

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106386; File No. SR-GEMX-2026-32]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Options 2, Section 3, Appointment of Market Makers

September 15, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 2, 2026, Nasdaq GEMX, LLC (“GEMX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend Options 2, Section 3, Appointment of Market Makers.

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.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 2, Section 3, Appointment of Market Makers, at paragraph (b) to change the current requirement that a Primary Market Maker ("PMM")³ shall be appointed to each options class traded on the Exchange. The Exchange proposes instead to state that a PMM **may** be appointed to each options class traded on the Exchange. The proposed amendment would replace a mandatory requirement to appoint a PMM to every options class with a permissive standard, affording the Exchange the flexibility to determine, based on prevailing market conditions and the availability of qualified applicants, whether a PMM appointment is appropriate for a particular options class.

Today, there are a number of Competitive Market Makers ("CMMs")⁴ on GEMX that would continue to provide liquidity in the absence of a PMM appointment under this proposal. CMMs are subject to continuous quoting and other market making obligations set forth in Options 2, Section 4 (Obligations of Market Makers), and are required to provide two-sided quotations in 60% of the series in each of the option classes to which they are appointed pursuant to the quoting requirements of Options 2, Section 5 (Market Maker Quotations). CMMs are also not capped in number and may actively quote in a broad range of option classes.

³ The term "Primary Market Maker" means a Member that is approved to exercise trading privileges associated with PMM Rights. See Options 1, Section 1(b)(35).

⁴ The term "Competitive Market Maker" means a Member that is approved to exercise trading privileges associated with CMM Rights. See Options 1, Section 1(b)(12).

The proposed amendment aligns GEMX’s rule with Nasdaq Phlx LLC (“Phlx”) Options 2, Section 12(a)⁵ which expressly permits, but does not require, Phlx to designate a Lead Market Maker for a particular options series. In addition, until July 2026, The Nasdaq Options Market LLC (“NOM”) did not adopt rules for a class of market maker similar to a PMM. NOM operated its markets for nearly twenty years without such a category of market maker. The Exchange believes that the current mandatory standard is not necessary to protect investors or to ensure a fair and orderly market on GEMX. Options classes traded on the Exchange vary widely in their liquidity profiles, order flow, and level of market maker interest. Circumstances may arise in which no eligible Member seeks or is well-suited for a PMM appointment in a particular options class, or in which appointing a PMM is not economically viable for any prospective applicant. The Exchange will monitor instances in which a PMM is not fulfilling its obligations or is not in good standing and will seek to replace it with another qualified PMM. In those cases, the mandatory standard in the current rule provides no operable path forward. A permissive standard would enable the Exchange to determine, on a class-by-class basis, whether a PMM appointment serves the interests of the market and the investing public.

The proposed change is not intended to, and would not, alter the substantive obligations or privileges of a PMM once appointed. A PMM appointed to an options class would remain subject to the full set of obligations set forth in GEMX Options 2, Sections 3, 4, and 5, including the Valid Width Quote requirement during the Options Opening Process in Options 3, Section 8, and the 90% two-sided quoting obligation on an intra-day basis. The Exchange further notes that CMMs are available to provide liquidity in options classes traded on the Exchange, and the appointment of a PMM is not a prerequisite for maintaining a fair and orderly market in any

⁵ Phlx Options 2, Section 12(a) provides that a Lead Market Maker is not required to be assigned to an options series. A Lead Market Maker on Phlx is analogous to a Primary Market Maker on GEMX.

given class. In options classes for which no PMM is appointed, quoting and liquidity provision would proceed pursuant to the CMM framework in Options 2, Sections 4 (Obligations of Market Makers) and 5 (Market Maker Quotations).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁷ 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 proposed amendment to Options 2, Section 3(b) protects investors and the public interest and promotes just and equitable principles of trade because CMMs will continue to provide liquidity on the Exchange. There are a number of CMMs on GEMX that would continue to provide liquidity in the absence of a PMM appointment under this proposal. CMMs are subject to continuous quoting and other market making obligations set forth in Options 2, Section 4 (Obligations of Market Makers), and are required to provide two-sided quotations in 60% of the series in each of the option classes to which they are appointed pursuant to the quoting requirements of Options 2, Section 5 (Market Maker Quotations). CMMs are also not capped in number and may actively quote in a broad range of option classes. Further, the amendment affords the Exchange the flexibility to determine whether the appointment of a PMM

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

is appropriate in a given options class, rather than requiring the Exchange to appoint a PMM in every class irrespective of market conditions or applicant availability.⁸

The proposed permissive standard is substantively identical to the framework already in place on Phlx, which provides at Options 2, Section 12(a) that a Lead Market Maker “is not required to be assigned to an options series.” Finally, the proposed change does not reduce or otherwise modify the obligations of a PMM. As a result, the proposal enhances the Exchange’s administrative flexibility with respect to PMM appointments while preserving all of the substantive market-quality protections that flow from a PMM’s obligations. For the foregoing reasons, the Exchange believes that the proposal is consistent with the Act.

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 that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change would apply uniformly to all Members that seek or hold PMM appointments on GEMX. Further, the Exchange notes that there is competition among CMMs who are required to provide two-sided quotations in 60% of the series in each of the option classes to which they are appointed pursuant to the quoting requirements of Options 2, Section 5 (Market Maker Quotations).

Members currently appointed as PMMs will retain their appointments and will continue to be subject to the same obligations and eligible for the same entitlements. Members seeking

⁸ The Exchange notes that not every Market Maker is eligible to be a PMM. A Market Maker may not be in good standing or may not have superior technology to handle the demands of additional quoting obligations (90% versus 60%) as described in Options 2, Section 5.

new PMM appointments will continue to be evaluated under the same standards set forth in Options 2, Section 3. The proposal does not favor any Member or class of Members over another, and it does not modify the rights or obligations of CMMs.

The Exchange does not believe the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change would harmonize GEMX Options 2, Section 3(b) with the analogous framework on Phlx.⁹ In addition, affording the Exchange greater flexibility to administer its PMM program may allow the Exchange to compete more effectively for order flow with other options markets.

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

No written comments were either solicited or received.

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

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 Act¹⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹¹

⁹ See Phlx Options 2, Section 12(a).

¹⁰ 15 U.S.C. 78s(b)(3)(A)(iii).

¹¹ 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.

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. Please include file number SR-GEMX-2026-32 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-2026-32. 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-2026-32 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.¹²

Sherry R. Haywood,

Assistant Secretary.

¹² 17 CFR 200.30-3(a)(12).