's rules require its members, in approving a customer's account for options transactions, to ''exercise due diligence to learn the essential facts as to the customer and his investment objectives and financial situation.'' [58] In fulfilling this obligation, the member must consider, among other things, a customer's investment objectives; employment status; estimated annual income; estimated net worth; and investment experience and knowledge.[59] Further, FINRA's heightened suitability requirements for options trading accounts require that a person recommending an opening position in any option contract have ''a reasonable basis for believing, at the

[36] WEX Letter at 3.

[37] The Exchange explains that ''[a] strike break is the existence of a strike between the closing price and the opening price on the following day when there has been a penetration of a strike post-close.'' Amendment No. 1, *supra* note 6, 90 FR at 31722, n.31.

[38] The Sample Qualifying Securities would meet the proposed criteria to be a Qualifying Security based on January 2025 data. *See id.* at 31720. The Sample Qualifying Securities are NVIDIA Corp. (''NVDA''), Tesla Inc. (''TSLA''), Apple Inc., Amazon.com Inc., Broadcom Inc., Alphabet Inc., Microsoft Corp, Financial Select Sector SPDR Fund, and Meta Platforms Inc. *See id.*

[39] *See id.* at 31724.

[40] The Exchange states that this was a day on which there was a significant drop in the price of SPY after the close. *See id.* at 31725.

[41] *See id.* at 31725–27.

[42] *See id.* at 31726.

[43] *See id.*

[44] *See id.* at 31727.

[45] *See id.*

[46] *See id.*

[47] *Id.*

[48] *See supra* notes 40–47 and accompanying text.

[49] SIFMA Letter at 4.

[50] *Id.*

[51] *See* Letter from Angela Dunn, Principal Associate General Counsel, Nasdaq ISE, LLC, dated September 22, 2025 (''Exchange Response Letter II''), at 1.

[52] *See id.* at 1–2. The Exchange stated that ''[s]uitability rules are intended to distinguish the trading of customers with those of professional traders who are likely to have distinct risk/reward profiles, risk tolerance and capital.'' *Id.* at 2, n.4.

[53] *See id.* at 1–2.

[54] *Id.* at 1.

[55] *Id.* at 2.

[56] *See* Amendment No. 1, *supra* note 6, 90 FR at 31727.

[57] *See* Letter from Angela Dunn, Principal Associate General Counsel, Nasdaq, ISE, LLC, dated July 9, 2025 (''Exchange Response Letter I''), at 3, n.12 (citing to Table 11 in Amendment No. 1).

[58] *See* ISE Options 10, Section 6(b).

[59] *See id.*

time of making the recommendation, that the customer has such knowledge and experience in financial matters that he may reasonably be expected to be capable of evaluating the risks of the recommended transaction, and is financially able to bear the risks of the recommended position in the option contract.'' [60]

B. Cost, Operational Risk, and Market Risk Considerations

Commenters also stated that the additional expirations would increase costs and operational risks for broker-dealers.[61] One commenter noted the risks broker-dealers would face in handling the additional expirations and contrary exercise advices for customers and stated that additional resources (*e.g.,* back- and middle-office personnel) would need to be allocated to sufficiently address the operational risk and challenges on both a firm and industry level due to the increased number and frequency of options expirations.[62] This commenter asserted that the lack of ''marginal utility'' provided by listing additional expiries in Qualifying Securities is ''significantly outweighed'' by the ''operational risk and complexity'' that the proposal would add to the options markets and its participants.[63] The commenter further stated that the additional staff and technology needed to support the proposed expirations would impose ''substantial costs'' on broker-dealers,[64] and that the proposal overall would impose an ''undue burden on small broker-dealers.'' [65] In addition, one commenter stated that the additional daily expirations could increase the chances of ''OCC clearing members experiencing operational issues (and losses) on expiration days.'' [66]

One commenter stated that broker-dealers may have to modify their risk management controls and procedures to take into account ''the potential assignment risk associated with daily expirations of single-stock options.'' [67] Because these daily single stock options would require physical delivery, the commenter stated that broker-dealers would need to enhance their risk management procedures and controls around customer options trading to accommodate the likelihood of post-close movements in the price of the underlying securities.[68] This commenter stated that ''broker-dealers employ risk management practices that may include setting risk bands at thresholds that result in issuing contrary exercise instructions or closing out certain [out-of-the-money] strikes'' and that these ''decisions, whether made by individual customers or by broker-dealers on customers' behalf, are more difficult for investors that utilize options spreads.'' [69] The commenter noted the operational challenges imposed by the proposal on retail broker-dealer risk management decisions, in particular, because their customers tend to have options positions on both sides of the market and are also monitored at the individual account level.[70] Accordingly, the commenter recommended that the Exchange list Monday and Wednesday Qualifying Securities Expirations in one or two individual securities at first, analyze the impact of the trading of those expirations on customers and the listed options market, and then add Monday and Wednesday Qualifying Securities Expirations to more securities if supported by the analysis.[71] The commenter stated that limiting the number of individual securities would allow broker-dealers time to implement any necessary changes to their risk management processes.[72]

Finally, while one of the commenters acknowledged that many of its concerns with the proposal already exist with Friday weekly expirations, the commenter stated that the risks to the options market would be ''exacerbated,'' ''particularly for high-volume, news-sensitive names, where market-impacting events often occur between Monday and Thursday.'' [73] This commenter stated that the proposal would increase operational risk and complexity, pointing to the example of how ''[u]nexpected earnings releases or correlated macroeconomic news events may lead to broken spreads, out-of-the-money ('OTM') assignments, and potential account deficits.'' [74] Furthermore, the commenter stated that, among other things, the proposal would ''introduce greater uncertainty in the extended trading session.'' [75]

In response to commenter concerns related to increased costs and added operational risk and complexity for market participants, the Exchange stated that these concerns exist today for broker-dealers in managing the risks attendant to Friday expirations in every options series and the potential costs associated with a new listing program are not unique to the proposal.[76] The Exchange also asserted that the small number of options symbols that would currently be considered Qualifying Securities does not pose such an operational risk that they would require additional resources on a firm and industry level.[77] Moreover, the Exchange stated that ''broker-dealers that may require enhancements to their risk protocols most likely require such upgrades in light of current non-Friday expiries and not necessarily because of the [p]roposal. Other broker dealers, with more robust risk management tools, may have already enhanced their protocols when non-Friday expiries were introduced.'' [78] The Exchange further stated that its proposal will not list an expiry on a Qualifying Security

[60] *See* FINRA Rule 2360(b)(19)(B).

[61] *See* WEX Letter at 2; SIFMA Letter at 4–5. The commenters also stated that the proposal would ''substantially increase Consolidated Audit Trail ('CAT') costs related to options market activity'' without identifying a unique impact from the proposal. *See* WEX Letter at 2; SIFMA Letter at 6, n.18.

[62] *See* WEX Letter at 2, 3.

[63] *See id.* at 4.

[64] *Id.* at 3.

[65] *Id.* at 4.

[66] SIFMA Letter at 6. The commenter also raised general concerns related to the proposal's impact on requirements for ''enhanced margin and/or capital holdings'' under OCC's ''new intraday margin add-on charge,'' which ''may result in market participants having less capital to deploy in providing liquidity.'' *Id.*

[67] *Id.* at 5.

[68] *See id.* at 2, 5. The commenter stated that ''[p]ost-close price changes could cause options positions to be exercised and assigned based on the 4:00 p.m. ET closing price where the resulting positions in the underlying securities are immediately unprofitable (or profitable) based on the underlying price of the security at 5:30 p.m. ET.'' *Id.* at 3. This commenter also stated that enhancements to broker-dealer and other market participant risk management processes would potentially be needed to accommodate increased expiration day options trading. *See id.* at 2.

[69] *Id.* at 4.

[70] *See id.* at 5, n.15.

[71] *See id.* at 1–2, 5. The commenter recommended starting with TSLA or NVDA, based on their frequent price moves due to news not based on an earnings announcement, and studying the impact of Monday and Wednesday expirations on these stocks. *See id.* at 5.

[72] *See id.*

[73] WEX Letter at 1.

[74] *Id.* at 2.

[75] *Id.*

[76] *See* Exchange Response Letter I at 2–3. The Exchange also stated that ''[a]ny new listing program may have the potential to increase costs, but each offering is optional.'' *Id.* at 3.

[77] *See id.*

[78] Exchange Response Letter II at 2. The Exchange disputed the relevance of one commenter's statement that OCC's margin add-on charge for clearing members will result in less capital to provide liquidity to the listed options market, stating that ''[w]hile the intraday margin restrictions may impact less liquid options, the concerns are misplaced with respect to the list of Qualifying Securities'' because ''the Qualifying Securities are the most liquid options traded.'' *Id.* at 3. *See also supra* note 66. The Exchange also acknowledged that OCC clearing firms will need to consider both margin and capital holdings requirements in light of the proposal, but asserted that clearing firms are already ''equipped with protocols to examine such risk on a daily basis as to any new expiry or product offering,'' and can ''conduct such an analysis in their normal course and adjust accordingly.'' Exchange Response Letter II at 3.

on a day where there will be an Earnings Announcement that takes place after market close to avoid post-close price volatility that may arise from the Earnings Announcement and which may impact exercise and/or assignment decisions.[79] The Exchange also stated that it believes the proposal will provide investors additional choice and flexibility when trading options in highly liquid instruments and allow for a reduced premium cost of buying portfolio protection to better manage risk exposure.[80]

The Exchange stated that one commenter's suggestion to initially limit the proposal to expirations on one or two individual securities and allow further study ''does not achieve any effective goal.'' [81] The Exchange stated that starting out with two symbols would not provide enough data to analyze the proposal, and that there are daily news events in the two securities suggested by the commenter (TSLA and NVDA), not just on Mondays and Wednesdays, so price moves in those stocks due to news events would not be limited to the proposal.[82] The Exchange also stated that if certain broker-dealers need to improve their risk management controls as a result of the proposal, they will need to do so regardless of whether the Exchange begins with one Qualifying Security or if it begins with the potential eight Qualifying Securities.[83] In addition, the Exchange stated that there would not be any benefit to starting out with just two symbols as ''the criteria for the [p]roposal targets the most liquid individual stocks and ETFs'' and ''the total number of Qualifying Securities is extremely limited, representing a de minimis number of listed options.'' [84]

In response to the commenter that stated that the proposal would exacerbate risks in the options market and increase operational risk and complexity, the Exchange stated that all broad-based index options currently have daily expirations and that the options industry has progressively added options on ETPs with non-Friday expiries since 2016 (*e.g.,* SPY, QQQ, and IWM) without experiencing ''increased costs or complexity resulting from their addition.'' [85] While the Exchange acknowledged that the proposed additional expiries will permit trading on certain days when news events are occurring, the Exchange also noted that the liquidity provision requirements in the Qualifying Securities Criteria would exceed the liquidity available in some ETPs that currently have additional expiries.[86] The Exchange stated that ''the data does not demonstrate the 'exacerbated risks''' shared by the commenter.[87] In addition, the Exchange examined data comparing the Sample Qualifying Securities to broad-based Exchange-Traded Fund Shares like SPY, QQQ, and IWM, to estimate the impact of the proposal on the options market.[88] Based on its analysis of this data, the Exchange estimates that the proposal would add approximately 16% more strikes to the total number of strikes for eight of the nine Sample Qualifying Securities.[89] The Exchange also measured average annualized closing volatilities for the Sample Qualifying Securities from 2022 through 2024 and determined that the Sample Qualifying Securities have an average annualized closing volatility of generally less than 20%[90] and that the Sample Qualifying Securities are more volatile than SPY, QQQ, and IWM.[91]

In further support of its proposal, the Exchange stated that it does not believe that any market disruptions will be encountered with the introduction of Monday and Wednesday Qualifying Securities Expirations.[92] The Exchange stated that it currently trades p.m.-settled Short Term Option Series that expire Monday, Tuesday, Wednesday, and Thursday on several symbols,[93] and stated that it has not experienced any market disruptions nor issues with capacity.[94] In addition, the Exchange stated that it has surveillance programs in place to detect manipulative trading in the proposed option expirations, in the same way that it monitors trading in the current Short Term Option Series Expirations.[95] The Exchange represented that it has the necessary capacity and surveillance programs in place to support and properly monitor trading in the proposed Monday and Wednesday Qualifying Securities Expirations.[96] The Exchange also stated that its proposal would add a small overall number of weekly expiration dates because the Exchange will limit the number of Short Term Option Daily Expirations for the Qualifying Securities to two Monday expirations and two Wednesday expirations beyond the current week.[97]

The Commission considered whether the proposal would add undue operational risk, complexity, or uncertainty for broker-dealers and the options market as a whole, including whether it would unduly burden small broker-dealers. As the Exchange stated, there are already daily expirations on broad-based index options, as well as non-Friday expirations on certain ETPs. Broker-dealers, including small broker-dealers, OCC clearing members, and other market participants in the options market should already have familiarity with these expirations and likely have already adjusted their systems and trading practices as a result of the additional expirations.[98] To help provide predictability for broker-dealers in managing operational risk, the Exchange has represented that it will make the list of all Qualifying Securities available by the close of business on the first trading day of the quarter.[99] Furthermore, the Qualifying Securities Criteria will limit the number of eligible Qualifying Securities, and the associated Qualifying Securities Expirations, so that any potential impact on the options market will accordingly be limited. However, the Commission expects the Exchange to monitor the trading of the options listed as a result of the proposal to evaluate whether any issues develop.

The proposal is reasonably designed as a limited expansion of Monday and Wednesday expirations. The proposal will overall add just a small number of Monday and Wednesday Qualifying Securities Expirations by limiting the additional expirations to two weeks beyond the current week, and only for securities that have received approval to list additional expiries and meet the Qualifying Securities Criteria. As discussed above, the Qualifying Securities Criteria applicable to individual stocks and Exchange-Traded Fund Shares are: (1) an underlying security must have: (A) a market capitalization of greater than $700

[79] *See* Exchange Response Letter I at 3.

[80] *See id.* at 1, 4. The Exchange also stated that there is demand for shorter-dated options as demonstrated in Amendment No. 1. *See id.* at 3, n.12 (citing to Table 11 in Amendment No. 1).

[81] Exchange Response Letter II at 2.

[82] *See id.*

[83] *See id.*

[84] *Id.*

[85] Exchange Response Letter I at 1–2.

[86] *See id.* at 2.

[87] *Id.*

[88] *See* Amendment No. 1, *supra* note 6, 90 FR at 31719–30.

[89] *See id.* The Exchange only conducted this analysis for those eight securities.

[90] *See id.* at 31721.

[91] *See id.* at 31722. The Exchange currently lists Monday and Wednesday expirations in SPY, QQQ, and IWM. *See supra* note 10.

[92] *See* Amendment No. 1, *supra* note 6, 90 FR at 31719.

[93] *See id.*

[94] *See id.*

[95] *See id.* at 31730.

[96] *See id.* at 31719.

[97] *See id.* at 31729.

[98] The Monday and Wednesday Qualifying Securities Expirations will be treated similarly to the existing SPY, QQQ, and IWM Monday and Wednesday expirations.

[99] *See* Amendment No. 1, *supra* note 6, 90 FR at 31718.

billion for an individual stock based on the closing price, or (B) AUM greater than $50 billion for an Exchange-Traded Fund Share based on NAV; (2) monthly options volume greater than 10 million options; (3) a position limit of at least 250,000 contracts; and (4) participation in the Penny Interval Program.[100] The Qualifying Securities Criteria should help to ensure that the underlying securities, as well as the options on such securities, are highly liquid and actively traded. If the Exchange chooses to modify the Qualifying Securities Criteria or any other aspect of the proposal, it will be required to file a proposed rule change with the Commission, which will subject the proposed rule change to the notice and comment process.

The proposal also reasonably balances the Exchange's desire to accommodate investor demand by offering a wider array of investment opportunities with the need to avoid unnecessary proliferation of options series. Additionally, and as noted above, this limited expansion of Monday and Wednesday Qualifying Securities Expirations may provide the investing public and other market participants more flexibility to closely tailor their investment and hedging decisions in these options, thus allowing them to better manage their risk exposure.

For these reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act[101] and the rules and regulations thereunder applicable to a national securities exchange.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[102] that the proposed rule change (SR–ISE–2025–15), as modified by Amendment No. 1, be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[103]

J. Matthew DeLesDernier,

Deputy Secretary.

[FR Doc. 2026–01118 Filed 1–21–26; 8:45 am]

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[100] *See supra* notes 11–14 and accompanying text.

[101] 15 U.S.C. 78f(b)(5).

[102] 15 U.S.C. 78s(b)(2).

[103] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 35905; File No. 812–15932]

AMG Pantheon Master Fund, LLC, et al.

January 16, 2026

AGENCY: Securities and Exchange Commission (''Commission'' or ''SEC'').

ACTION: Notice.

Notice of application for an order under sections 17(d) and 57(i) of the Investment Company Act of 1940 (the ''Act'') and rule 17d–1 under the Act to permit certain joint transactions otherwise prohibited by sections 17(d) and 57(a)(4) of the Act and rule 17d–1 under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain business development companies (''BDCs'') and closed-end management investment companies to co-invest in portfolio companies with each other and with certain affiliated investment entities.

APPLICANTS: AMG Pantheon Master Fund, LLC; AMG Pantheon Credit Solutions Fund; AMG Pantheon Infrastructure Fund, LLC; Pantheon Ventures (US) LP; Pantheon Infra Advisors LLC; Pantheon Ventures (UK) LLP; Pantheon Ventures (Ireland) DAC; AMG Pantheon Subsidiary Fund, LLC; AMG Pantheon Lead Fund, LLC; AMG Pantheon Credit Solutions Subsidiary Fund, LLC; AMG Pantheon Credit Solutions Lead Fund, LLC; AMG Pantheon Infrastructure Subsidiary Fund, LLC; AMG Pantheon Infrastructure Lead Fund, LLC; and certain of their affiliated entities as described in Appendix A to the application.

FILING DATES: The application was filed on October 31, 2025 and amended on January 8, 2026.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC's Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. Hearing requests should be received by the Commission by 5:30 p.m. on February 10, 2026 and should be accompanied by proof of service on the Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary at *Secretarys-Office@sec.gov.*

ADDRESSES: The Commission: *Secretarys-Office@sec.gov.* Applicants: Gregory C. Davis, Ropes & Gray LLP, *Gregory.Davis@ropesgray.com;* Mark J. Duggan, AMG Funds LLC, *Mark.Duggan@amg.com.*

FOR FURTHER INFORMATION CONTACT: Adam Large, Senior Special Counsel or Trace W. Rakestraw, Senior Special Counsel, at (202) 551–6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: For Applicants' representations, legal analysis, and conditions, please refer to Applicants' application, filed January 8, 2026, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field, on the SEC's EDGAR system. The SEC's EDGAR system may be searched at *https://www.sec.gov/edgar/search/.* You may also call the SEC's Office of Investor Education and Advocacy at (202) 551–8090.

For the Commission, by the Division of Investment Management, under delegated authority.

J. Matthew DeLesDernier,

Deputy Secretary.

[FR Doc. 2026–01133 Filed 1–21–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104628; File No. SR–ISE–2025–45]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend FINRA Fees

January 20, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on December 31, 2025, Nasdaq ISE, LLC (''ISE'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.