

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 18

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2025 - * 42

Amendment No. (req. for Amendments *)

Filing by Nasdaq ISE, LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

| | | | | | |
|---|--|--|--|--|---|
| Initial * | Amendment * | Withdrawal | Section 19(b)(2) * | Section 19(b)(3)(A) * | Section 19(b)(3)(B) * |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Pilot | Extension of Time Period for Commission Action * | Date Expires * | | 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(2) <input checked="" type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> | 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(6) <input type="checkbox"/> |
| | | | | | |
| Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 | | | Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * | | |
| Section 806(e)(1) * | | Section 806(e)(2) * | | | |
| <input type="checkbox"/> | | <input type="checkbox"/> | | | |
| Exhibit 2 Sent As Paper Document | | Exhibit 3 Sent As Paper Document <input type="checkbox"/> | | | |

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

A proposal to Amend Options Regulatory Fee.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

| | | | |
|--------------|----------------------|-------------|----------------------|
| First Name * | <input type="text"/> | Last Name * | <input type="text"/> |
| Title * | <input type="text"/> | | |
| E-mail * | <input type="text"/> | | |
| Telephone * | <input type="text"/> | Fax | <input type="text"/> |

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Nasdaq ISE, LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 12/19/2025

(Title *)

By John A. Zecca

EVP and Chief Legal Officer

(Name *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

 Date: 2025.12.19
14:27:00 -05'00'

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information *

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SR-ISE-2025-42 19b-4.docx

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

SR-ISE-2025-42 Exhibit 1.docx

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

SR-ISE-2025-42 Exhibit 5.docx

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Nasdaq ISE, LLC (“ISE” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend ISE’s Pricing Schedule at Options 7, Section 5, C., ISE Options Regulatory Fee, to delay the implementation of the new Options Regulatory Fee (“ORF”) and methodology proposed in SR-ISE-2025-20.³ Specifically, the Exchange proposes to delay ISE’s new ORF and methodology therein, which was to be implemented on January 2, 2026, until July 1, 2026 and remove the sunset provision. Additionally, effective January 2, 2026, the Exchange proposes to maintain its current ORF methodology at a rate of \$0.0011 per contract side while the industry transitions to the new model.

While the changes proposed herein are effective upon filing, the Exchange has designated the proposed rule change to be operative on January 2, 2026.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”). Exchange staff will advise the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 103558 (July 28, 2025), 90 FR 36080 (July 31, 2025) (SR-ISE-2025-020) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Methodology for its Options Regulatory Fee (ORF) as of January 2, 2026).

Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.



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

a. Purpose

ISE previously filed a proposed amendment to its ORF, effective as of January 2, 2026,⁴ to amend its methodology of collection to continue to assess ORF for options transactions cleared by OCC in the Customer range, however ORF would be assessed to each ISE Member for executions that occur on ISE. At this time, ISE proposes to: (1) delay the implementation of SR-ISE-2025-20, with respect to the new ORF and methodology therein to be effective on January 2, 2026, so that it would now be implemented on July 1, 2026; and (2) maintain its current ORF methodology at a rate of \$0.0011 per contract side effective January 2, 2026.

Delay of Implementation

In light of industry feedback from Clearing Members regarding readiness to implement changes to accommodate the new ORF model and its methodology of collection, the Exchange proposes to delay the implementation of SR-ISE-2025-20, with respect to the new ORF and methodology therein, until July 1, 2026. This delay would provide market participants additional time to implement the new ORF model and to design, test and implement changes to the ORF. Additionally, the Exchange proposes to remove the February 1, 2026 sunset date that would have

⁴ See id.

allowed the Exchange to revert back to the prior ORF methodology and rate of \$0.0013 per contract side. The Exchange has issued an Options Trader Alert to notify Participants of the delay at least 30 calendar days prior to the anticipated change.⁵

Amended ORF

In light of the unanticipated delay of implementation of its January 2, 2026 amendments to its ORF and methodology in SR-ISE-2025-20 to accommodate the industry's timeline, ISE proposes to maintain its current ORF methodology and temporarily increase ORF from \$0.0003 to \$0.0011 per contract side, effective January 2, 2026, while the industry transitions to the new model. The Exchange has issued an Options Trader Alert to notify Participants of the modification in the current ORF at least 30 calendar days prior to the anticipated change.⁶

Another ISE rule proposal, SR-ISE-2025-25,⁷ reduced the amount of ORF collected by the Exchange from \$0.0013 to \$0.0003 per contract side, effective October 1, 2025, to account for certain fines. By lowering its ORF, ISE was able to ensure that revenue collected from the ORF, in combination with its other regulatory fees and fines, did not exceed Options Regulatory Costs.⁸ ISE presumed it would be adopting its new ORF and methodology in SR-ISE-2025-20 on January 2, 2026, which would have implemented a new ORF rate. ISE notes that it announced its new ORF and methodology on July 22, 2025⁹ to provide the industry ample time to implement changes to accommodate the new ORF and its methodology. Despite announcing

⁵ See Options Trader Alert # 2025-03.

⁶ See id.

⁷ See Securities Exchange Act Release No. 103991 (September 17, 2025), 90 FR 45435 (September 22, 2025) (SR-ISE-2025-25) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Lower the Options Regulatory Fee (ORF)).

⁸ The regulatory costs for options comprise a subset of the Exchange's regulatory budget that is specifically related to options regulatory expenses and encompasses the cost to regulate all Participants' options activity ("Options Regulatory Cost").

⁹ See Options Trader Alert #2025 – 33.

in July 2025, industry participants did not prepare for the implementation. At this time, ISE proposes to temporarily increase its current ORF from \$0.0003 to \$0.0011 per contract side effective January 2, 2026. The Exchange notes that the proposed new rate of \$0.0011 is not the rate that was in effect prior to SR-ISE-2025-25, that rate was \$0.0013 per contract side. Rather than reverting to the prior rate, the Exchange is considering current options volume and only modestly reverting its pre-fine rate.

b. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹⁰ Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act¹¹, which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its members, and other persons using its facilities. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Delay of Implementation

The Exchange’s proposal to delay the implementation of SR-ISE-2025-20, with respect to the new ORF and methodology, to be effective on January 2, 2026, until July 1, 2026 and to remove the February 1, 2026 sunset date that would have allowed the Exchange to revert back to the prior ORF methodology and rate is consistent with the Act because it will provide market

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(4).

¹² 15 U.S.C. 78f(b)(5).

participants additional time to design, test and implement the new ORF and its methodology.

The proposal to remove the sunset date is also consistent with the Act given the delay and anticipated industry commitment to implement the changes.

Amended ORF

The Exchange's proposal to maintain its current ORF methodology at a rate of \$0.0011 per contract side effective January 2, 2026, is consistent with the Act because it will allow ISE to collect rates under its current ORF with an adjusted rate given the Exchange is unable to proceed with the implementation of its new ORF and its methodology until July 1, 2026, which will allow ISE to offset a material portion of its Regulatory Cost under its existing authority until the new ORF is implemented on July 1, 2026. As noted herein, SR-ISE-2025-25, reduced the amount of ORF collected by the Exchange from \$0.0013 to \$0.0003 per contract side, effective October 1, 2025, to account for certain fines. By lowering its ORF, ISE was able to ensure that revenue collected from the ORF, in combination with its other regulatory fees and fines, did not exceed Options Regulatory Costs. On January 2, 2026, ISE's ORF would have been amended once again as noted in SR-ISE-2025-20 implementing a new rate. The Exchange did not plan to delay the implementation and would otherwise have been collecting under the January 2, 2026 ORF rate if it were not for the delay. The Exchange notes that the proposed new rate of \$0.0011 is not the rate that was in effect prior to SR-ISE-2025-25, that rate was \$0.0013. Rather than reverting to the prior rate in effect on October 1, 2025, the Exchange is considering current options volume and only modestly reverting its pre-fine rate.

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

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

Rather than reverting to its October 1, 2025 rate, the Exchange would assess an ORF rate that represents a temporary modest increase to its current rate in light of current options volumes until it is able to implement the new ORF and methodology on July 1, 2026. No Participant would be subject to the new ORF and methodology until July 1, 2026. The Exchange is not substantively amending the proposed ORF by delaying its implementation.

The Exchange does not believe that the proposed modified rate reversion will impose any burden on intra-market competition not necessary or appropriate in furtherance of the purposes of the Act as the modified ORF rate for January 2, 2026 is intended to approximate a rate equivalent to its October 1, 2025 given current options volumes. The Exchange does not believe that the proposed rate reversion will impose any burden on inter-market competition not necessary or appropriate in furtherance of the purposes of the Act as other options markets may amend their respective ORFs.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Participants, Participants, or Others

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,¹³ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

¹³

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

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.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.

5. Text of the proposed rule change.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION****[Release No. 34- ; File No. SR-ISE-2025-42]****Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate****Effectiveness of Proposed Rule Change to Amend the Options Regulatory Fee**

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 19, 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 amend ISE’s Pricing Schedule at Options 7, Section 5, C., ISE Options Regulatory Fee, to delay the implementation of the new Options Regulatory Fee (“ORF”) and methodology proposed in SR-ISE-2025-20.³ Specifically, the Exchange proposes to delay ISE’s new ORF and methodology therein, which was to be implemented on January 2, 2026, until July 1, 2026 and remove the sunset provision. Additionally, effective January 2,

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 103558 (July 28, 2025), 90 FR 36080 (July 31, 2025) (SR-ISE-2025-020) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Methodology for its Options Regulatory Fee (ORF) as of January 2, 2026).

2026, the Exchange proposes to maintain its current ORF methodology at a rate of \$0.0011 per contract side while the industry transitions to the new model.

While the changes proposed herein are effective upon filing, the Exchange has designated the proposed rule change to be operative on January 2, 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.

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

1. Purpose

ISE previously filed a proposed amendment to its ORF, effective as of January 2, 2026,⁴ to amend its methodology of collection to continue to assess ORF for options transactions cleared by OCC in the Customer range, however ORF would be assessed to each ISE Member for executions that occur on ISE. At this time, ISE proposes to: (1) delay the implementation of SR-ISE-2025-20, with respect to the new ORF and methodology therein to be effective on

⁴

See id.

January 2, 2026, so that it would now be implemented on July 1, 2026; and (2) maintain its current ORF methodology at a rate of \$0.0011 per contract side effective January 2, 2026.

Delay of Implementation

In light of industry feedback from Clearing Members regarding readiness to implement changes to accommodate the new ORF model and its methodology of collection, the Exchange proposes to delay the implementation of SR-ISE-2025-20, with respect to the new ORF and methodology therein, until July 1, 2026. This delay would provide market participants additional time to implement the new ORF model and to design, test and implement changes to the ORF. Additionally, the Exchange proposes to remove the February 1, 2026 sunset date that would have allowed the Exchange to revert back to the prior ORF methodology and rate of \$0.0013 per contract side. The Exchange has issued an Options Trader Alert to notify Participants of the delay at least 30 calendar days prior to the anticipated change.⁵

Amended ORF

In light of the unanticipated delay of implementation of its January 2, 2026 amendments to its ORF and methodology in SR-ISE-2025-20 to accommodate the industry's timeline, ISE proposes to maintain its current ORF methodology and temporarily increase ORF from \$0.0003 to \$0.0011 per contract side, effective January 2, 2026, while the industry transitions to the new model. The Exchange has issued an Options Trader Alert to notify Participants of the modification in the current ORF at least 30 calendar days prior to the anticipated change.⁶

⁵ See Options Trader Alert # 2025-03.

⁶ See id.

Another ISE rule proposal, SR-ISE-2025-25,⁷ reduced the amount of ORF collected by the Exchange from \$0.0013 to \$0.0003 per contract side, effective October 1, 2025, to account for certain fines. By lowering its ORF, ISE was able to ensure that revenue collected from the ORF, in combination with its other regulatory fees and fines, did not exceed Options Regulatory Costs.⁸ ISE presumed it would be adopting its new ORF and methodology in SR-ISE-2025-20 on January 2, 2026, which would have implemented a new ORF rate. ISE notes that it announced its new ORF and methodology on July 22, 2025⁹ to provide the industry ample time to implement changes to accommodate the new ORF and its methodology. Despite announcing in July 2025, industry participants did not prepare for the implementation. At this time, ISE proposes to temporarily increase its current ORF from \$0.0003 to \$0.0011 per contract side effective January 2, 2026. The Exchange notes that the proposed new rate of \$0.0011 is not the rate that was in effect prior to SR-ISE-2025-25, that rate was \$0.0013 per contract side. Rather than reverting to the prior rate, the Exchange is considering current options volume and only modestly reverting its pre-fine rate.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹⁰ Specifically, the

⁷ See Securities Exchange Act Release No. 103991 (September 17, 2025), 90 FR 45435 (September 22, 2025) (SR-ISE-2025-25) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Lower the Options Regulatory Fee (ORF)).

⁸ The regulatory costs for options comprise a subset of the Exchange’s regulatory budget that is specifically related to options regulatory expenses and encompasses the cost to regulate all Participants’ options activity (“Options Regulatory Cost”).

⁹ See Options Trader Alert #2025 – 33.

¹⁰ 15 U.S.C. 78f(b).

Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act¹¹, which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its members, and other persons using its facilities. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹² requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Delay of Implementation

The Exchange's proposal to delay the implementation of SR-ISE-2025-20, with respect to the new ORF and methodology, to be effective on January 2, 2026, until July 1, 2026 and to remove the February 1, 2026 sunset date that would have allowed the Exchange to revert back to the prior ORF methodology and rate is consistent with the Act because it will provide market participants additional time to design, test and implement the new ORF and its methodology. The proposal to remove the sunset date is also consistent with the Act given the delay and anticipated industry commitment to implement the changes.

Amended ORF

The Exchange's proposal to maintain its current ORF methodology at a rate of \$0.0011 per contract side effective January 2, 2026, is consistent with the Act because it will allow ISE to collect rates under its current ORF with an adjusted rate given the Exchange is unable to proceed with the implementation of its new ORF and its methodology until July 1, 2026, which will allow ISE to offset a material portion of its Regulatory Cost under its existing authority until the new ORF is implemented on July 1, 2026. As noted herein, SR-ISE-2025-25, reduced the

¹¹ 15 U.S.C. 78f(b)(4).

¹² 15 U.S.C. 78f(b)(5).

amount of ORF collected by the Exchange from \$0.0013 to \$0.0003 per contract side, effective October 1, 2025, to account for certain fines. By lowering its ORF, ISE was able to ensure that revenue collected from the ORF, in combination with its other regulatory fees and fines, did not exceed Options Regulatory Costs. On January 2, 2026, ISE's ORF would have been amended once again as noted in SR-ISE-2025-20 implementing a new rate. The Exchange did not plan to delay the implementation and would otherwise have been collecting under the January 2, 2026 ORF rate if it were not for the delay. The Exchange notes that the proposed new rate of \$0.0011 is not the rate that was in effect prior to SR-ISE-2025-25, that rate was \$0.0013. Rather than reverting to the prior rate in effect on October 1, 2025, the Exchange is considering current options volume and only modestly reverting its pre-fine rate.

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 intra-market competition not necessary or appropriate in furtherance of the purposes of the Act. Rather than reverting to its October 1, 2025 rate, the Exchange would assess an ORF rate that represents a temporary modest increase to its current rate in light of current options volumes until it is able to implement the new ORF and methodology on July 1, 2026. No Participant would be subject to the new ORF and methodology until July 1, 2026. The Exchange is not substantively amending the proposed ORF by delaying its implementation.

The Exchange does not believe that the proposed modified rate reversion will impose any burden on intra-market competition not necessary or appropriate in furtherance of the purposes of the Act as the modified ORF rate for January 2, 2026 is intended to approximate a rate equivalent to its October 1, 2025 given current options volumes. The Exchange does not believe that the proposed rate reversion will impose any burden on inter-market competition not

necessary or appropriate in furtherance of the purposes of the Act as other options markets may amend their respective ORFs.

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.¹³ 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-2025-42 on the subject line.

¹³

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

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-2025-42. 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-2025-42 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.¹⁴

Sherry R. Haywood,

Assistant Secretary.

¹⁴

17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text is in brackets.

Nasdaq ISE, LLC Rules

* * * * *

Options Rules

* * * * *

Options 7 Pricing Schedule

* * * * *

Section 5. Legal & Regulatory

* * * * *

C. Options Regulatory Fee

As of [October 1, 2025]January 2, 2026, the ORF is [\$0.0003]\$0.0011 per contract side.
The Options Regulatory Fee (“ORF”) is assessed by ISE to each ISE Member for options transactions cleared by The Options Clearing Corporation (“OCC”) in the customer range where: (1) the execution occurs on ISE or (2) the execution occurs on another exchange and is cleared by an ISE Member. The ORF is collected by OCC on behalf of ISE from (1) ISE clearing members for all customer transactions they clear or (2) non-members for all customer transactions they clear that were executed on ISE. ISE uses reports from OCC when assessing and collecting ORF. The Exchange will notify Members via an Options Trader Alert of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

Effective [January 2, 2026]July 1, 2026, the ORF is \$0.0092 per contract side

The Options Regulatory Fee (“ORF”) is assessed by ISE for options transactions cleared by The Options Clearing Corporation (“OCC”) in the customer range for executions that occur on ISE. Specifically, the ORF is collected by OCC on behalf of ISE from ISE Members and non-Members for all customer transactions executed on ISE. The Exchange will notify Members via an Options Trader Alert of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

[The ORF will sunset on February 1, 2026 at which point the Exchange would revert back to the prior ORF methodology and rate of \$0.0013 per contract side.]

* * * * *