

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103766; File No. SR-GEMX-2025-23]

## **Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend GEMX Options 3, Sections 7 and 9**

August 22, 2025.

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 15, 2025, Nasdaq GEMX, LLC (“GEMX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items II and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

### **I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange proposes to amend Options 3, Section 7, Types of Orders and Order and Quote Protocols, and Options 3, Section 9, Trading Halts.

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/gemx/rulefilings> and at the principal office of the Exchange.

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

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend Options 3, Section 7, Types of Orders and Order and Quote Protocols, and Options 3, Section 9, Trading Halts.

The Exchange proposes to amend Options 3, Section 7(v) to lowercase "Block Order" which is not capitalized in Options 3, Section 11(a). The Exchange also proposes to amend Options 3, Section 7(w) to lowercase "Facilitation Order" which is not capitalized in Options 3, Section 11(b) and to add the term "paired" as a descriptive term to signify that a facilitation order is a two-sided order. The addition of the term "paired" will distinguish a Block Order, which is not two-sided, from a paired facilitation order. Finally, the Exchange proposes to amend Options 3, Section 7(x) to lowercase "SOM Order" which is not capitalized in Options 3, Section 11(d) and also include the term "paired" to distinguish this two-sided auction. The addition of the term "paired" will distinguish a Block Order, which is not two-sided, from a paired SOM order.

The Exchange proposes to amend Options 3, Section 9(a)(2) to note that "During a halt, existing auction orders and auction responses, as well as Crossing Orders, are rejected." Today, the GEMX System will cancel auction orders, auction responses and Crossing Orders during a

trading halt. This sentence is being added to make clear the current System behavior. Phlx has similar rule text in Options 3, Section 9(f).<sup>3</sup>

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>4</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>5</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.

The Exchange's proposal to amend Options 3, Section 7(v) to lowercase "Block Order," and amend Options 3, Section 7(w) and (x) to lowercase "Facilitation Order" and "SOM Order" and add the term "paired," are non-substantive amendments that are intended to provide consistency between these defined terms and the use of these terms in Options 3, Section 11(a), (b) and (d).

The Exchange's proposal to amend Options 3, Section 9(a)(2) to note that "During a halt, existing auction orders and auction responses, as well as Crossing Orders, are rejected" is consistent with the Act because during a halt the System will not execute any auction orders, auction responses and Crossing Orders received during a trading halt as that interest will most likely become stale. This amendment represents the System's current operation. The proposed

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<sup>3</sup> Phlx Options 3, Section 9(f) provides, that during a halt, the Exchange will maintain existing orders on the book (but not existing quotes), except as noted in Options 5, Section 4, accept orders and quotes, and process cancels. During a halt, existing quotes are cancelled and auction orders and auction responses, as well as Crossing Orders, are rejected. GEMX's current rule text at Options 3, Section 9(a)(2) addresses the cancellation of quotes during a trading halt in the last sentence, but does not address the treatment of auction orders, auction responses and Crossing Orders during a trading halt.

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

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

rule text makes clear the treatment of auction orders, auction responses and Crossing Orders during a trading halt.

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.

The Exchange's proposal to amend Options 3, Section 7(v) to lowercase "Block Order," and amend Options 3, Section 7(w) and (x) to lowercase "Facilitation Order" and "SOM Order" and add the term "paired" does not impose any burden on intramarket or intermarket competition because the proposed changes are non-substantive amendments that are intended to provide consistency between these defined terms and the use of these terms in Options 3, Section 11(a), (b) and (d).

The Exchange's proposal to amend Options 3, Section 9(a)(2) does not impose any burden on intramarket competition because the Exchange will cancel existing auction orders, auction responses and Crossing Orders for all Members. The Exchange's proposal to amend Options 3, Section 9(a)(2) does not impose any burden on intermarket competition because the amendment represents the System's current operation and Phlx treats auction orders, auction responses, and Crossing Orders in a similar manner during a trading halt.<sup>6</sup>

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.

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<sup>6</sup> See supra note 3.

### 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>7</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>8</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

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<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>8</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.

SR-GEMX-2025-23 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-GEMX-2025-23. 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-GEMX-2025-23 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>9</sup>

**Vanessa A. Countryman,**  
*Secretary.*

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<sup>9</sup> 17 CFR 200.30-3(a)(12).