

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105876; File No. SR-BOX-2026-16]

## **Self-Regulatory Organizations; BOX Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Fee Schedule for Trading on the BOX Options Market LLC Facility to Establish the ORF Rate Under the New Methodology for Assessment and Collection of the ORF**

July 10, 2026.

Pursuant to Section 19(b)(1) under the Securities Exchange Act of 1934 (the “Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 2, 2026, BOX Exchange LLC (the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission. 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 the Substance of the Proposed Rule Change**

The Exchange is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the Fee Schedule to establish the ORF rate under the new methodology for assessment and collection of ORF for transactions that occur on the Exchange.

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

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

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

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

The text of the proposed rule change is available from the principal office of the Exchange, and also on the Exchange's Internet website at <https://rules.boxexchange.com/rulefilings>.

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 Section II. (Regulatory Fees) of the Fee Schedule to establish the ORF rate under the new On-Exchange ORF methodology.<sup>5</sup> With this proposal, the ORF rate under the new methodology will be \$0.0220 per contract side. With this proposal, the Exchange will endeavor to ensure that the revenue generated from ORF will not exceed 70% of options regulatory cost. As is the case today, the Exchange will notify Participants via a Notice of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change. In this case, the Exchange issued a Regulatory Notice on May 28, 2026, indicating the proposed rate change for July 1, 2026.<sup>6</sup> The Exchange also proposes to amend Section II.

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<sup>5</sup> The Exchange initially filed the proposed change on June 29, 2026 (SR-BOX-2026-15). On July 2, 2026, the Exchange withdrew SR-BOX-2026-15 and replaced it with the instant filing.

<sup>6</sup> See Notice 2026-043, available at: <https://boxexchange.com/assets/Notice-2026-043-Options-Regulatory-Fee-Announcement.pdf>.

(Regulatory Fees) of the Fee Schedule to delete the text providing, “The ORF is not assessed on outbound linkage trades.”

### ***Background***

The ORF is designed to cover a material portion of the costs to the Exchange of the supervision and regulation of Participant’s<sup>7</sup> customer options business, including performing routine surveillances, investigations, examinations, financial monitoring, as well as policy, rulemaking, interpretive and enforcement activities. The Exchange believes that revenue generated from the ORF, when combined with all of the Exchange’s other regulatory fees and fines, will cover a material portion, but not all, of the Exchange’s regulatory costs.

On March 6, 2026, the Exchange filed a rule change with the Securities and Exchange Commission amending its current methodologies and practices for the assessment and collection of ORF.<sup>8</sup> Effective July 1, 2026, the Exchange will assess the per contract ORF for options transactions cleared by OCC in the “customer” range; however, the per contract ORF will be assessed on each side of an options transaction cleared by the OCC in the “customer” range for executions that occur on the Exchange. Specifically, the ORF will continue to be collected by OCC on behalf of the Exchange from Participants and non-Participants for all “customer” transactions executed on the Exchange. ORF will be assessed and collected on all ultimately cleared “customer” contracts, taking into account adjustments for CMTA that were provided to the Exchange the same day as the trade.<sup>9</sup> Further, the Exchange will bill ORF according to the

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<sup>7</sup> The term "Participant" means a firm, or organization that is registered with the Exchange pursuant to the Rule 2000 Series for purposes of participating in trading on a facility of the Exchange and includes an “Options Participant” and “BSTX Participant.” See BOX Rule 100.

<sup>8</sup> See Securities Exchange Act Release No. 104984 (March 12, 2026), 91 FR 12851 (March 17, 2026) (SR-BOX-2026-05) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adopt a New Methodology for Assessment and Collection of the Options Regulatory Fee) (“On-Exchange ORF Filing”).

<sup>9</sup> Adjustments to CMTA that occur at OCC would not be taken into account.

clearing instructions provided on the execution. More specifically, the Exchange will assess ORF based on the clearing instruction provided on the execution on trade date and will not take into consideration CMTA changes or transfers that occur at OCC.<sup>10</sup>

### ***Proposal***

The Exchange now proposes to amend Section II. (Regulatory Fees) of the Fee Schedule to establish the rate of the ORF under the new On-Exchange ORF methodology. With this proposal, the ORF rate under the new methodology will be \$0.0220 per contract side. The proposed increase is based on the new On-Exchange methodology, as described in further detail above that goes into effect on July 1, 2026. With this proposal, the Exchange will endeavor to ensure that ORF regulatory revenue generated from ORF will not exceed 70% of options regulatory cost. As is the case today, the Exchange will notify Participants via a Notice of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change. In this case, the Exchange issued a Regulatory Notice on May 28, 2026, indicating the proposed rate change for July 1, 2026.<sup>11</sup>

The Exchange will continue to monitor the amount of revenue collected from the ORF to ensure that it, in combination with other regulatory fees and fines, does not exceed regulatory costs. In determining whether an expense is considered a regulatory cost, the Exchange reviews all costs and makes determinations if there is a nexus between the expense and a regulatory function. The Exchange notes that fines collected by the Exchange in connection with a disciplinary matter offset options regulatory costs.

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<sup>10</sup> Adjustments that were made the same day as the trade on the Exchange will be taken into account.

<sup>11</sup> See supra note 5.

Revenue generated from ORF, when combined with all of the Exchange's other regulatory fees and fines, is designed to cover a material portion of the regulatory costs to the Exchange of the supervision and regulation of Participant's customer options business including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. Unlike other options exchanges, all of the Exchange's expenses support the regulatory function as the Exchange is a fully separate legal entity from BOX Options Market LLC, the equity options facility of the Exchange. The Exchange fulfills the regulatory functions and responsibilities as a national securities exchange registered with the SEC under Section 6 of the Securities Exchange Act of 1934, and oversees the BOX Options Market. Exchange expenses are solely regulatory in nature because, due to the unique structure between the Exchange and the BOX Options Market facility, the Exchange expenses are separate from the BOX Options Market facility expenses and there can be no commingling of the funds. Put another way, all of the Exchange's expenses support the regulatory function of BOX Exchange because the Exchange expenses are completely separate from the BOX Options Market facility expenses. The ORF is designed to cover a material portion of these regulatory costs to the Exchange, including the supervision and regulation of its Participant's customer options business, including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities.

The Exchange will continue to monitor its regulatory costs and revenues at a minimum on a semi-annual basis. If the Exchange determines regulatory revenues exceed or are insufficient to cover a material portion of its regulatory costs in a given year, the Exchange may adjust the ORF by submitting a fee change filing to the Commission. The Exchange will notify

Participants of adjustments to the ORF via a Regulatory Notice at least 30 days prior to the effective date of the change.

Lastly, the Exchange also proposes to amend Section II. (Regulatory Fees) of the Fee Schedule to delete the text providing, “The ORF is not assessed on outbound linkage trades.” The Exchange is proposing this change to delete incorrect text relating to outbound linkage trades that was inadvertently included by the Exchange in the previous On-Exchange ORF Filing and merely seeks to correct the description of On-Exchange ORF within the Fee Schedule and reduce potential investor confusion.

## 2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act, in general, and Section 6(b)(4) and 6(b)(5) of the Act,<sup>12</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among Participants and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposed change to establish the ORF rate of \$0.0220 per contract side is reasonable, equitable, and not unfairly discriminatory because the rate was set commensurate with regulatory costs and thus would help ensure that revenue collected from the ORF under the new methodology, in combination with other regulatory fees and fines, would help offset, but not exceed, the Exchange's total regulatory costs. As discussed, the Exchange has designed the ORF, and the proposed ORF rate, to generate revenues that would not exceed 70% of the Exchange's regulatory costs, which is consistent with the practice across the options industry and the view of the Commission that regulatory fees be used for regulatory

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<sup>12</sup> 15 U.S.C. 78f(b)(4) and (5).

purposes and not to support the business side. The Exchange believes further that the proposed ORF rate is equitable and not unfairly discriminatory in that it is charged to all Exchange transactions that clear in the “customer” range at the OCC. The Exchange believes it is equitable and not unfairly discriminatory to assess the proposed ORF rate to transactions that clear in the “customer” range to cover regulatory costs, but not to transactions clearing in the “firm” or “market maker” range because Clearing Participants and Market Makers<sup>13</sup> (who clear in the Firm and Market Maker range), are generally subject to other Exchange fees, fines and obligations. For example, Clearing Participants and Market Makers are required to pay Exchange application fees, permit fees, and connectivity fees, amongst others. As such, the Exchange believes the proposed ORF rate is reasonable, equitable, and not unfairly discriminatory.

The Exchange will continue to monitor the amount of revenue collected from the ORF to ensure that it, in combination with other regulatory fees and fines, does not exceed regulatory costs. In determining whether an expense is considered a regulatory cost, the Exchange reviews all costs and makes determinations if there is a nexus between the expense and a regulatory function. The Exchange notes that fines collected by the Exchange in connection with a disciplinary matter offset options regulatory costs. As described above, unlike other options exchanges, all of the Exchange’s expenses support the regulatory function as the Exchange is a fully separate legal entity from BOX Options Market LLC, the equity options facility of the Exchange. The Exchange fulfills the regulatory functions and responsibilities as a national securities exchange registered with the SEC under Section 6 of the Securities Exchange Act of

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<sup>13</sup> The term "Market Maker" means an Options Participant registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in the Rule 8000 Series. All Market Makers are designated as specialists on the Exchange for all purposes under the Exchange Act or Rules thereunder. See BOX Rule 100.

1934, and oversees the BOX Options Market. Exchange expenses are solely regulatory in nature because, due to the unique structure between the Exchange and the BOX Options Market facility, the Exchange expenses are separate from the BOX Options Market facility expenses and there can be no commingling of the funds. Put another way, all of the Exchange's expenses support the regulatory function of BOX Exchange because the Exchange expenses are completely separate from the BOX Options Market facility expenses. The ORF is designed to cover a material portion of these regulatory costs to the Exchange, including the supervision and regulation of its Participant's customer options business, including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities.

The Exchange believes further that it is equitable and not unfairly discriminatory to assess the On-Exchange ORF to all Exchange transactions that clear in the "customer" range at the OCC. Similar to ORF today, the Exchange believes On-Exchange ORF ensures fairness by assessing a specific fee to those Participants that require more Exchange regulatory services based on the amount of customer options business they conduct. Over recent years, options trading volume has increased with a growing percentage of the volume applicable to customer transactions. Customers trading on the Exchange (through a Participant) benefit from the protections of a robust regulatory program including the maintenance of fair and orderly markets and protections against fraud and other manipulation. The Exchange believes it is equitable and not unfairly discriminatory to assess a regulatory fee to transactions that clear in the "customer" range to cover regulatory costs, but not to transactions clearing in the "firm" or "market maker" range because Clearing Participants and Market Makers (who clear in the Firm and Market Maker range), are generally subject to other Exchange fees, fines and obligations. For example,

Clearing Participants and Market Makers are required to pay Exchange application fees, permit fees, and connectivity fees, amongst others. In addition, all fines issued by the Exchange for regulatory infractions are assessed only to Participants and would be applied to regulatory revenues. As with today's ORF, the Exchange expects that Clearing Participants from whom On-Exchange ORF is collected will pass through the fee to their customers (as the Exchange understands occurs today). In addition, Market Makers in particular are subject to various quoting and other obligations to ensure that they provide stable and liquid markets, which benefit all market participants including customers. Excluding Market Maker transactions from On-Exchange ORF will allow Market Makers to better manage their costs more effectively thus enabling them to better allocate resources toward technology, risk management, and capacity to ensure continued liquidity provision.

In addition to the overall increase in "customer" range volume generally, regulating customer trading activity is more labor intensive and requires greater expenditure of human and technical resources than regulating non-customer trading activity, which tends to be more automated and less labor-intensive. For example, there are costs associated with main office and branch office examinations (e.g., staff and travel expenses), as well as investigations into customer complaints and terminations of registered persons. As a result, the costs associated with administering the customer component of the Exchange's overall regulatory program are materially higher than the costs associated with administering the non-customer component (e.g., Clearing Participant proprietary transactions) of its regulatory program.

The Exchange will continue to monitor its regulatory costs and revenues at a minimum on a semi-annual basis. If the Exchange determines regulatory revenues will exceed or are insufficient to cover a material portion of its regulatory costs in a given year, the Exchange may

adjust the ORF by submitting a fee change filing to the Commission. The Exchange will notify Participants of adjustments to the ORF via a Regulatory Notice at least 30 days prior to the effective date of the change.

Lastly, the Exchange is also proposing to amend Section II. (Regulatory Fees) of the Fee Schedule to delete the text providing, “The ORF is not assessed on outbound linkage trades.” The Exchange believes the proposed change is reasonable and appropriate because it deletes incorrect text relating to outbound linkage trades that was inadvertently included by the Exchange in the previous On-Exchange ORF Filing and merely seeks to correct the description of On-Exchange ORF within the Fee Schedule and reduce potential investor confusion.

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. This proposal does not create an unnecessary or inappropriate intra-market burden on competition because this collection accounts for customer executions, which will be capped at 70% of options regulatory costs. Further, the Exchange will review the ORF regulatory revenue and would amend the ORF if it finds that its ORF regulatory revenue exceeds its projections.

The proposed changes to ORF do not impose an undue burden on inter-market competition because ORF is a regulatory fee that supports regulation in furtherance of the purposes of the Act. The Exchange notes, however, the proposed change is not designed to address any competitive issues. The Exchange is obligated to ensure that the amount of ORF regulatory revenue, in combination with its other regulatory fees and fines, does not exceed options regulatory cost.

The Exchange also does not believe the proposed change to amend Section II. (Regulatory Fees) of the Fee Schedule to delete the incorrect text relating to outbound linkage trades will

have any unnecessary or inappropriate burden on competition because this change will apply equally to all Participants, and it is correcting an error made by the Exchange in the On-Exchange ORF Filing, and thus seeks to correct the Fee Schedule and reduce potential investor confusion.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Exchange Act<sup>14</sup> and Rule 19b-4(f)(2) thereunder,<sup>15</sup> because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further 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:

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<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>15</sup> 17 CFR 240.19b-4(f)(2).

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-BOX-2026-16 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-BOX-2026-16. 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-BOX-2026-16 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>16</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>16</sup> 17 CFR 200.30-3(a)(12).