SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106298; File No. SR-BOX-2026-18]

Self-Regulatory Organizations; BOX Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend SAIL Order Entry Port Fees

September 9, 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 August 25, 2026 BOX Exchange LLC (the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. 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 the Fee Schedule. Specifically, the Exchange proposes to amend Section III.B. (Port Fees) to propose a limit on the number of SAIL Order Entry Ports that a Participant may be credentialed to use in a month and add language clarifying that the Exchange currently offers two types of SAIL Ports. The Exchange is also proposing to make certain technical and non-substantive changes within the Fee Schedule. 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

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

In its filing with the Commission, the self-regulatory organization 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 self-regulatory organization 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 III.B. (Port Fees) of the Fee Schedule. Specifically, the Exchange proposes to amend Section III.B.2. (SAIL) of the Fee Schedule to propose a limit on the number of SAIL Order Entry Ports that a Participant may be credentialed to use in a month. The Exchange notes that the proposed limitation is similar to an existing limitation in place at another options exchange.[3] The Exchange is also proposing to add language to Section III.B.2. clarifying that the Exchange currently offers two types of SAIL Ports – Order Entry and Market Making.

Currently, BOX assesses monthly SOLA® Access Information Language ("SAIL") Port[4] Fees on all Participants in each month a Participant is credentialed to use a SAIL Port in the production environment and based upon the number of credentialed SAIL Ports. Participants are assessed a SAIL Order Entry Port fee of $540 per month per port for the first five ports (1-5) and $162 per month for each additional port.

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3 See Nasdaq Stock Market LLC ("Nasdaq") Options 7, Section 3(i)(2) SQF Port Fee.

4 SAIL Market Making Ports are connections to BOX systems that enable Market Makers to continuously quote on BOX, while SAIL Order Entry Ports allow Market Makers and other Participants to submit order flow to BOX.

At this time, the Exchange proposes to limit a Participant to no more than 200 SAIL Order Entry Ports per month.[5] The Exchange notes that in order to submit orders Participants must connect to a minimum of one port via FIX or SAIL.[6] While a Participant may elect to obtain multiple SAIL Order Entry Ports for business purposes, in order to submit orders a Participant is only required to connect to one port and can choose between either FIX or SAIL Ports. The Exchange utilizes ports as a secure method for Participants to submit orders and quotes into the Trading System and for the Exchange to send messages related to those orders and quotes to Participants. In order to properly regulate its Participants and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls. The Exchange believes that adopting such limit will help to govern connectivity management and accommodate overall demand on the Exchange by providing a means to efficiently deploy Exchange resources, as no exchange has infinite capacity. In the event a Participant were to reach the proposed limit of 200 SAIL Order Entry Ports, such Participant would have the option to be credentialed for additional FIX Ports for order entry. The Exchange notes that, generally, there are no current limitations on the number of FIX Ports that a Participant may be credentialed for per month. Accordingly, the Exchange believes a limit of 200 SAIL Order Entry Ports will provide it with the appropriate bandwidth to support future growth

5 The Exchange will also issue a Notice to announce the limitation to Participants.

6 SAIL is the native protocol for SOLA®, which offers functionalities required by both Order Flow Providers and Market Makers on BOX. SAIL is a proprietary protocol of BOX and allows Participants to connect, send, and receive messages related to orders and quotes. SAIL Ports offer lower latency as compared to Financial Information eXchange ("FIX") Ports, which may be attractive to Participants depending on their trading behavior. Alternatively, FIX is an order management protocol widely used by professional trading systems and many order management systems. BOX provides a FIX interface that allows Participants, who are already using the FIX protocol for order routing and management to other options markets, a streamlined way to connect to the BOX Trading System.

and new Participant entrants.[7] The Exchange will announce by Notice when it will implement the 200 SAIL Order Entry Ports per month limit.

Finally, the Exchange is proposing to make a few technical edits to the Fee Schedule. Specifically, the Exchange proposes to amend Section II. C. (Options Regulatory Fee) to remove obsolete text regarding an ORF rate that is no longer in effect, to amend III. (Technology Fees) to add the word "Section" to the heading for consistency with the other section headings within the Fee Schedule, to correct an internal cross reference within current endnote 36, and to renumber certain endnotes within the Fee Schedule to conform with the changes proposed herein.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,[8] in general, and Section 6(b)(5) of the Act,[9] 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 limit a Participant to no more than 200 SAIL Order Entry Ports per month is consistent with the Act because it will allow the Exchange to ensure rational and efficient use of resources in its overall connectivity management. Additionally, the Exchange believes that the proposed rule change will further the purposes of the Act by providing an additional means to the Exchange for managing its finite resources, as no exchange has unlimited

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7 The Exchange will periodically review the SAIL Order Entry Port limit. If the Exchange elects to amend the limit in the future, it will file a rule proposal with the Commission.

8 15 U.S.C. 78f(b).

9 15 U.S.C. 78f(b)(5).

capacity. The proposed limit on SAIL Order Entry Ports is being proposed in order to manage capacity and resources is designed to assist with the maintenance of a fair and orderly market, promote just and equitable principles of trade, and prevent fraudulent and manipulative acts and practices, as it ensures that the Exchange is utilizing its resources in an effective and efficient manner.

The Exchange utilizes ports as a secure method for Participants to submit orders and quotes into the Trading System and for the Exchange to send messages related to those orders and quotes to Participants. Only approved Participants may utilize a SAIL Order Entry Port. Once approved, Participants may be credentialed to use SAIL Order Entry Ports to submit orders into the Exchange. While a Participant may elect to obtain multiple SAIL Order Entry Ports for business purposes, in order to submit orders a Participant is only required to connect to one port and can choose between either FIX or SAIL. In the event a Participant were to reach the proposed limit of 200 SAIL Order Entry Ports, such Participant would have the option to be credentialed for additional FIX Ports for order entry. The Exchange notes that, generally, there are no current limitations on the number of FIX Ports that a Participant may be credentialed for per month. In order to properly regulate its Participants and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls that will protect investors and the public interest. Specifically, the Exchange ensures that information security safeguards, upgrades, and general port management are in effect for all SAIL Order Entry Ports regardless of whether the SAIL Order Entry Port is actively in use. As a result of these efforts, the Exchange incurs costs to manage and maintain its SAIL Order Entry Ports and the secure environment surrounding its platform.

The Exchange's proposal is intended to assist the Exchange in continuing to govern its connectivity management in a reasonable manner while protecting investors and the general public by encouraging the efficient and effective use of the Exchange's resources with the limit on SAIL Order Entry Ports. The Exchange believes that its proposal is consistent with the Act in that it will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new entrants thereby removing impediments to and perfect the mechanism of a free and open market.

The Exchange believes further that adding language to Section III.B.2. clarifying that the Exchange currently offers two types of SAIL Ports, Order Entry and Market Making, is consistent with the Act because the proposed change will provide greater clarity to market participants regarding the Exchange's Fee Schedule. The Exchange believes that this additional detail relating to its current SAIL Port offerings will reduce the potential for investor confusion and make its existing fees more clear.

Finally, the Exchange proposes to remove obsolete text regarding an ORF rate that is no longer in effect, to add the word "Section" to existing section heading III. (Technology Fees) for consistency with the other section headings within the Fee Schedule, to correct an internal cross reference within current endnote 36, and to renumber certain endnotes within the Fee Schedule to conform with the changes proposed herein. The Exchange believes that these proposed technical and non-substantive changes will promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system because the proposed change will provide greater clarity to market participants regarding the Exchange's Fee Schedule. It is in the public interest for the Exchange's Fee Schedule to be clear and accurate so as to eliminate the potential for confusion.

B. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change is not intended to address competitive issues and instead is being proposed to assist with the maintenance of a fair and orderly market by providing the Exchange with the ability govern its connectivity management in a reasonable manner and to encourage the efficient and rational use of the Exchange's finite resources. The Exchange also notes that the proposed limit is similar to an existing limitation in place at another options exchange.[10]

Intramarket Competition. The Exchange believes the proposed rule change to amend Section III.B. (Port Fees) of the Fee Schedule to propose a limit on the number of SAIL Order Entry Ports that a Participant may be credentialed to use in a month, would not place an unfair burden on intramarket competition because it is designed to encourage the efficient use of the Exchange's resources and to provide the Exchange the ability to maintain the appropriate bandwidth to support future growth. The Exchange does not believe that its proposal will place any category of market participant at a competitive disadvantage because all Participants will uniformly be permitted to be credentialed to use no more than 200 SAIL Order Entry Ports in a month. Today, no Participant has exceeded 200 SAIL Order Entry Ports.

Intermarket Competition. The Exchange believes the proposal would not place an unfair burden on intermarket competition as it is not intended to address any competitive issues but is instead designed solely to encourage the efficient use of the Exchange's resources and to allow the Exchange to continue to reasonably govern its connectivity management. The Exchange believes that the proposal to limit the number of SAIL Order Entry Ports that a Participant may be

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[10] <u>See</u> <u>supra</u> note 3.

credentialed to use each month will help ensure that the Exchange has adequate tools at its disposal to maintain the appropriate bandwidth to support future growth and new entrants, which, in turn, will sustain the Exchange's overall competitiveness. The Exchange also notes that nothing prevents other options exchanges, as applicable, from electing to adopt a similar limit.[11]

The Exchange also does not believe the proposed technical and clarifying changes will have any unnecessary or inappropriate burden on competition because these changes will apply equally to all Participants and are intended to provide greater clarity to market participants regarding the Exchange's Fee Schedule to reduce potential investor confusion.

For the foregoing reasons, 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.

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

The Exchange has neither solicited nor received comments on the proposed rule change.

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) of the Act[12] and Rule 19b-4(f)(6) thereunder.[13]

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11 The Exchange notes that Nasdaq and Nasdaq PHLX LLC (PHLX") currently prohibit Market Makers from subscribing to more than 250 SQF Ports per month. See Nasdaq Options 7, Section 3(i)(2) SQF Port Fee and PHLX Options 7, Section 9(B)(i)(3), respectively.

12 15 U.S.C. 78s(b)(3)(A).

13 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act[14] normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)[15] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the proposed rule change may become operative upon filing. The proposed limit is similar to an existing limitation in place at another options exchange[16] and raises no new or novel issues. Accordingly, it is consistent with the protection of investors and the public interest to waive the 30-day operative delay.[17]

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:

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change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

14 17 CFR 240.19b-4(f)(6).

15 17 CFR 240.19b-4(f)(6)(iii).

16 See supra note 3.

17 For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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-BOX-2026-18 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-2026-18. 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-2026-18 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.[18]

Sherry R. Haywood,

Assistant Secretary.

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[18] 17 CFR 200.30-3(a)(12).