SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104571; File No. SR-MEMX-2025-35]

Self-Regulatory Organizations; MEMX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Exchange's Fee Schedule Concerning Options Routing Fees

January 9, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on December 30, 2026, MEMX LLC ("MEMX" or the "Exchange") filed with the Securities and Exchange Commission (the "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 is filing with the Commission a proposed rule change to amend the Exchange's fee schedule applicable to Members[3] (the "Fee Schedule") pursuant to Exchange Rules 15.1(a) and (c). As is further described below, the Exchange proposes to amend the Options Fee Schedule to increase the routing fees for executions of orders that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan. The Exchange proposes to increase this fee for both executions where the underlying security of the applicable option is in the Penny Interval

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

2 17 CFR 240.19b-4.

3 See Exchange Rule 1.5(p).

program and executions of contracts where the underlying security of the applicable option is not in the Penny Interval Program, where either type of option is routed to and executed on an away market. The Exchange proposes to implement the changes to the MEMX Options Fee Schedule (the "Options Fee Schedule") pursuant to this proposal on January 1, 2026. The text of the proposed rule change is provided in Exhibit 5.

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 purpose of the proposed rule change is to amend the Options Fee Schedule to increase the routing fees for executions of orders that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan. The Exchange proposes to increase this fee for both executions where the underlying security of the applicable option is in the Penny Interval program ("Penny options")[4] and executions of contracts where the underlying security of the applicable option is not in the Penny Interval Program ("Non-Penny options")[5] that are routed to and

4 MEMX Options provides Fee Code "P" for transactions in Penny options. Fee Codes are provided by the Exchange on the monthly invoices provided to Options Members.

5 MEMX Options provides Fee Code "N" for transactions in Non-Penny options.

executed on an away market.

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The Exchange is one of only 18 options venues to which market participants may direct their order flow. Based on publicly available information, no single options exchange has more than approximately 15.6% of the market share and currently the Exchange represents only approximately 3.3% of the market share.[6] In such a low-concentrated and highly competitive market, no single options exchange, including the Exchange, possesses significant pricing power in the execution of option order flow. The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow, discontinue, or reduce use of certain categories of products in response to fee changes. Accordingly, competitive forces constrain the Exchange's transaction fees, and market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable. The Exchange's Fee Schedule sets forth standard rebates and rates applied per contract.

Currently, the Exchange assesses a routing fee of $0.60 per contract for Penny options routed to another options exchange and $1.20 per contract for Non-Penny options routed to another exchange. Now, the Exchange proposes to increase the routing fee to $1.20 per contract for Penny options and $1.63 per contract for Non-Penny options. The purpose of increasing the routing fees is to recoup costs incurred by the Exchange when

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6 Market share percentage calculated as of December 26, 2025. The Exchange receives and processes data made available through the consolidated data feeds (i.e., OPRA).

routing orders to other options exchanges on behalf of Options Members. The Exchange will continue to use its affiliated broker-dealer, MEMX Execution Services LLC, to route orders to other options exchanges. Routing services offered by the Exchange are completely optional and market participants can readily select between various providers of routing services, including other exchanges and broker-dealers. Also, the Exchange notes that market participants may elect to mark their orders as "Book Only"[7] or "Post Only"[8] to avoid any routing fees. Additionally, the proposed modified routing fees are in line with those charged by at least one other options exchange.[9]

2. Statutory Basis

The Exchange believes that its proposal to amend its Options Fee Schedule is consistent with the provisions of Section 6 of the Act,[10] in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,[11] in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among Options Members and other persons using its facilities. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act 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 and is not designed to permit unfair discrimination between customers,

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7 See Exchange Rule 11.6(l)(1).

8 See Exchange Rule 11.6(l)(2).

9 See the Cboe C2 Options Fee Schedule, available at: https://www.cboe.com/us/options/membership/fee_schedule/ctwo/, noting Linkage Routing Fees for Penny Options ranging from $1.19 per contract to $1.20 per contract, depending on capacity, and for Non-Penny options ranging from $1.55 per contract to $1.63 per contract, depending on capacity.

10 15 U.S.C. 78f.

11 15 U.S.C. 78f(b)(4) and (5).

issuers, brokers, or dealers.

MEMX Options operates in a highly fragmented and competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient, and the Exchange represents only a small percentage of the overall market. The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and also recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[12]

Accordingly, competitive forces constrain the Exchange's transaction fees and rebates, and market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable. The Exchange believes the proposal reflects a reasonable and competitive pricing structure which the Exchange believes would promote price discovery and enhance liquidity and market quality on the Exchange to the benefit of all Members and market participants. The Exchange believes that the proposed change to increase the routing fee for executions of Penny and Non-Penny options that are routed to and execute on away markets is reasonable because the proposed routing fees would enable the Exchange to recover the costs it incurs to route orders to away markets after taking into account the other costs associated with routing orders to other options exchanges. Routing services offered by the Exchange are

[12] Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

completely optional and market participants can readily select between various providers of routing services, including other exchanges and broker-dealers. Also, the Exchange notes that market participants may elect to mark their orders as “Post Only” or "Book Only" to avoid any routing fees. The Exchange believes the proposed increased routing fees are reasonable because they are comparable to the routing fees charged to market participants on another options market.[13]

Further, the Exchange's proposal to amend its routing fees such that all Members would pay a $1.20 per contract Penny option routing fee and a $1.63 per contract Non-Penny option routing fee to route to another options exchange is equitable and not unfairly discriminatory because these uniform routing fees will apply equally to all Options Members.

For the reasons discussed above, the Exchange submits that its proposed change to the Options Transaction Fee Schedule satisfies the requirements of Sections 6(b)(4) and 6(b)(5) of the Act[14] in that it provides for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities and is not designed to unfairly discriminate between customers, issuers, brokers, or dealers. As described more fully below in the Exchange’s statement regarding burden on competition, the Exchange believes that its transaction pricing is subject to significant competitive forces, and that the proposed fees described herein are appropriate to address such forces.

B. Self-Regulatory Organization’s Statement on Burden on Competition

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13 See supra note 9.

14 15 U.S.C. 78f(b)(4) and (5).

The Exchange does not believe that the proposal will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Rather, the Exchange's proposal would allow it to compete with other routing and execution venues by providing competitive pricing for routed orders that is in line with the routing fees assessed by at least one other options exchange.[15] As a result, the Exchange believes that the proposal furthers the Commission's goal in adopting Regulation NMS of fostering competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."[16]

Intramarket Competition

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 because the proposed increase routing fees will apply equally to all Options Members. The proposed routing fees are intended to generate additional revenue with respect to its transaction pricing, in a manner that is comparable with the fees assessed by at least on other options exchange.

Intermarket Competition

The Exchange does not believe that 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. As previously discussed, the Exchange operates in a highly competitive market. Members have numerous alternative venues that they may participate on and direct their order flow, including 16 other options exchanges and off-

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15 See supra note 9.

16 See supra note 12.

exchange venues. Therefore, no exchange possesses significant pricing power in the execution of option order flow. To the contrary, the Exchange believes that the proposal will increase competition and is intended to encourage market participants to trade on the Exchange by assessing routing fees that are comparable to those offered by another exchange, which the Exchange believes will help to encourage Members to send orders to the Exchange to the benefit of all Exchange participants.

Additionally, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[17] The fact that this market is competitive has also long been recognized by the courts. In NetCoalition v. SEC, the D.C. Circuit stated as follows: "[n]o one disputes that competition for order flow is 'fierce.' … As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'….".[18] Accordingly, the

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17 Id.

18 NetCoalition v. SEC, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSE-2006-21)).

Exchange does not believe its proposed pricing changes impose any burden on competition that is 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 neither solicited nor received comments on the proposed rule change.

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 Act[19] and Rule 19b-4(f)(2)[20] thereunder.

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 change 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

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19 15 U.S.C. 78s(b)(3)(A)(ii).

20 17 CFR 240.19b-4(f)(2).

- Send an email to rule-comments@sec.gov. Please include file number SR-MEMX-2025-35 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-MEMX-2025-35. 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-MEMX-2025-35 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.[21]

J. Matthew DeLesDernier,

Deputy Secretary.

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[21] 17 CFR 200.30-3(a)(12).