

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 52

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

File No. \* SR 2025 - \* 017

Amendment No. (req. for Amendments \*)

Filing by NASDAQ BX, Inc.

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

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
--	---	--	--	--	---

Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input checked="" type="checkbox"/> 19b-4(f)(6)		
-----------------------------------	--	--	--	--	--

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010  
Section 806(e)(1) \*

Section 806(e)(2) \*

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934  
Section 3C(b)(2) \*

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

**Description**

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

A proposal to establish "CORE FIX" as a new Order Entry Protocol on the Exchange, to amend Nasdaq BX Equity 4, Rules 4120, 4702, 4703, and 4757 to add the new CORE FIX protocol, and to align the Exchange rulebook's description of RPI Orders and Retail Orders with their current functionality.

**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 \* David Last Name \* Remus

Title \* Associate General Counsel

E-mail \* David.Remus@Nasdaq.com

Telephone \* (703) 785-5973 Fax

**Signature**

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

Date 08/26/2025


(Title \*)

By John 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: 2025.08.26  
11:39:49 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

Add Remove View

SR-BX-2025-017 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-BX-2025-017 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 \***

Add Remove View

--

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-BX-2025-017 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 BX, Inc. (“BX” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to establish “CORE FIX” as a new Order Entry Protocol (defined below) on the Exchange, to amend Nasdaq BX Equity 4, Rules 4120, 4702, 4703, and 4757<sup>3</sup> to add the new CORE FIX protocol, as described further below, and to align the Exchange rulebook’s description of RPI Orders and Retail Orders with their current functionality. The proposed amendments will not make any other substantive changes to the rules.

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

(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 of the Exchange (“Board”) on November 20, 2024. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

David Remus  
Associate General Counsel  
Nasdaq, Inc.  
David.Remus@nasdaq.com

---

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

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

<sup>3</sup> References herein to Nasdaq BX Rules in the 4000 Series shall mean Rules in Nasdaq BX Equity 4.

703-785-5973

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

a. Purpose

BX currently offers customers the ability to send orders to the Exchange via four Order<sup>4</sup> entry protocols: OUCH, RASH, FIX, and FLITE.<sup>5</sup> Due to differences in the technical designs and capabilities of these protocols, they offer market participants different functionalities and experiences with respect to order handling. That is, order handling behaviors on the Exchange and the speed at which those behaviors execute vary, in certain circumstances, depending upon

---

<sup>4</sup> The term “Order” means an instruction to trade a specified number of shares in a specified NMS stock submitted to the Nasdaq BX Equities Market by a customer. An “Order Type” is a standardized set of instructions associated with an Order that define how it will behave with respect to pricing, execution, and/or posting to the Exchange Book when submitted to the System (defined below). An “Order Attribute” is a further set of variable instructions that may be associated with an Order to further define how it will behave with respect to pricing, execution, and/or posting to the Exchange Book when submitted to the System. The available Order Types and Order Attributes, and the Order Attributes that may be associated with particular Order Types, are described in Nasdaq BX Rules 4702 and 4703. One or more Order Attributes may be assigned to a single Order; provided, however, that if the use of multiple Order Attributes would provide contradictory instructions to an Order, the System will reject the Order or remove non-conforming Order Attributes. See Nasdaq BX Equity 1, Section 1(a)(11).

<sup>5</sup> The OUCH Order entry protocol is a proprietary protocol that allows subscribers to quickly enter orders into the System and receive executions. OUCH accepts limit Orders from members, and if there are matching Orders, they will execute. Non-matching Orders are added to the Limit Order Book, a database of available limit Orders, where they are matched in price-time priority. OUCH only provides a method for members to send Orders and receive status updates on those Orders. See <https://www.nasdaqtrader.com/Trader.aspx?id=OUCH>. RASH (Routing and Special Handling) is a proprietary protocol that allows participants to enter Orders, cancel existing Orders and receive executions while providing smart order routing and special handling features. RASH also allows participants to use advanced functionality, including discretion, random reserve, pegging and routing. See <https://www.nasdaqtrader.com/Trader.aspx?id=RASH>. FIX is a vendor-neutral standard message protocol that defines an electronic message exchange for communicating securities transactions between two parties. The Exchange’s FIX implementation acts like a router, converting incoming FIX messages into OUCH messages and back again. See <https://www.nasdaqtrader.com/Trader.aspx?id=FIX> and [https://www.nasdaqtrader.com/content/ProductsServices/Trading/Protocols\\_quickref.pdf](https://www.nasdaqtrader.com/content/ProductsServices/Trading/Protocols_quickref.pdf). FIX Lite or “FLITE” is an Order entry protocol based on a subset of FIX. See <https://www.nasdaqtrader.com/Trader.aspx?id=FLITE> and [https://www.nasdaqtrader.com/content/ProductsServices/Trading/Protocols\\_quickref.pdf](https://www.nasdaqtrader.com/content/ProductsServices/Trading/Protocols_quickref.pdf).

the particular protocol that a participant chooses to utilize to enter its Orders<sup>6</sup> in connection with particular Order Types<sup>7</sup> and Order Attributes.<sup>8</sup>

In recent years, the Exchange acted to reduce variances in the behaviors and speeds of its Order entry protocols to improve the customer experience and increase the efficiency of sending Orders to the Exchange. For example, the OUCH Order entry protocol had been developed with simplicity in mind, and so it lacked certain advanced order handling capabilities. In 2022 the Exchange upgraded the OUCH Order entry protocol, infusing it with the advanced order handling abilities of RASH.<sup>9</sup>

The Exchange now proposes to amend Rule 4702(a) to introduce a new proprietary Order entry protocol named “CORE FIX,” that will bring to FIX similar advanced order handling capabilities and efficiencies that the Exchange previously brought to OUCH. CORE FIX will operate as a streamlined alternative to FIX for participants that utilize and appreciate the familiarity of coding for FIX, but do not utilize routing strategies. These participants will benefit from an improvement in performance associated with a new Order entry protocol that omits the routing capabilities from FIX, while still availing themselves of the advanced order handling behaviors that are available through OUCH. CORE FIX will allow participants to code to the standard FIX specifications, while gaining faster direct access to the Exchange along with the latest and most efficient order handling functionality that the Exchange has to offer.

---

<sup>6</sup> See Nasdaq BX Equity 1, Section 1(a)(11).

<sup>7</sup> An “Order Type” is a standardized set of instructions associated with an Order that define how it will behave with respect to pricing, execution, and/or posting to the Exchange Book when submitted to BX. See id.

<sup>8</sup> An “Order Attribute” is a further set of variable instructions that may be associated with an Order to further define how it will behave with respect to pricing, execution, and/or posting to the Exchange Book when submitted to the Exchange. See id.

<sup>9</sup> See Securities Exchange Act Release No. 95695 (Sept. 7, 2022), 87 FR 56122 (Sept. 13, 2022) (SR-BX-2022-015) (Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Equity 4, Rules 4120, 4702 and 4703).

CORE FIX will cater to the customer segment that currently uses FIX but does not use its routing capabilities. Using the same standardized protocol as FIX, but eliminating the intricate RASH-based software layer that provides for Order routing functionality, will streamline order handling behavior and improve Order latency relative to either FIX or RASH. However, the proposed amendments will not make any other substantive changes to the rule and order processing mechanism.

To accommodate the new Order entry protocol, the Exchange proposes to make changes to how limit-priced orders behave in the event of a regulatory halt. Currently, pursuant to Rule 4120(b)(1)(A)(i)(e)(2)(a), limit-priced orders entered via OUCH and not assigned a Managed Pegging, Discretionary, or Reserve Order Attribute will be repriced upon entry only if the Price Bands are such that the price of the limit-priced interest to buy (sell) would be above (below) the upper (lower) Price Band. The Exchange proposes to also apply this provision to limit-priced orders entered via the CORE FIX protocol. Currently, pursuant to Rule 4120(b)(1)(A)(i)(e)(2)(b), for limit-priced orders entered via OUCH if assigned a Managed Pegging, Discretionary, or Reserve Order Attribute, the order may be repriced by the System<sup>10</sup> multiple times if the Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the upper (lower) Price Band. The Exchange proposes to also apply this current provision to orders entered via the CORE FIX protocol.

The Exchange proposes to amend Rule 4702(a) to add CORE FIX to the list of order entry protocols available at the Exchange, and to specify that CORE FIX is an Exchange proprietary protocol. BX also proposes to amend various other provisions of Rule 4702 to

---

<sup>10</sup> The “System,” which is another term for the Nasdaq BX Equities Market, is the automated system for order execution and trade reporting owned and operated by the Exchange. See Nasdaq BX Equity 1, Section 1(a)(6).

provide that orders entered via CORE FIX will behave similarly to orders entered via OUCH for the following Order Types and Order Attributes:

- Price to Comply Order (Rule 4702(b)(1)):
  - If a Price to Comply Order is entered during Market Hours and the entered limit price of the order crossed a Protected Quotation and the NBBO changes so that the order could be displayed at a price at or closer to its entered limit price without locking or closing a Protected Quotation, the order may either remain on the Exchange Book unchanged or it may be cancelled back to the participant, depending on the participant's choice. If the entered limit price of the order would no longer lock a Protected Quotation, the order may either remain on the Exchange Book unchanged, it may be cancelled back to the participant, or it may be ranked and displayed at its original entered limit price, depending on the participant's choice. If the order is ranked and displayed at its original entered limit price, it will receive a new timestamp.
  - For a Price to Comply Order, the following Order Attributes will be available through CORE FIX:
    - Price
    - Size
    - Reserve Size
    - Time-in-Force other than IOC
    - Designation as an ISO
    - Primary Pegging and Market Pegging
    - Discretion

- Display (A Price to Comply Order is always displayed, although as provided above, it may also have a non-displayed price and/or Reserve Size)
- Trade Now
- Price to Display Order (Rule 4702(b)(2)):
  - If a Price to Display Order is entered during Market Hours and the entered limit price of the order locked or crossed a Protected Quotation and the NBBO changes so that the order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the order may either remain on the Exchange Book unchanged or it may be cancelled back to the participant depending on the participant's choice.
  - For a Price to Display Order, the following Order Attributes would be available through CORE FIX:
    - Price
    - Size
    - Reserve Size
    - A Time-in-Force other than IOC
    - Designation as an ISO
    - Primary Pegging and Market Pegging
    - Discretion
    - Attribution (All Price to Display Orders are Attributable Orders)

- Display (A Price to Display Order is always displayed (but may also have Reserve Size))
- Non-Displayed Order (Rule 4702(b)(3)):
  - If a Non-Displayed Order is entered during Market Hours and the original entered limit price of the order locked or crossed a Protected Quotation and the NBBO changes so that the order could be posted at a price at or closer to its original entered limit price without crossing a Protected Quotation, the order may either remain on the Exchange Book unchanged or it may be cancelled back to the participant, depending on the participant's choice. If, after the order is posted to the Exchange Book, the NBBO changes so that the order would cross a Protected Quotation, the order will be cancelled back to the participant. If, after a Non-Displayed Order is posted on the Exchange Book, the NBBO changes so that the order would cross a Protected Quotation, the order will be cancelled back to the participant.
  - For a Non-Displayed Order, the following Order Attributes would be available through CORE FIX:
    - Price
    - Size
    - Minimum Quantity
    - Time-in-Force
    - Designation as an ISO
    - Primary Pegging and Market Pegging
    - Pegging to the Midpoint

- Discretion
- Trade Now
- Post-Only Order (Rule 4702(b)(4)):
  - If a Post-Only Order is entered during Market Hours and the original entered limit price of the order locked or crossed a Protected Quotation, the order may be adjusted as follows:
    - In the case of a Non-Attributable<sup>11</sup> Post-Only Order that crossed a Protected Quotation, if the NBBO changed so that the order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the order may either remain on the Exchange Book unchanged or it may be cancelled back to the participant, depending on the participant's choice.
    - In the case of a Non-Attributable Post-Only Order that locked a Protected Quotation, if the limit price would no longer lock a Protected Quotation, the order may either remain on the Exchange Book unchanged, it may be cancelled back to the participant, or it may be ranked and displayed at its original entered limit price, depending on the participant's choice. If the order is displayed at its original entered limit price, it will receive a new timestamp.

---

<sup>11</sup> Attribution is an Order Attribute that permits a participant to designate that the price and size of the Order will be displayed next to the participant's MPID in market data disseminated by the Exchange. An Order with Attribution is referred to as an "Attributable Order" and an Order without attribution is referred to as a "Non-Attributable Order." BX Rule 4703(i). An MPID is a market participant identifier assigned to each participant in the Exchange. BX Equity 1, Section 1(a)(15).

- In the case of an Attributable Post-Only Order that locked or crossed a Protected Quotation, if the NBBO changed so that the order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the order may either remain on the Exchange Book or it may be cancelled back to the participant, depending on the participant's choice.
- During System Hours, if the original limit price of the order locked or crossed a displayed order on the Exchange Book and the Exchange Book changes so that the original entered limit price would no longer lock or cross an order on the Exchange Book, the order may either remain on the Exchange Book unchanged or it may be cancelled back to the participant, depending on the participant's choice.
- For a Post-Only Order, the following Order Attributes would be available through CORE FIX:
  - Price
  - Size
  - Time-in-Force
  - Designation as an ISO
  - Attribution
  - Display (A Post-Only Order is always displayed, although it may also have a non-displayed price)

- For a Retail Price Improving Order (“RPI Order”) (Rule 4702(b)(5)),<sup>12</sup> the following Order Attributes would be available through CORE FIX:
  - Price
  - Size
  - A Time-in-Force other than IOC
  - Primary Pegging
  - Non-Display (All RPI Orders are Non-Displayed)
- Market Maker Peg Orders (Rule 4702(b)(7)), and all their available Order Attributes, would also be entered through CORE FIX, just as they can currently be entered through OUCH, RASH, or FIX. This order type’s behavior will be identical whether the order is transmitted via CORE FIX, OUCH, RASH, or FIX.

Rule 4703 would be amended to specify that the following Order Attributes will interact with orders entered through CORE FIX in these specified ways:

- Orders with Primary Pegged, Market Pegged, and Managed Midpoint Order Attributes (collectively, “Peg Managed Orders”) will be available through CORE FIX (Rule 4307(d)).
- An order with a Minimum Quantity Order Attribute (Rule 4307(e)) entered through CORE FIX may have a minimum quantity condition of any size of at least one round lot.
- An order with a Reserve Size Order Attribute (Rule 4307(h)) with a displayed size of an odd lot entered through CORE FIX will be rejected.

---

<sup>12</sup> Additional changes to Rule 4702(b)(5) are described below.

- When entered through CORE FIX, the Trade Now Order Attribute (Rule 4307(l)) may be enabled on an order-by-order or a port-level basis.

The Exchange proposes to amend Rule 4757(a)(A)(3) to give participants using CORE FIX the ability to assign orders entered through a specific order entry port a unique group identification modifier that will prevent quotes/orders with such modifier from executing against each other.

The Exchange also proposes to amend BX Rule 4702(b)(5)(B)<sup>13</sup>, which governs RPI Orders, so that the rule reflects that the Midpoint Pegging Order Attribute is not currently available on RPI Orders. Likewise, the Exchange proposes to amend this same rule to reflect that the Primary Pegging Order Attribute for RPI Orders is currently also available through OUCH, and that, as described above, this attribute will be available through CORE FIX, as well. The Exchange also proposes to amend this rule so that it accurately reflects both the current and proposed<sup>14</sup> repricing functionality of the RPI Order, which is similar to the repricing functionality for Non-Display Orders (BX Rule 4702(b)(3)), modified to reflect that, unlike Non-Display Orders, RPI Orders cannot have a routing Order Attribute. Therefore, the repricing functionality of RPI Orders will be as follows:

- If an RPI Order is entered through RASH or FIX during Market Hours, the order may be adjusted in the following manner after initial entry and posting to the Exchange Book:

---

<sup>13</sup> BX Rule 4702(b)(5)(B) is being redesignated in this filing as BX Rule 4702(b)(5)(C).

<sup>14</sup> In this instance, the current functionality refers to the functionality associated with orders entered through the existing order entry protocols (i.e.: RASH, FIX, OUCH, and FLITE). The proposed functionality refers to functionality associated with orders entered through CORE FIX.

- If the original entered limit price of the order is higher than the Best Offer (for an order to buy) or lower than the Best Bid (for an order to sell) and the NBBO moves toward the original entered limit price of the order, the price of the order will be adjusted repeatedly in accordance with changes in the NBBO. The order may be repriced repeatedly in this manner, receiving a new timestamp each time its price is changed, until the order is posted at its original entered limit price. The order will not thereafter be repriced, except as provided below with respect to crossing a Protected Quotation.
- If, after being posted to the Exchange Book, the NBBO changes so that the RPI Order would cross a Protected Quotation, the order will be repriced at a price that would lock the new NBBO and receive a new timestamp. The order may be repriced and receive a new timestamp repeatedly.
- If an RPI Order is entered through CORE FIX, OUCH, or FLITE during Market Hours, the order may be adjusted in the following manner after initial entry and posting to the Exchange Book:
  - If the original entered limit price of the order locked or crossed a Protected Quotation and the NBBO changes so that the order could be posted at a price at or closer to its original entered limit price without crossing a Protected Quotation, the order may either remain on the Exchange Book unchanged or it may be cancelled back to the participant, depending on the participant's choice.

- If, after an order is posted to the Exchange Book, the NBBO changes so that the order would cross a Protected Quotation, the order will be cancelled back to the participant.

Lastly, the Exchange is proposing to amend BX Rule 4702(b)(6), which governs Retail Orders, so that the rule accurately reflects that the Midpoint Pegging Order Attribute is not currently available for Retail Orders.

The Exchange will announce the implementation date of the new CORE FIX functionalities in an Equity Trader Alert at least 30 days prior to implementation. A present, the Exchange expects that the new CORE FIX functionality will be ready for full implementation in October 2025, although that time frame is subject to change.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>15</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>16</sup> in particular, in that it is designed 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.

As a preliminary matter, the Exchange notes that this proposal is not novel. Earlier this year The Nasdaq Stock Market LLC made similar changes to its rulebook to establish CORE FIX on its equities market.<sup>17</sup> The CORE FIX functionality under Nasdaq Equity 4, Nasdaq Rules

---

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

<sup>16</sup> 15 U.S.C. 78f(b)(5).

<sup>17</sup> See Securities Exchange Act Release No. 102661 (Mar. 13, 2025), 90 FR 12858 (Mar. 19, 2025) (Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Equity 4, Rules 4120, 4702 4703, and 4757).

4120, 4702, 4703, and 4757 is substantially similar to the CORE FIX functionality proposed by BX in the present filing.

It is consistent with the Act to amend the rulebook to reflect upgrades to the Exchange's Order entry protocols. The introduction of CORE FIX is consistent with the Act because it will offer members a new optional order entry protocol that will be both more capable and efficient than the existing FIX protocol. CORE FIX will combine into a single protocol many of the most popular features of the FIX protocol (such as the ability to code to its specifications) and the OUCH protocol (such as its advanced order handling capabilities), while omitting routing capabilities, which many customers do not require. CORE FIX will utilize the Exchange's System to directly process advanced order handling instructions, rather than going through the RASH architecture layer, which FIX does currently to facilitate order routing. This design feature will render CORE FIX faster than FIX and on par with OUCH. Those participants that wish to route orders can continue to utilize existing protocols for that purpose.

The Exchange's proposal to amend its Rule governing the Limit Up-Limit Down Mechanism (Rule 4120(b)(1)(A)(i)(e)(2)), enumerating the protocols available at the Exchange (Rule 4702(a)), Price to Comply Order (Rule 4702(b)(1)), Price to Display Order (Rule 4702(b)(2)), Non-Displayed Order (Rule 4702(b)(3)), Post-Only Rule (Rule 4702(b)(4)), RPI Order (Rule 4702(b)(5)), Retail Order (Rule 4702(b)(6)), Market Maker Peg Order (Rule 4702(b)(7)), Order Attributes (Rule 4703), and Book Processing (Rule 4757(a)(A)(3)) is consistent with the Act because these specific amendments do nothing more than align CORE FIX's capability to handle certain Order Types and Order Attributes in a way that is similar to OUCH.

Additionally, this proposal will promote just and equitable principles of trade by modernizing and streamlining the Exchange's order entry protocols so that members who are not looking to route orders will no longer need to sacrifice functionality for speed, or vice versa, when sending orders to the Exchange.

Finally, this proposal is consistent with the Act and is designed to promote just and equitable principles of trade because it ensures that the rulebook accurately reflects the Order Attributes available for Retail Orders, and the repricing functionality and availability of Order Attributes for RPI Orders. There are already multiple Order Types that do not offer midpoint pegging, so the unavailability of this Order Attribute for a particular Order Type is not novel. Clarifying in the rulebook that this Order Attribute is not available for Retail Orders will help market participants choose the most appropriate Order Type to achieve their trading objectives. Similarly, the existing repricing functionality for RPI Orders is substantially similar to that of Non-Displayed Orders—the only difference being that RPI Orders, unlike Non-Displayed Orders, do not route away from the Exchange. Thus, clarifying that the repricing functionality of these two order types is nearly identical will help market participants to decide which of the two order types better fits their trading objectives.

#### 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 competition not necessary or appropriate in furtherance of the purposes of the Act. As a general principle, the proposed changes are reflective of the significant competition among exchanges and non-exchange venues for order flow. In this regard, proposed changes that facilitate enhancements to the Exchange's System and Order entry protocols, as well as those that amend and clarify the Exchange's Rules regarding its Order Types and Order Attributes, are pro-competitive because they bolster the efficiency, functionality, and overall attractiveness of the

Exchange in an absolute sense and relative to its peers. Moreover, none of the proposed changes will unduly burden intra-market competition among various Exchange participants. Participants will experience no competitive impact from its proposals, as these proposals will restate and reorganize portions of the Rule to reflect the capabilities of CORE FIX, as well as resolve certain discrepancies between the current behavior of certain Order Types and Order Attributes and what is currently in the rulebook.

5. 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.

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)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)<sup>18</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>19</sup> in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

As noted above, the proposal is not novel, as it brings to the Exchange functionality that The Nasdaq Stock Market LLC added to its rulebook earlier this year.<sup>20</sup> Additionally, the

---

<sup>18</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>19</sup> 17 CFR 240.19b-4(f)(6).

<sup>20</sup> See Securities Exchange Act Release No. 102661 (Mar. 13, 2025), 90 FR 12858 (Mar. 19, 2025) (Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Equity 4, Rules 4120, 4702 4703, and 4757).

proposed changes do not significantly affect the protection of investors or the public interest; instead, they will further the interests of investors and the public by, among other things, catering to the customer segment that currently uses FIX but does not use its routing capabilities. And doing so in a way that will streamline order handling behavior, improve order latency relative to either FIX or RASH, and enhance the overall protocol ecosystem by giving FIX users the option to target their orders directly and leave RASH as a routing protocol primarily. Also, ensuring that the rulebook accurately reflects the existing attributes available for Retail Orders will clarify to market participants that Midpoint Pegging is not available when using this order type. Likewise, ensuring that the rulebook accurately reflects the existing attributes and repricing functionality of RPI Orders, which are characterized by having a Non-Display Order Attribute, will clarify to market participants that this non-displayed order type behaves very similarly to another order type available on the Exchange, which is the Non-Displayed Order Type. Moreover, the proposed changes will not impose any significant or undue burden on competition to the extent that they serve these purposes.

Furthermore, Rule 19b-4(f)(6)(iii)<sup>21</sup> requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

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

---

<sup>21</sup> 17 CFR 240.19b-4(f)(6)(iii).

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

As noted above, earlier this year The Nasdaq Stock Market LLC made similar changes to its rulebook to establish CORE FIX on its equities market.<sup>22</sup> The CORE FIX functionality under Nasdaq Equity 4, Nasdaq Rules 4120, 4702, 4703, and 4757 is substantially similar to the CORE FIX functionality proposed by BX in the present filing.

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.

---

<sup>22</sup> See Securities Exchange Act Release No. 102661 (Mar. 13, 2025), 90 FR 12858 (Mar. 19, 2025) (Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Equity 4, Rules 4120, 4702 4703, and 4757).

**EXHIBIT 1****SECURITIES AND EXCHANGE COMMISSION****[Release No. 34 ; File No. SR-BX-2025-017]****Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Add the CORE FIX Order Entry Protocol and to Amend Nasdaq BX Equity 4, Rules 4120, 4702, 4703, and 4757**

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 26, 2025, Nasdaq BX, Inc. (“BX” 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 establish “CORE FIX” as a new Order Entry Protocol (defined below) on the Exchange, to amend Nasdaq BX Equity 4, Rules 4120, 4702, 4703, and 4757 to add the new CORE FIX protocol, as described further below, and to align the Exchange rulebook’s description of RPI Orders and Retail Orders with their current functionality. The proposed amendments will not make any other substantive changes to the rules.

---

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

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

The text of the proposed rule change is available on the Exchange's Website at <https://listingcenter.nasdaq.com/rulebook/bx/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

BX currently offers customers the ability to send orders to the Exchange via four Order<sup>3</sup> entry protocols: OUCH, RASH, FIX, and FLITE.<sup>4</sup> Due to differences in the technical designs

---

<sup>3</sup> The term "Order" means an instruction to trade a specified number of shares in a specified NMS stock submitted to the Nasdaq BX Equities Market by a customer. An "Order Type" is a standardized set of instructions associated with an Order that define how it will behave with respect to pricing, execution, and/or posting to the Exchange Book when submitted to the System (defined below). An "Order Attribute" is a further set of variable instructions that may be associated with an Order to further define how it will behave with respect to pricing, execution, and/or posting to the Exchange Book when submitted to the System. The available Order Types and Order Attributes, and the Order Attributes that may be associated with particular Order Types, are described in Nasdaq BX Rules 4702 and 4703. One or more Order Attributes may be assigned to a single Order; provided, however, that if the use of multiple Order Attributes would provide contradictory instructions to an Order, the System will reject the Order or remove non-conforming Order Attributes. See Nasdaq BX Equity 1, Section 1(a)(11).

<sup>4</sup> The OUCH Order entry protocol is a proprietary protocol that allows subscribers to quickly enter orders into the System and receive executions. OUCH accepts limit Orders from members, and if there are matching Orders, they will execute. Non-matching Orders are added to the Limit Order Book, a database of available limit Orders, where they are matched in price-time priority. OUCH only provides a method for members to send Orders and receive status updates on those Orders. See <https://www.nasdaqtrader.com/Trader.aspx?id=OUCH>. RASH (Routing and Special Handling) is a proprietary protocol that allows participants to enter Orders, cancel existing Orders and receive executions while providing smart order routing and special handling features. RASH also allows participants to use advanced functionality, including discretion, random reserve, pegging and routing. See

and capabilities of these protocols, they offer market participants different functionalities and experiences with respect to order handling. That is, order handling behaviors on the Exchange and the speed at which those behaviors execute vary, in certain circumstances, depending upon the particular protocol that a participant chooses to utilize to enter its Orders<sup>5</sup> in connection with particular Order Types<sup>6</sup> and Order Attributes.<sup>7</sup>

In recent years, the Exchange acted to reduce variances in the behaviors and speeds of its Order entry protocols to improve the customer experience and increase the efficiency of sending Orders to the Exchange. For example, the OUCH Order entry protocol had been developed with simplicity in mind, and so it lacked certain advanced order handling capabilities. In 2022 the Exchange upgraded the OUCH Order entry protocol, infusing it with the advanced order handling abilities of RASH.<sup>8</sup>

The Exchange now proposes to amend Rule 4702(a) to introduce a new proprietary Order entry protocol named “CORE FIX,” that will bring to FIX similar advanced order handling capabilities and efficiencies that the Exchange previously brought to OUCH. CORE FIX will

---

<https://www.nasdaqtrader.com/Trader.aspx?id=RASH>. FIX is a vendor-neutral standard message protocol that defines an electronic message exchange for communicating securities transactions between two parties. The Exchange’s FIX implementation acts like a router, converting incoming FIX messages into OUCH messages and back again. See <https://www.nasdaqtrader.com/Trader.aspx?id=FIX> and [https://www.nasdaqtrader.com/content/ProductsServices/Trading/Protocols\\_quickref.pdf](https://www.nasdaqtrader.com/content/ProductsServices/Trading/Protocols_quickref.pdf). FIX Lite or “FLITE” is an Order entry protocol based on a subset of FIX. See <https://www.nasdaqtrader.com/Trader.aspx?id=FLITE> and [https://www.nasdaqtrader.com/content/ProductsServices/Trading/Protocols\\_quickref.pdf](https://www.nasdaqtrader.com/content/ProductsServices/Trading/Protocols_quickref.pdf).

<sup>5</sup> See Nasdaq BX Equity 1, Section 1(a)(11).

<sup>6</sup> An “Order Type” is a standardized set of instructions associated with an Order that define how it will behave with respect to pricing, execution, and/or posting to the Exchange Book when submitted to BX. See *id.*

<sup>7</sup> An “Order Attribute” is a further set of variable instructions that may be associated with an Order to further define how it will behave with respect to pricing, execution, and/or posting to the Exchange Book when submitted to the Exchange. See *id.*

<sup>8</sup> See Securities Exchange Act Release No. 95695 (Sept. 7, 2022), 87 FR 56122 (Sept. 13, 2022) (SR-BX-2022-015) (Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Equity 4, Rules 4120, 4702 and 4703).

operate as a streamlined alternative to FIX for participants that utilize and appreciate the familiarity of coding for FIX, but do not utilize routing strategies. These participants will benefit from an improvement in performance associated with a new Order entry protocol that omits the routing capabilities from FIX, while still availing themselves of the advanced order handling behaviors that are available through OUCH. CORE FIX will allow participants to code to the standard FIX specifications, while gaining faster direct access to the Exchange along with the latest and most efficient order handling functionality that the Exchange has to offer.

CORE FIX will cater to the customer segment that currently uses FIX but does not use its routing capabilities. Using the same standardized protocol as FIX, but eliminating the intricate RASH-based software layer that provides for Order routing functionality, will streamline order handling behavior and improve Order latency relative to either FIX or RASH. However, the proposed amendments will not make any other substantive changes to the rule and order processing mechanism.

To accommodate the new Order entry protocol, the Exchange proposes to make changes to how limit-priced orders behave in the event of a regulatory halt. Currently, pursuant to Rule 4120(b)(1)(A)(i)(e)(2)(a), limit-priced orders entered via OUCH and not assigned a Managed PEGGING, Discretionary, or Reserve Order Attribute will be repriced upon entry only if the Price Bands are such that the price of the limit-priced interest to buy (sell) would be above (below) the upper (lower) Price Band. The Exchange proposes to also apply this provision to limit-priced orders entered via the CORE FIX protocol. Currently, pursuant to Rule 4120(b)(1)(A)(i)(e)(2)(b), for limit-priced orders entered via OUCH if assigned a Managed

Pegging, Discretionary, or Reserve Order Attribute, the order may be repriced by the System<sup>9</sup> multiple times if the Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the upper (lower) Price Band. The Exchange proposes to also apply this current provision to orders entered via the CORE FIX protocol.

The Exchange proposes to amend Rule 4702(a) to add CORE FIX to the list of order entry protocols available at the Exchange, and to specify that CORE FIX is an Exchange proprietary protocol. BX also proposes to amend various other provisions of Rule 4702 to provide that orders entered via CORE FIX will behave similarly to orders entered via OUCH for the following Order Types and Order Attributes:

- Price to Comply Order (Rule 4702(b)(1)):
  - If a Price to Comply Order is entered during Market Hours and the entered limit price of the order crossed a Protected Quotation and the NBBO changes so that the order could be displayed at a price at or closer to its entered limit price without locking or closing a Protected Quotation, the order may either remain on the Exchange Book unchanged or it may be cancelled back to the participant, depending on the participant's choice. If the entered limit price of the order would no longer lock a Protected Quotation, the order may either remain on the Exchange Book unchanged, it may be cancelled back to the participant, or it may be ranked and displayed at its original entered limit price, depending on the participant's choice. If the order is ranked and displayed at its original entered limit price, it will receive a new timestamp.

---

<sup>9</sup> The "System," which is another term for the Nasdaq BX Equities Market, is the automated system for order execution and trade reporting owned and operated by the Exchange. See Nasdaq BX Equity 1, Section 1(a)(6).

- For a Price to Comply Order, the following Order Attributes will be available through CORE FIX:
  - Price
  - Size
  - Reserve Size
  - Time-in-Force other than IOC
  - Designation as an ISO
  - Primary Pegging and Market Pegging
  - Discretion
  - Display (A Price to Comply Order is always displayed, although as provided above, it may also have a non-displayed price and/or Reserve Size)
  - Trade Now
- Price to Display Order (Rule 4702(b)(2)):
  - If a Price to Display Order is entered during Market Hours and the entered limit price of the order locked or crossed a Protected Quotation and the NBBO changes so that the order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the order may either remain on the Exchange Book unchanged or it may be cancelled back to the participant depending on the participant's choice.
  - For a Price to Display Order, the following Order Attributes would be available through CORE FIX:

- Price
  - Size
  - Reserve Size
  - A Time-in-Force other than IOC
  - Designation as an ISO
  - Primary Pegging and Market Pegging
  - Discretion
  - Attribution (All Price to Display Orders are Attributable Orders)
  - Display (A Price to Display Order is always displayed (but may also have Reserve Size))
- Non-Displayed Order (Rule 4702(b)(3)):
    - If a Non-Displayed Order is entered during Market Hours and the original entered limit price of the order locked or crossed a Protected Quotation and the NBBO changes so that the order could be posted at a price at or closer to its original entered limit price without crossing a Protected Quotation, the order may either remain on the Exchange Book unchanged or it may be cancelled back to the participant, depending on the participant's choice. If, after the order is posted to the Exchange Book, the NBBO changes so that the order would cross a Protected Quotation, the order will be cancelled back to the participant. If, after a Non-Displayed Order is posted on the Exchange Book, the NBBO changes so that the order would cross a Protected Quotation, the order will be cancelled back to the participant.

- For a Non-Displayed Order, the following Order Attributes would be available through CORE FIX:
  - Price
  - Size
  - Minimum Quantity
  - Time-in-Force
  - Designation as an ISO
  - Primary Pegging and Market Pegging
  - Pegging to the Midpoint
  - Discretion
  - Trade Now
- Post-Only Order (Rule 4702(b)(4)):
  - If a Post-Only Order is entered during Market Hours and the original entered limit price of the order locked or crossed a Protected Quotation, the order may be adjusted as follows:
    - In the case of a Non-Attributable<sup>10</sup> Post-Only Order that crossed a Protected Quotation, if the NBBO changed so that the order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the order may

---

<sup>10</sup> Attribution is an Order Attribute that permits a participant to designate that the price and size of the Order will be displayed next to the participant's MPID in market data disseminated by the Exchange. An Order with Attribution is referred to as an "Attributable Order" and an Order without attribution is referred to as a "Non-Attributable Order." BX Rule 4703(i). An MPID is a market participant identifier assigned to each participant in the Exchange. BX Equity 1, Section 1(a)(15).

either remain on the Exchange Book unchanged or it may be cancelled back to the participant, depending on the participant's choice.

- In the case of a Non-Attributable Post-Only Order that locked a Protected Quotation, if the limit price would no longer lock a Protected Quotation, the order may either remain on the Exchange Book unchanged, it may be cancelled back to the participant, or it may be ranked and displayed at its original entered limit price, depending on the participant's choice. If the order is displayed at its original entered limit price, it will receive a new timestamp.
- In the case of an Attributable Post-Only Order that locked or crossed a Protected Quotation, if the NBBO changed so that the order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the order may either remain on the Exchange Book or it may be cancelled back to the participant, depending on the participant's choice.
- During System Hours, if the original limit price of the order locked or crossed a displayed order on the Exchange Book and the Exchange Book changes so that the original entered limit price would no longer lock or cross an order on the Exchange Book, the order may either remain on the Exchange Book unchanged or it may be cancelled back to the participant, depending on the participant's choice.
- For a Post-Only Order, the following Order Attributes would be available through CORE FIX:

- Price
  - Size
  - Time-in-Force
  - Designation as an ISO
  - Attribution
  - Display (A Post-Only Order is always displayed, although it may also have a non-displayed price)
- For a Retail Price Improving Order (“RPI Order”) (Rule 4702(b)(5)),<sup>11</sup> the following Order Attributes would be available through CORE FIX:
    - Price
    - Size
    - A Time-in-Force other than IOC
    - Primary Pegging
    - Non-Display (All RPI Orders are Non-Displayed)
  - Market Maker Peg Orders (Rule 4702(b)(7)), and all their available Order Attributes, would also be entered through CORE FIX, just as they can currently be entered through OUCH, RASH, or FIX. This order type’s behavior will be identical whether the order is transmitted via CORE FIX, OUCH, RASH, or FIX.

Rule 4703 would be amended to specify that the following Order Attributes will interact with orders entered through CORE FIX in these specified ways:

---

<sup>11</sup> Additional changes to Rule 4702(b)(5) are described below.

- Orders with Primary Pegged, Market Pegged, and Managed Midpoint Order Attributes (collectively, “Peg Managed Orders”) will be available through CORE FIX (Rule 4307(d)).
- An order with a Minimum Quantity Order Attribute (Rule 4307(e)) entered through CORE FIX may have a minimum quantity condition of any size of at least one round lot.
- An order with a Reserve Size Order Attribute (Rule 4307(h)) with a displayed size of an odd lot entered through CORE FIX will be rejected.
- When entered through CORE FIX, the Trade Now Order Attribute (Rule 4307(l)) may be enabled on an order-by-order or a port-level basis.

The Exchange proposes to amend Rule 4757(a)(A)(3) to give participants using CORE FIX the ability to assign orders entered through a specific order entry port a unique group identification modifier that will prevent quotes/orders with such modifier from executing against each other.

The Exchange also proposes to amend BX Rule 4702(b)(5)(B)<sup>12</sup>, which governs RPI Orders, so that the rule reflects that the Midpoint Pegging Order Attribute is not currently available on RPI Orders. Likewise, the Exchange proposes to amend this same rule to reflect that the Primary Pegging Order Attribute for RPI Orders is currently also available through OUCH, and that, as described above, this attribute will be available through CORE FIX, as well. The Exchange also proposes to amend this rule so that it accurately reflects both the current and

---

<sup>12</sup> BX Rule 4702(b)(5)(B) is being redesignated in this filing as BX Rule 4702(b)(5)(C).

proposed<sup>13</sup> repricing functionality of the RPI Order, which is similar to the repricing functionality for Non-Display Orders (BX Rule 4702(b)(3)), modified to reflect that, unlike Non-Display Orders, RPI Orders cannot have a routing Order Attribute. Therefore, the repricing functionality of RPI Orders will be as follows:

- If an RPI Order is entered through RASH or FIX during Market Hours, the order may be adjusted in the following manner after initial entry and posting to the Exchange Book:
  - If the original entered limit price of the order is higher than the Best Offer (for an order to buy) or lower than the Best Bid (for an order to sell) and the NBBO moves toward the original entered limit price of the order, the price of the order will be adjusted repeatedly in accordance with changes in the NBBO. The order may be repriced repeatedly in this manner, receiving a new timestamp each time its price is changed, until the order is posted at its original entered limit price. The order will not thereafter be repriced, except as provided below with respect to crossing a Protected Quotation.
  - If, after being posted to the Exchange Book, the NBBO changes so that the RPI Order would cross a Protected Quotation, the order will be repriced at a price that would lock the new NBBO and receive a new timestamp. The order may be repriced and receive a new timestamp repeatedly.

---

<sup>13</sup> In this instance, the current functionality refers to the functionality associated with orders entered through the existing order entry protocols (i.e.: RASH, FIX, OUCH, and FLITE). The proposed functionality refers to functionality associated with orders entered through CORE FIX.

- If an RPI Order is entered through CORE FIX, OUCH, or FLITE during Market Hours, the order may be adjusted in the following manner after initial entry and posting to the Exchange Book:
  - If the original entered limit price of the order locked or crossed a Protected Quotation and the NBBO changes so that the order could be posted at a price at or closer to its original entered limit price without crossing a Protected Quotation, the order may either remain on the Exchange Book unchanged or it may be cancelled back to the participant, depending on the participant's choice.
  - If, after an order is posted to the Exchange Book, the NBBO changes so that the order would cross a Protected Quotation, the order will be cancelled back to the participant.

Lastly, the Exchange is proposing to amend BX Rule 4702(b)(6), which governs Retail Orders, so that the rule accurately reflects that the Midpoint Pegging Order Attribute is not currently available for Retail Orders.

The Exchange will announce the implementation date of the new CORE FIX functionalities in an Equity Trader Alert at least 30 days prior to implementation. A present, the Exchange expects that the new CORE FIX functionality will be ready for full implementation in October 2025, although that time frame is subject to change.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>14</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>15</sup> in particular, in that it is designed 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.

As a preliminary matter, the Exchange notes that this proposal is not novel. Earlier this year The Nasdaq Stock Market LLC made similar changes to its rulebook to establish CORE FIX on its equities market.<sup>16</sup> The CORE FIX functionality under Nasdaq Equity 4, Nasdaq Rules 4120, 4702, 4703, and 4757 is substantially similar to the CORE FIX functionality proposed by BX in the present filing.

It is consistent with the Act to amend the rulebook to reflect upgrades to the Exchange's Order entry protocols. The introduction of CORE FIX is consistent with the Act because it will offer members a new optional order entry protocol that will be both more capable and efficient than the existing FIX protocol. CORE FIX will combine into a single protocol many of the most popular features of the FIX protocol (such as the ability to code to its specifications) and the OUCH protocol (such as its advanced order handling capabilities), while omitting routing capabilities, which many customers do not require. CORE FIX will utilize the Exchange's System to directly process advanced order handling instructions, rather than going through the RASH architecture layer, which FIX does currently to facilitate order routing. This design

---

<sup>14</sup> 15 U.S.C. 78f(b).

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

<sup>16</sup> See Securities Exchange Act Release No. 102661 (Mar. 13, 2025), 90 FR 12858 (Mar. 19, 2025) (Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Equity 4, Rules 4120, 4702 4703, and 4757).

feature will render CORE FIX faster than FIX and on par with OUCH. Those participants that wish to route orders can continue to utilize existing protocols for that purpose.

The Exchange's proposal to amend its Rule governing the Limit Up-Limit Down Mechanism (Rule 4120(b)(1)(A)(i)(e)(2)), enumerating the protocols available at the Exchange (Rule 4702(a)), Price to Comply Order (Rule 4702(b)(1)), Price to Display Order (Rule 4702(b)(2)), Non-Displayed Order (Rule 4702(b)(3)), Post-Only Rule (Rule 4702(b)(4)), RPI Order (Rule 4702(b)(5)), Retail Order (Rule 4702(b)(6)), Market Maker Peg Order (Rule 4702(b)(7)), Order Attributes (Rule 4703), and Book Processing (Rule 4757(a)(A)(3)) is consistent with the Act because these specific amendments do nothing more than align CORE FIX's capability to handle certain Order Types and Order Attributes in a way that is similar to OUCH.

Additionally, this proposal will promote just and equitable principles of trade by modernizing and streamlining the Exchange's order entry protocols so that members who are not looking to route orders will no longer need to sacrifice functionality for speed, or vice versa, when sending orders to the Exchange.

Finally, this proposal is consistent with the Act and is designed to promote just and equitable principles of trade because it ensures that the rulebook accurately reflects the Order Attributes available for Retail Orders, and the repricing functionality and availability of Order Attributes for RPI Orders. There are already multiple Order Types that do not offer midpoint pegging, so the unavailability of this Order Attribute for a particular Order Type is not novel. Clarifying in the rulebook that this Order Attribute is not available for Retail Orders will help market participants choose the most appropriate Order Type to achieve their trading objectives. Similarly, the existing repricing functionality for RPI Orders is substantially similar to that of

Non-Displayed Orders—the only difference being that RPI Orders, unlike Non-Displayed Orders, do not route away from the Exchange. Thus, clarifying that the repricing functionality of these two order types is nearly identical will help market participants to decide which of the two order types better fits their trading objectives.

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. As a general principle, the proposed changes are reflective of the significant competition among exchanges and non-exchange venues for order flow. In this regard, proposed changes that facilitate enhancements to the Exchange’s System and Order entry protocols, as well as those that amend and clarify the Exchange’s Rules regarding its Order Types and Order Attributes, are pro-competitive because they bolster the efficiency, functionality, and overall attractiveness of the Exchange in an absolute sense and relative to its peers. Moreover, none of the proposed changes will unduly burden intra-market competition among various Exchange participants. Participants will experience no competitive impact from its proposals, as these proposals will restate and reorganize portions of the Rule to reflect the capabilities of CORE FIX, as well as resolve certain discrepancies between the current behavior of certain Order Types and Order Attributes and what is currently in the rulebook.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition;

and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>17</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>18</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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](mailto:rule-comments@sec.gov). Please include file number SR-BX-2025-017 on the subject line.

---

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>18</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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-BX-2025-017. 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-BX-2025-017 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

---

<sup>19</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

Deleted text is [bracketed]. New text is underlined.

**NASDAQ BX, INC. RULES****EQUITY 4 EQUITY TRADING RULES**

\* \* \* \* \*

**4120. Limit Up-Limit Down Plan and Trading Halts**

(a) No change.

**(b) Regulatory Halts**

(1) Authority to Implement a Regulatory Halt

(A) The Exchange shall implement a Regulatory Halt in the following circumstances, as applicable:

(i) Implementing a Trading Pause Declared by a Primary Listing Market Pursuant to the Limit Up-Limit Down Mechanism.

a. – d. No change.

e. Repricing and Cancellation of Interest. Exchange systems shall reprice and/or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. Any interest that is repriced pursuant to this Rule shall receive a new time stamp and new execution priority.

1. No change.

2. Limit-priced Interest. Both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be repriced to the Upper (Lower) Price Band.

a) For limit-priced orders entered via the OUCH or CORE FIX protocols, which are not assigned a Managed Pegging, Discretionary, or Reserve

Order Attribute, the order shall be repriced upon entry only if the Price Bands are such that the price of the limit-priced interest to buy (sell) would be above (below) the upper (lower) Price Band. Once slid:

(i) – (ii) No change.

b) For limit-priced orders entered via RASH or FIX protocols, or via the OUCH or CORE FIX protocols if assigned a Managed Pegging, Discretionary, or Reserve Order Attribute, the order shall be eligible to be repriced by the system multiple times if the Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the upper (lower) Price Band. Once slid, if the Price Bands again move such that the price of resting limit interest to buy (sell) would be below (above) the upper (lower) Price Band the order will continue to be repriced either to its original limit price or to the new price bands, whichever is less aggressive.

3. – 6. No change.

\* \* \* \* \*

#### **4702. Order Types.**

(a) Participants may express their trading interest in the Nasdaq BX Equities Market by entering Orders. The Nasdaq BX Equities Market offers a range of Order Types that behave in the manner specified for each particular Order Type. Each Order Type may be assigned certain Order Attributes that further define its behavior. All Order Types and Order Attributes operate in a manner that is reasonably designed to comply with the requirements of Rules 610 and 611 under Regulation NMS. Each Order must designate whether it is to effect a buy, a long sale, a short sale, or an exempt short sale.

The Exchange maintains several communications protocols for Participants to use in entering Orders and sending other messages to the System:

- OUCH is an Exchange proprietary protocol.
- RASH is an Exchange proprietary protocol.
- FLITE is an Exchange proprietary protocol.
- CORE FIX is an Exchange propriety protocol.
- FIX is a non-proprietary protocol.

Except where otherwise stated, all protocols are available for all Order Types and Order Attributes.

\* \* \* \* \*

(b) Except where stated otherwise, the following Order Types are available to all Participants:

(1)

(A) No change.

(B) If a Price to Comply Order is entered through RASH or FIX, during Market Hours the price of the Price to Comply Order will be adjusted in the following manner after initial entry and posting to the Exchange Book (unless the Order is assigned a Routing Order Attribute that would cause it to be routed to another market center rather than remaining on the Exchange Book):

\* \* \* \* \*

If a Price to Comply Order is entered through CORE FIX, OUCH or FLITE, during Market Hours the price of the Price to Comply Order may be adjusted in the following manner after initial entry and posting to the Exchange Book:

- If the entered limit price of the Price to Comply Order crossed a Protected Quotation and the NBBO changes so that the Price to Comply Order could be displayed at a price at or closer to its entered limit price without locking or crossing a Protected Quotation, the Price to Comply Order may either remain on the Exchange Book unchanged or may be cancelled back to the Participant, depending on its choice. For example, if a Price to Comply Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be ranked at a non-displayed price of \$11 but will be displayed at \$10.99. If the Best Offer changes to \$11.01, the Order will not be repriced, but rather will either remain with a displayed price of \$10.99 but ranked at a non-displayed price of \$11 or be cancelled back to the Participant, depending on its choice. A Participant's choice with regard to maintaining the Price to Comply Order or cancelling it is set in advance for each port through which the Participant enters Orders.
- If the entered limit price of the Price to Comply Order locked a Protected Quotation, the price of the Price to Comply Order will be adjusted after initial entry only as follows. If the entered limit price would no longer lock a Protected Quotation, the Price to Comply Order may either remain on the Exchange Book unchanged, may be cancelled back to the Participant, or may be ranked and displayed at its original entered limit price, depending on the Participant's choice. For example, if a Price to Comply Order to buy at \$11 would lock a Protected Offer of \$11, the Price to Comply Order will be ranked at a non-displayed price of \$11 but will be displayed at \$10.99. If the Best Offer changes to \$11.01, the Price to Comply Order may either remain with a displayed price of \$10.99 but ranked at a non-displayed price of \$11, be cancelled back to the Participant, or be ranked and displayed at \$11, depending on the Participant's choice. A Participant's choice with regard to maintaining the Price to Comply Order, cancelling it, or allowing it to be displayed is set in advance for each port through which the Participant enters

Orders. If the Price to Comply Order is ranked and displayed at its original entered limit price, it will receive a new timestamp, and will not thereafter be adjusted under this paragraph (B).

(C) The following Order Attributes may be assigned to a Price to Comply Order:

- Price. As described above, the price of the Order may be adjusted to avoid locking or crossing a Protected Quotation, and may include a displayed price as well as a non-displayed price.
- Size.
- Reserve Size (available through CORE FIX, OUCH, RASH and FIX only).
- A Time-in-Force other than IOC. (A Price to Comply Order entered with a Time-in-Force of IOC would be processed as a Non-Displayed Order with a Time-in-Force of IOC).
- Designation as an ISO. In accordance with Regulation NMS, a Price to Comply Order designated as an ISO would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Price to Comply Order would lock or cross.
- Routing (available through RASH and FIX only).
- Primary Pegging and Market Pegging (available through CORE FIX, OUCH, RASH and FIX only).
- Discretion (available through CORE FIX, OUCH, RASH and FIX only).
- Display. A Price to Comply Order is always displayed, although as provided above, it may also have a non-displayed price and/or Reserve Size.
- Trade Now (available through CORE FIX, OUCH, RASH, FLITE and FIX).

(2)

(A) No change.

(B) If a Price to Display Order is entered through RASH or FIX, during Market Hours the Price to Display Order may be adjusted in the following manner after initial entry and posting to the Exchange Book (unless the Order is assigned a Routing Order Attribute that would cause it to be routed to another market center rather than remaining on the Exchange Book):

\* \* \* \* \*

If a Price to Display Order is entered through CORE FIX, OUCH or FLITE, during Market Hours the Price to Display Order may be adjusted in the following manner after initial entry and posting to the Exchange Book:

- If the entered limit price of the Price to Display Order locked or crossed a Protected Quotation and the NBBO changes so that the Price to Display Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Price to Display Order may either remain on the Exchange Book unchanged or may be cancelled back to the Participant, depending on the Participant's choice. For example, if a Price to Display Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be ranked and displayed at \$10.99. If the Best Offer changes to \$11.01, the Price to Display Order will not be repriced, but rather will either remain at its current price or be cancelled back to the Participant, depending on its choice. A Participant's choice with regard to maintaining the Price to Display Order or cancelling it is set in advance for each port through which the Participant enters Orders.

(C) The following Order Attributes may be assigned to a Price to Display Order:

- Price. As described above, the price of the Order may be adjusted to avoid locking or crossing a Protected Quotation.
- Size.
- Reserve Size (available through CORE FIX, OUCH, RASH and FIX only).
- A Time-in-Force other than IOC. (A Price to Display Order entered with a Time-in-Force of IOC would be processed as a Non-Displayed Order with a Time-in-Force of IOC).
- Designation as an ISO. In accordance with Regulation NMS, a Price to Display Order designated as an ISO would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Price to Display Order would lock or cross.
- Routing (available through RASH and FIX only).
- Primary Pegging and Market Pegging (available through CORE FIX, OUCH, RASH and FIX only).
- Discretion (available through CORE FIX, OUCH, RASH and FIX only).
- Attribution. All Price to Display Orders are Attributable Orders.

- Display. A Price to Display Order is always displayed (but may also have Reserve Size).

(3)

(A) No change.

(B) If a Non-Displayed Order is entered through RASH or FIX, during Market Hours the Non-Displayed Order may be adjusted in the following manner after initial entry and posting to the Exchange Book (unless the Order is assigned a Routing Order Attribute that would cause it to be routed to another market center rather than remaining on the Exchange Book):

\* \* \* \* \*

If a Non-Displayed Order is entered through CORE FIX, OUCH or FLITE, during Market Hours the Non-Displayed Order may be adjusted in the following manner after initial entry and posting to the Exchange Book:

- If the original entered limit price of the Non-Displayed Order locked or crossed a Protected Quotation and the NBBO changes so that the Non-Displayed Order could be posted at a price at or closer to its original entered limit price without crossing a Protected Quotation, the Non-Displayed Order may either remain on the Exchange Book unchanged or may be cancelled back to the Participant, depending on its choice. For example, if a Non-Displayed Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be priced at \$11. If the Best Offer changes to \$11.01, the Order will not be repriced, but rather will either remain at its current \$11 price or be cancelled back to the Participant, depending on its choice. A Participant's choice with regard to maintaining the Non-Displayed Order or cancelling it is set in advance for each port through which the Participant enters Orders.

- If, after a Non-Displayed Order is posted to the Exchange Book, the NBBO changes so that the Non-Displayed Order would cross a Protected Quotation, the Non-Displayed Order will be cancelled back to the Participant. For example, if a Non-Displayed Order to buy at \$11 would lock a Protected Offer of \$11, the Non-Displayed Order will be posted at \$11. If the Best Offer then changes to \$10.99, the Non-Displayed Order will be cancelled back to the Participant.

(C) The following Order Attributes may be assigned to a Non-Displayed Order:

- Price. As described above, the price of the Order may be adjusted to avoid crossing a Protected Quotation.
- Size.

- Minimum Quantity.
- Time-in-Force.
- Designation as an ISO. In accordance with Regulation NMS, a Non-Displayed Order designated as an ISO would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Non-Displayed Order would cross. As discussed above, a Non-Displayed Order would be accepted at a price that locked a Protected Quotation, even if the Order was not designated as an ISO, because the non-displayed nature of the Order allows it to lock a Protected Quotation under Regulation NMS. Accordingly, the System would not interpret receipt of a Non-Displayed Order marked ISO that locked a Protected Quotation as the basis for determining that the Protected Quotation had been executed for purposes of accepting additional Orders at that price level.
- Routing (available through RASH and FIX only).
- Primary Pegging and Market Pegging (available through CORE FIX, OUCH, RASH and FIX only).
- Pegging to the Midpoint (see Rule 4703(d) with respect to differences in behavior that occurs in various scenarios involving Non-Displayed Orders with Midpoint Pegging).
- Discretion (available through CORE FIX, OUCH, RASH and FIX only).
- Trade Now (available through CORE FIX, OUCH, RASH, FLITE and FIX).

(4)

(A) No change.

(B) If a Post-Only Order is entered through RASH or FIX, during System Hours the Post-Only Order may be adjusted in the following manner after initial entry and posting to the Exchange Book:

\* \* \* \* \*

If a Post-Only Order is entered through CORE FIX, OUCH or FLITE, the Post-Only Order may be adjusted in the following manner after initial entry and posting to the Exchange Book:

- During Market Hours, if the original entered limit price of the Post-Only Order locked or crossed a Protected Quotation, the Post-Only Order may be adjusted after initial entry in the same manner as a Price to Comply Order (or a Price to Display Order, if it is Attributable). Thus, in the case of a Non-Attributable Post-Only Order that crossed a Protected Quotation, if the NBBO changed so that the Post-Only Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Post-Only Order may either remain on the Exchange Book unchanged or may be cancelled back to the Participant, depending on its choice. In the case of a Non-Attributable Post-Only Order that locked a Protected Quotation, if the limit price would no longer lock a Protected Quotation, the Post-Only Order may either remain on the Exchange Book unchanged, may be cancelled back to the Participant, or may be ranked and displayed at its original entered limit price, depending on the Participant's choice, and will not thereafter be adjusted under this paragraph (B). If the Post-Only Order is displayed at its original entered limit price, it will receive a new timestamp. Finally, in the case of an Attributable Post-Only Order that locked or crossed a Protected Quotation, if the NBBO changed so that the Post-Only Order could be ranked and displayed at a price at or closer to its original entered limit price without locking or crossing a Protected Quotation, the Post-Only Order may either remain on the Exchange Book unchanged or may be cancelled back to the Participant, depending on the Participant's choice. A Participant's choice with regard to adjustment of Post-Only Orders is set in advance for each port through which the Participant enters Orders.

- During System Hours, if the original entered limit price of the Post-Only Order locked or crossed a displayed Order on the Exchange Book and the Exchange Book changes so that the original entered limit price would no longer lock or cross an Order on the Exchange Book, the Post-Only Order may either remain on the Exchange Book unchanged or may be cancelled back to the Participant, depending on the Participant's choice. For example, if a Post-Only Order to buy at \$0.98 would lock a displayed Order on the Exchange Book priced at \$0.98, the Post-Only Order will be ranked and displayed at \$0.9799. If the Order at \$0.98 is cancelled or executed, the Post-Only Order may either remain with a displayed price of \$0.9799 or be cancelled back to the Participant, depending on the Participant's choice. A Participant's choice with regard to maintaining the Post-Only Order or cancelling it is set in advance for each port through which the Participant enters Orders.

(C) The following Order Attributes may be assigned to a Post-Only Order:

- Price. As described above, the price of the Order may be adjusted to avoid locking or crossing a Protected Quotation, and may include a displayed price as well as a non-displayed price.

- Size.
- Time-in-Force; provided, however, that a Post-Only Order with a Time-in-Force of IOC may not be entered through RASH or FIX.
- Designation as an ISO. In accordance with Regulation NMS, a Post-Only Order designated as an ISO that locked or crossed a Protected Quotation would be processed at its entered limit price, since such a designation reflects a representation by the Participant that it has simultaneously routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Post-Only Order would lock or cross. However, as described above, a Post-Only Order designated as an ISO that locked or crossed an Order on the Exchange Book would either execute at time of entry, post at its limit price, or would have its price adjusted prior to posting. Accordingly, the System would not interpret receipt of a Post-Only Order marked ISO that had its price adjusted prior to posting as the basis for determining that any Protected Quotation at the Order's original entered limit price level had been executed for purposes of accepting additional Orders at that price level. However, if the Post-Only Order is ranked and displayed at its adjusted price, the System would consider the adjusted price level to be open for purposes of accepting additional Orders at that price level. For example, assume that there is a Protected Offer at \$0.98 and a Participant enters a Post-Only Order marked ISO to buy at \$0.98. If there are no Orders to sell at \$0.98 on the Exchange Book, the Order to buy will be displayed and ranked at \$0.98, since the designation of the Order as an ISO reflects the Participant's representation that it has routed one or more additional limit orders, as necessary, to execute against the full displayed size of any Protected Quotations that the Post-Only Order would lock or cross. However, if there was also a displayed Order to sell at \$0.98 on the Exchange Book, the Post-Only Order may be repriced, ranked, and displayed at \$0.9799. In that case, the mere fact that the Post-Only Order was designated as an ISO would not allow the Exchange to conclude that the \$0.98 price level was "open" for receiving orders to buy at that price; the \$0.98 price level would be considered open only if market data received by the System demonstrated that the Protected Offer at \$0.98 had been removed or if a subsequent Displayed Order marked ISO was received and ranked at that price.
- Attribution.
- Display. A Post-Only Order is always displayed, although as provided above, may also have a non-displayed price.

(5)

(A) No change.

(B) If an RPI Order is entered through RASH or FIX, during Market Hours the RPI Order may be adjusted in the following manner after initial entry and posting to the Exchange Book:

• If the original entered limit price of an RPI Order is higher than the Best Offer (for an Order to buy) or lower than the Best Bid (for an Order to sell) and the NBBO moves toward the original entered limit price of the RPI Order, the price of the RPI Order will be adjusted repeatedly in accordance with changes to the NBBO. For example, if an RPI Order to buy at \$11.02 would cross a Protected Offer of \$11, the RPI Order will be priced and posted at \$11. If the Best Offer then changes to \$11.01, the price of the RPI Order will be changed to \$11.01. The Order may be repriced repeatedly in this manner, receiving a new timestamp each time its price is changed, until the RPI Order is posted at its original entered limit price. The RPI Order will not thereafter be repriced under this paragraph (B), except as provided below with respect to crossing a Protected Quotation.

• If, after being posted to the Exchange Book, the NBBO changes so that the RPI Order would cross a Protected Quotation, the RPI Order will be repriced at a price that would lock the new NBBO and receive a new timestamp. For example, if an RPI Order to buy at \$11 would lock a Protected Offer of \$11, the RPI Order will be posted at \$11. If the Best Offer then changes to \$10.99, the RPI Order will be repriced at \$10.99, receiving a new timestamp. The RPI Order may be repriced and receive a new timestamp repeatedly.

If an RPI Order is entered through CORE FIX, OUCH or FLITE, during Market Hours the RPI Order may be adjusted in the following manner after initial entry and posting to the Exchange Book:

• If the original entered limit price of the RPI Order locked or crossed a Protected Quotation and the NBBO changes so that the RPI Order could be posted at a price at or closer to its original entered limit price without crossing a Protected Quotation, the RPI Order may either remain on the Exchange Book unchanged or may be cancelled back to the Participant, depending on its choice. For example, if an RPI Order to buy at \$11.02 would cross a Protected Offer of \$11, the Order will be priced at \$11. If the Best Offer changes to \$11.01, the Order will not be repriced, but rather will either remain at its current \$11 price or be cancelled back to the Participant, depending on its choice. A Participant's choice with regard to maintaining the RPI Order or cancelling it is set in advance for each port through which the Participant enters Orders.

• If, after an RPI Order is posted to the Exchange Book, the NBBO changes so that the RPI Order would cross a Protected Quotation, the RPI Order will be cancelled back to the Participant. For example, if an RPI Order to buy at \$11 would lock a Protected Offer of \$11, the RPI Order will be posted at

\$11. If the Best Offer then changes to \$10.99, the RPI Order will be cancelled back to the Participant.

(C) The following Order Attributes may be assigned to an RPI Order:

- Price. The price of an RPI Order must be at least \$0.001 better than the NBBO in order to execute.
- Size.
- A Time-in-Force other than IOC.
- Primary Pegging (available through CORE FIX, OUCH, RASH and FIX only).
- [• Midpoint Pegging (available through RASH and FIX only).]
- Non-Display. All RPI Orders are Non-Displayed.

(6)

(A) No change.

(B) The following Order Attributes may be assigned to a Retail Order:

- Price.
- Size.
- A Time-in-Force of IOC.
- Routing (available through RASH or FIX only).
- [• Midpoint Pegging (available through RASH or FIX only).]
- Non-Display. All Retail Orders are Non-Displayed.

(7)

(A) A "Market Maker Peg Order" is an Order Type designed to allow a Market Maker to maintain a continuous two-sided quotation at a displayed price that is compliant with the quotation requirements for Market Makers set forth in Equity 2, Section 5(a)(2). The displayed price of the Market Maker Peg Order is set with reference to a "Reference Price" in order to keep the displayed price of the Market Maker Peg Order within a bounded price range. A Market Maker Peg Order may be entered through CORE FIX, OUCH, RASH or FIX only. A Market Maker Peg Order must be entered with a limit price beyond which the Order may not be priced. The Reference Price for a Market Maker Peg Order to buy (sell) is the then-current National Best Bid (National Best Offer), including BX, or if no such

National Best Bid or National Best Offer, the most recent reported last-sale eligible trade from the responsible single plan processor for that day, or if none, the previous closing price of the security as adjusted to reflect any corporate actions (e.g., dividends or stock splits) in the security.

\* \* \* \* \*

(B) No change.

#### **4703. Order Attributes**

As described in Rule 4702, the following Order Attributes may be assigned to those Order Types for which they are available.

(a) – (c) No change.

(d) Pegging. Pegging is an Order Attribute that allows an Order to have its price automatically set with reference to the NBBO; provided, however, that if the Exchange is the sole market center at the Best Bid or Best Offer (as applicable), then the price of any Displayed Order with Primary Pegging (as defined below) will be set with reference to the highest bid or lowest offer disseminated by a market center other than the Exchange. An Order with a Pegging Order Attribute may be referred to as a "Pegged Order." For purposes of this rule, the price to which an Order is pegged will be referred to as the Inside Quotation, the Inside Bid, or the Inside Offer, as appropriate. There are three varieties of Pegging:

\* \* \* \* \*

Primary Pegged, Market Pegged, and Managed Midpoint Orders (collectively, "Peg Managed Orders") are available through CORE FIX, OUCH, RASH, and FIX only.

\* \* \* \* \*

(e) Minimum Quantity. Minimum Quantity is an Order Attribute that allows a Participant to provide that an Order will not execute unless a specified minimum quantity of shares can be obtained. An Order with a Minimum Quantity Order Attribute may be referred to as a "Minimum Quantity Order." For example, a Participant could enter an Order with a Size of 1000 shares and specify a Minimum Quantity of 500 shares.

\* \* \* \* \*

Upon entry, an Order with a Minimum Quantity Order Attribute must have a size of at least one round lot. An Order entered through CORE FIX, OUCH or FLITE may have a minimum quantity condition of any size of at least one round lot. An Order entered through RASH or FIX must have a minimum quantity of one round lot or any multiple thereof, and a mixed lot minimum quantity condition will be rounded down to the nearest round lot. In the event that the shares remaining in the size of an Order with a Minimum Quantity Order Attribute following a partial execution thereof are less than the minimum quantity specified by the Participant entering the Order, the minimum quantity value of the Order will be reduced to the number of shares

remaining. An Order with a Minimum Quantity Order Attribute may not be displayed; if a Participant marks an Order with both a Minimum Quantity Order Attribute and a Display Order Attribute, the System will accept the Order but will give a Time-in-Force of IOC, regardless of the Time-in-Force marked by the Participant. An Order marked with a Minimum Quantity Order Attribute and a Routing Order Attribute will be rejected.

(f) – (g) No change.

(h) Reserve Size. Reserve Size is an Order Attribute that permits a Participant to stipulate that an Order Type that is displayed may have its displayed size replenished from additional non-displayed size. An Order with Reserve Size may be referred to as a "Reserve Order." At the time of entry, the displayed size of such an Order selected by the Participant must be one or more normal units of trading; an Order with a displayed size of a mixed lot will be rounded down to the nearest round lot. A Reserve Order with displayed size of an odd lot: (i) entered using CORE FIX or OUCH will be rejected; or (ii) entered using RASH or FIX will be accepted but with the full size of the Order displayed. Reserve Size is not available for Orders that are not displayed; provided, however, that if a Participant enters Reserve Size for a Non-Displayed Order, the full size of the Order, including Reserve Size, will be processed as a Non- Displayed Order.

\* \* \* \* \*

(i) – (k) No change.

(l) Trade Now. Trade Now is an Order Attribute that allows a resting Order that is locked or crossed, as applicable, at its non-displayed price by the posted price of an incoming Displayed Order or another Order or Orders (where such locking or crossing Order(s) or the order with Trade Now satisfies a Minimum Quantity condition) to execute against a locking or crossing Order(s) as a liquidity taker automatically when such Orders become marketable. Any remaining shares of the resting Order will remain posted on the BX Book with the same priority.

- When entered through the CORE FIX, OUCH, RASH, or FIX protocols, the Trade Now Order Attribute may be enabled on an order-by-order or a port-level basis. When entered through FLITE, the Trade Now Order Attribute may be enabled on a port-level basis for all Order Types that support it, and for the Non-Displayed Order Type, also on an order-by-order basis.

\* \* \* \* \*

#### **4757. Book Processing**

Orders on the Exchange Book shall be presented for execution against incoming Orders in the order set forth below:

(a) Execution Algorithm - Price/Display/Time. The System shall present Orders on the Exchange Book for execution against incoming Order in accordance with a price/display/time algorithm:

(A) Price. Better priced Orders will be presented for execution first. For example, an Order on the Exchange Book to buy at \$10.00 will be ranked ahead of an Order to buy at \$9.99.

(1) – (2) No change.

(3) Exception: Anti-Internalization - Market participants may direct that quotes/orders entered into the System not execute against quotes/orders entered under the same MPID or quotes/orders entered across MPIDs under Common Ownership. \* Market participants that demonstrate (i) membership on the Exchange through which they directly submit orders to the System and (ii) participation as a Sponsored Participant whereby they submit orders to the System through Sponsored Access, may also direct that quotes/orders entered into the System directly as a Member not execute against quotes/orders submitted as a Sponsored Participant. In addition, market participants using the CORE FIX or OUCH order entry protocol may assign to orders entered through a specific order entry port a unique group identification modifier that will prevent quotes/orders with such modifier from executing against each other.

\* \* \* \* \*

(b) – (d) No change.

\*For purposes of Equity 4, Rule 4757, the term "Common Ownership" shall mean participants under 75% common ownership or control.

\* \* \* \* \*