the Exchange's fee structure, the proposed amendments facilitate more informed decision-making by issuers when selecting a listing venue. Clear, predictable fee structures allow issuers to compare listing costs across exchanges more easily, thereby promoting competition among exchanges based on the merits of their services and fee structures. The explicit codification that the Exchange will charge the lowest applicable fee when multiple categories could apply demonstrates the Exchange's commitment to fair and transparent pricing, which may enhance the Exchange's competitive position based on the quality and clarity of its fee schedule rather than on confusion or ambiguity. This type of competition—based on transparency, predictability, and fair treatment—benefits issuers and contributes to the efficient operation of the national market system.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

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 [7] and paragraph (f) of Rule 19b–4 [8] 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 will institute proceedings to determine whether the proposed rule change 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:

[7] 15 U.S.C. 78s(b)(3)(A).

[8] 17 CFR 240.19b–4(f).

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–CboeBZX–2025–166 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–CboeBZX–2025–166. 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–CboeBZX–2025–166 and should be submitted on or before January 20, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[9]

Sherry R. Haywood,

Assistant Secretary.

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[9] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104488; File No. SR–ISE–2025–41]

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

December 22, 2025.

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 16, 2025, Nasdaq ISE, LLC (''ISE'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

[2] 17 CFR 240.19b–4.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its Specialized Quote Feed [3] or ''SQF'' Port pricing at Options 7, Section 7, C, ''Ports and Other Services.'' [4]

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on January 1, 2026.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/ise/rulefilings,* and at the principal office of the Exchange.

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.

[3] ''Specialized Quote Feed'' or ''SQF'' is an interface that allows Lead Market Makers, Streaming Quote Traders (''SQTs'') and Remote Streaming Quote Traders (''RSQTs'') to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses into and from the Exchange. Features include the following: (1) options symbol directory messages (*e.g.,* underlying and complex instruments); (2) system event messages (*e.g.,* start of trading hours messages and start of opening); (3) trading action messages (*e.g.,* halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge requests from the Lead Market Maker, SQT or RSQT. Lead Market Makers, SQTs and RSQTs may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the Order Price Protection, the Market Order Spread Protection, or Size Limitation in Options 3, Section 15(a)(1), (a)(2) and (b)(2), respectively. *See* Options 3, Section 7(a)(i)(B).

[4] On December 8, 2025 the Exchange filed SR–ISE–2025–38. On December 16, 2025 the Exchange withdrew SR–ISE–2025–38 and filed this rule change.

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

1. Purpose

ISE proposes to amend its SQF Port pricing at Options 7, Section 7, C, ''Ports and Other Services'' by offering an incentive to Market Makers [5] to lower their SQF Port Fees.

Currently, ISE assesses an SQF Port Fee of $1,185 per port, per month. At this time, the Exchange proposes to offer an opportunity to lower SQF Port Fees. Specifically, the Exchange proposes to offer certain discounts to Market Makers that have transacted a certain percentage of Total National Volume in the prior month. For purposes of this proposal, the percentage of Total National Volume is calculated by taking the total Market Maker Penny Symbol and Market Maker Non-Penny Symbol volume (excluding index options) executed on the Exchange in the prior month and attributing a multiple of five times to that Non-Penny Symbol volume (numerator) and dividing that by Market Maker volume (''M'' capacity at The Options Clearing Corporation (''OCC'')) in multiply listed options across all options exchanges (denominator or Total National Volume).

Tier	Percentage of total national volume	Percentage SQF port discount
1	less than 0.10	0
2	greater than or equal to 0.10% and less than 0.25%	10
3	greater than or equal to 0.25% and less than 0.40%	30
4	greater than or equal to 0.40%	50

With this proposal, a Market Maker that transacted less than 0.10% of Total National Volume in the prior month would not receive a discount on SQF Port Fees. A Market Maker that transacted greater than or equal to 0.10% and less than 0.25% of Total National Volume in the prior month will be afforded a discount of 10% on their SQF Port Fees. A Market Maker that transacted greater than or equal to 0.25% and less than 0.40% of Total National Volume in the prior month will be afforded a discount of 30% on their SQF Port Fees. Finally, a Market Maker that transacted greater than or equal to 0.40% of Total National Volume in the prior month will be afforded a discount of 50% on their SQF Port Fees. By way of example, a Market Maker that executed 3,000,000 in Penny Volume and 200,000 in Non-Penny Volume in a given month on the Exchange, where the Total National Volume was 1,000,000,000, would qualify for a discount of 50% on their SQF Port Fees ((200,000 × 5= 1,000,000) + 3,000,000 = 4,000,000 which is 0.40% of 1,000,000,000).

The Exchange proposes to calculate Market Maker Non-Penny Symbol volume at five times the weight as compared to Market Maker Penny Symbol volume because Non-Penny Symbols tend to have lower volumes and this incentive should encourage a greater amount of volume in Non-Penny Symbols. Overall, the proposed discounts should encourage Market Makers to transact additional order flow on ISE with which other market participants may interact, for an opportunity to lower SQF Port Fees. The Exchange proposes to exclude index options as index options are generally not multiply listed.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[6] in general, and furthers the objectives of Sections 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 members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system ''has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.'' [8]

Likewise, in *NetCoalition* v. *Securities and Exchange Commission* [9] (''NetCoalition'') the D.C. Circuit upheld the Commission's use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.[10] As the court emphasized, the Commission ''intended in Regulation NMS that 'market forces, rather than regulatory requirements' play a role in determining the market data . . . to be made available to investors and at what cost.'' [11]

Further, ''[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'. . ..'' [12] Although the court and the SEC were discussing the cash equities markets, the Exchange believes that these views apply with equal force to the options markets.

The proposed fee discounts for ISE SQF Ports are reasonable because they will attract a greater amount of order flow to ISE with which other market participants may interact while also lowering costs for certain Market Makers that are able to transact greater than 0.10% of Total National Volume in the prior month. The Exchange believes it is reasonable to lower costs for certain Market Makers that transact greater than 0.10% of Total National Volume on ISE because those Market Makers are affording other ISE Members an opportunity to interact with that order flow. The proposal provides an

[5] The term ''Market Makers'' refers to ''Competitive Market Makers'' and ''Primary Market Makers'' collectively. *See* Options 1, Section 1(a)(22). Only Market Makers utilize SQF Ports for quoting purposes.

[6] 15 U.S.C. 78f(b).

[7] 15 U.S.C. 78f(b)(4) and (5).

[8] Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (''Regulation NMS Adopting Release'').

[9] *NetCoalition* v. *SEC,* 615 F.3d 525 (D.C. Cir. 2010).

[10] *See NetCoalition,* at 534–535.

[11] *Id.* at 537.

[12] *Id.* at 539 (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca–2006–21)).

incremental incentive for Market Makers that transact at least 0.10% of Total National Volume, which provides a higher benefit for satisfying increasingly more stringent criteria. The Exchange believes that the value of the proposed discounts is commensurate with the difficulty to achieve the corresponding threshold. Additionally, the discounts may incentivize and attract more volume and liquidity to the Exchange, which will benefit all Exchange participants through increased opportunities to trade as well as enhancing price discovery. The Exchange's proposed discounts are substantially similar to Cboe Exchange, Inc.'s (''Cboe'') credit for their BOE Bulk Port Fees.[13]

ISE believes it is reasonable to offer fee discounts to those Market Makers that primarily provide and post liquidity to the Exchange, as it should encourage Market Makers to continue to participate on the Exchange and add liquidity. Greater liquidity benefits all market participants by providing more trading opportunities and tighter spreads. The proposal would also mitigate the costs incurred by Market Makers on ISE.

Calculating Market Maker Non-Penny Symbol volume at five times the weight as compared to Penny Symbol volume is reasonable, equitable and not unfairly discriminatory as Non-Penny Symbols tend to have lower volumes and this incentive should encourage a greater amount of volume in Market Maker Non-Penny Symbols.[14] The Exchange proposes to calculate the Market Maker Non-Penny Symbol volume in an uniform manner for all Members. The Exchange proposes to exclude index options as index options are generally not multiply listed. Index Options would be uniformly excluded.

An ISE Market Maker requires only one SQF Port to submit quotes in its assigned options series into ISE. An ISE Market Maker may submit all quotes through one SQF Port. While an ISE Market Maker may elect to obtain multiple SQF Ports to organize its business,[15] only one SQF Port is necessary for an ISE Market Maker to fulfill its regulatory quoting obligations.[16]

The proposed fee discounts for ISE SQF Ports are equitable and not unfairly discriminatory as they would apply uniformly to each ISE Market Maker. The Exchange would uniformly calculate the Market Maker's percentage each month. Although only Market Makers may receive the proposed discounts, the Exchange notes that Market Makers are valuable market participants that provide liquidity in the marketplace and incur costs that other market participants do not incur. Unlike other market participants, Market Makers are required to provide continuous two-sided quotes on a daily basis,[17] and are subject to various obligations associated with providing liquidity.[18] While the Exchange is not offering a discount to those Market Makers that transact less than 0.10% of Total National Volume, the Exchange notes that these Market Makers transact a much lower amount of contracts on ISE as compared to other Market Makers who qualify for a discount. In some cases, these Market Makers are not executing the requisite amount of Penny Symbols or Non-Penny Symbols to obtain the discount. Market Makers are required to compete with other Market Makers to improve the market in all series of options classes to which the Market Maker is appointed and to update market quotations in response to changed market conditions in all series of options classes to which the Market Maker is appointed.[19] The Exchange believes that all Market Makers are capable of quoting tighter or in a greater amount of options classes to obtain the requisite volume to achieve a discount.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

In terms of intra-market competition, the proposed fee discounts for ISE SQF Ports do not impose a burden on competition because they would apply uniformly to each ISE Market Maker and the Exchange would uniformly calculate the Market Maker's percentage each month. Although only Market Makers may receive the proposed discounts, the Exchange notes that Market Makers are valuable market participants that provide liquidity in the marketplace and incur costs that other market participants do not incur. Unlike other market participants, Market Makers are required to provide continuous two-sided quotes on a daily basis,[20] and are subject to various obligations associated with providing liquidity.[21] Further, while the Exchange is not offering a discount to those Market Makers that transact less than 0.10% of Total National Volume, the Exchange notes that these Market Makers transact a much lower amount of contracts on ISE as compared to other Market Makers that qualify for the discount and/or these Market Makers are not executing the requisite amount of Penny Symbols or Non-Penny Symbols to obtain the discount. The Exchange's proposal does not impose an undue burden on competition because Market Makers are required to compete with other Market Makers to improve the market in all series of options classes to which the Market Maker is appointed and to update market quotations in response to changed market conditions in all series of options classes to which the Market Maker is appointed.[22] The Exchange believes that all Market Makers are capable of quoting tighter or in a greater amount of options classes to obtain the requisite volume to achieve a discount.

In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its

[13] Cboe currently offers its market makers credits on their monthly BOE Bulk Port Fees. Specifically, if a Cboe market maker affiliate (''affiliate'' defined as having at least 75% common ownership between the two entities as reflected on each entity's Form BD, Schedule A) or Cboe Appointed OFP receives a credit under the Exchange's Volume Incentive Program (''VIP''), the Cboe market maker will receive an access credit on their BOE Bulk Ports corresponding to the VIP tier reached. The credit is based on the Performance Tier earned by a market maker under Cboe's Liquidity Provider Sliding Scale Adjustment Table. Tiers 4 and 5 earn a 40% credit on monthly Cboe Bulk Port Fees. Cboe assesses BOE Bulk Logical Ports a fee of $1,500 for 1 to 5 ports, a fee of $2,500 for 6 to 30 ports and a fee of $3,000 for over 30 ports. Additionally, each BOE Bulk Logical Port will incur the logical port fee indicated when used to enter up to 30,000,000 orders per trading day per logical port as measured on average in a single month. Each incremental usage of up to 30,000,000 orders per day per BOE Bulk Logical Port will incur an additional logical port fee of $3,000 per month. Incremental usage will be determined on a monthly basis based on the average orders per day entered in a single month across all subscribed BOE Bulk Logical Ports.

[14] Penny Symbols typically are more liquid symbols.

[15] For example, an ISE Market Maker may desire to utilize multiple SQF Ports for accounting purposes, to measure performance, for regulatory reasons or other determinations that are specific to that Member.

[16] ISE Market Makers have various regulatory requirements as provided for in Options 2, Section 4. Additionally, ISE Market Makers have certain quoting requirements with respect to their assigned options series as provided in Options 2, Section 5. SQF Ports are the only quoting protocol available on ISE and only Market Makers may utilize SQF Ports.

[17] *See* ISE Options 2, Section 5.

[18] *See* ISE Options 2, Section 4.

[19] *See* ISE Options 2, Section 4(b).

[20] *See* ISE Options 2, Section 5.

[21] *See* ISE Options 2, Section 4.

[22] *See* ISE Options 2, Section 4(b).

fees to remain competitive with other options exchanges. In addition to the Exchange, market participants have alternative options exchanges that they may participate on and direct their order flow. In sum, if the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of members or competing options exchanges to maintain their competitive standing in the financial markets.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[23] At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–ISE–2025–41 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–ISE–2025–41. 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–ISE–2025–41 and should be submitted on or before January 20, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[24]

Sherry R. Haywood,

Assistant Secretary.

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[23] 15 U.S.C. 78s(b)(3)(A)(ii).

[24] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104494; File No. SR–ISE–2025–43]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt a Best Execution and Interpositioning Rule

December 22, 2025.

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 22, 2025, Nasdaq ISE, LLC (''ISE'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to adopt a Best Execution and Interpositioning rule at proposed Options 9, Section 26.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/ise/rulefilings,* and at the principal office of the Exchange.

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

Purpose

The Exchange proposes to adopt a Best Execution and Interpositioning rule at proposed Options 9, Section 26 that is identical to Nasdaq Phlx LLC (''Phlx'') Best Execution and Interpositioning rule at General 9, Section 11.

Background

A broker-dealer has a legal duty to seek best execution of customer orders. The duty of best execution predates the Federal securities laws and is derived from an implied representation that a broker-dealer makes to its customers. The duty is established from ''common law agency obligations of undivided loyalty and reasonable care that an agent owes to [its] principal.'' [3] This obligation requires that a ''broker-dealer seek to obtain for its customer orders the most favorable terms reasonably available under the circumstances.'' [4] The duty of best execution is addressed at FINRA Rule 5310.

The Commission has previously stated that the duty of best execution requires a broker-dealer to execute customers' trades at the most favorable terms reasonably available under the circumstances, *i.e.,* at the best reasonably available price.[5] The Commission has described a non-exhaustive list of factors that may be

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

[2] 17 CFR 240.19b–4.

[3] *See, e.g., Newton* v. *Merrill, Lynch, Pierce, Fenner & Smith, Inc.,* 135 F.3d 266, 270 (3d Cir.), *cert. denied,* 525 U.S. 811 (1998).

[4] *See* Securities Exchange Act Release No. 37619A (Sept. 6, 1996), 61 FR 48290 (Sept. 12, 1996) (''Order Execution Obligations Adopting Release'').

[5] *See* Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37538 (June 29, 2005) (''Regulation NMS Adopting Release'').