SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106374; File No. SR-NASDAQ-2026-074]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Exchange's Rules at Options 7, Sections 1 and 2

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 1, 2026, The Nasdaq Stock Market LLC ("Nasdaq" 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 The Nasdaq Options Market LLC ("NOM") Rules at Options 7, Section 1, General Provisions, and Options 7, Section 2, Nasdaq Options Market - Fees and Rebates.

The text of the proposed rule change is available on the Exchange's website at https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings, and at the principal office of the Exchange.

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

2 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 make several changes to NOM's Pricing Schedule at Options 7. Specifically, the Exchange proposes to make changes to Options 7, Section 2(1), and add a defined term to Options 7, Section 1(a).

Under Options 7, Section 2(1), the Exchange currently pays Customers,[3] Professionals,[4] Broker-Dealers,[5] Firms,[6] Non-NOM Market Makers,[7] and NOM Market Makers[8] a rebate to add

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3 The term "Customer" applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of broker or dealer or for the account of a "Professional" (as that term is defined in Options 1, Section 1(a)(48)). See Options 7, Section 1(a).

4 The term "Professional" means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s) pursuant to Options 1, Section 1(a)(48). All Professional orders shall be appropriately marked by Participants. See Options 7, Section 1(a).

5 The term "Broker-Dealer" applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category. See Options 7, Section 1(a).

6 The term "Firm" applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC. See Options 7, Section 1(a).

7 The term "Non-NOM Market Maker" is a registered market maker on another options exchange that is not a NOM Market Maker. A Non-NOM Market Maker must append the proper Non-NOM Market Maker designation to orders routed to NOM. See Options 7, Section 1(a).

8 The term "NOM Market Maker" is a Participant that has registered as a Market Maker on NOM pursuant to Options 2, Section 1, and must also remain in good standing pursuant to Options 2, Section 9. In order to receive NOM Market Maker pricing in all securities, the Participant must be registered as a NOM Market Maker in at least one security. See Options 7, Section 1(a). The term "Options Participant" or "Participant"

liquidity in Penny Symbols, on a per contract basis. This rebate is paid according to the following schedule:

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Customer	($0.20)	($0.25)	($0.43)	($0.44)	($0.45)	($0.48)
Professional	($0.20)	($0.25)	($0.43)	($0.44)	($0.45)	($0.47)
Broker-Dealer	($0.10)	($0.10)	($0.10)	($0.10)	($0.10)	($0.10)
Firm	($0.10)	($0.10)	($0.10)	($0.10)	($0.10)	($0.10)
Non-NOM Market Maker	($0.10)	($0.10)	($0.10)	($0.10)	($0.10)	($0.10)
NOM Market Maker	($0.20)	($0.25)	($0.30)	($0.32)	($0.45)	($0.47)

Currently, Participants are assessed certain fees and rebates to add liquidity in Non-Penny Symbols, on a per contract basis, according to the following schedule:

Customer	($0.80)
Professional	($0.80)
Broker-Dealer	$0.45
Firm	$0.45
Non-NOM Market Maker	$0.45
NOM Market Maker	$0.35/$0.00/($0.30)/($0.40)

Currently, Participants are charged fees to remove liquidity in both Penny and Non-Penny Symbols, on a per contract basis, according to the following schedule:

	Penny Symbols	Non-Penny Symbols
Customer	$0.49	$0.85
Professional	$0.49	$0.85
Broker-Dealer	$0.50	$1.25
Firm	$0.50	$1.25
Non-NOM Market Maker	$0.50	$1.25
NOM Market Maker	$0.50	$1.25

means a firm, or organization that is registered with the Exchange pursuant to Options 2A of the NOM Rules for purposes of participating in options trading on NOM as a "Nasdaq Options Order Entry Firm" or "Nasdaq Options Market Maker". See Options 1, Section 1(a)(40).

Currently, the Customer and Professional rebate to add liquidity in Penny Symbols is paid per the highest tier achieved below:

Tier 1	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols of up to 0.10% of total industry customer equity and ETF option average daily volume ("ADV") contracts per day in a month
Tier 2	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.10% of total industry customer equity and ETF option ADV contracts per day in a month
Tier 3	Participant: (a) adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.20% of total industry customer equity and ETF option ADV contracts per day in a month; or (b) adds Customer and/or Professional liquidity in Penny Symbols and/or Non-Penny Symbols above 0.05% of total industry customer equity and ETF option ADV contracts per day in a month and qualifies for MARS[9]
Tier 4	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.30% of total industry customer equity and ETF option ADV contracts per day in a month
Tier 5	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.40% of total industry customer equity and ETF option ADV contracts per day in a month
Tier 6	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.70% or more of total industry customer equity and ETF option ADV contracts per day in a month, or Participant : (1) adds Customer and/or Professional liquidity in Penny Symbols and/or Non-Penny Symbols of 0.10% or more of total industry customer equity and ETF option ADV contracts per day in a month, and (2) has added liquidity in all securities

[9] The Market Access and Routing Subsidy ("MARS") is a rebate program set out in Nasdaq Options 7, Section 2(4), under which NOM pays participating firms a per-contract subsidy for routing eligible options order flow to NOM through the participant's own order-routing system.

> through one or more of its Nasdaq Market Center MPIDs that represent 1.00% or more of Consolidated Volume in a month or qualifies for MARS

Currently, the fees to remove liquidity in Penny and Non-Penny Symbols for Non-NOM Market Makers and NOM Market Makers are modified according to note 2, which states as follows:

> Participants that add 1.10% of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month will be subject to the following pricing applicable to executions: a $0.48 per contract Penny Symbols Fee for Removing Liquidity when the Participant is (i) both the buyer and the seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.
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> Participants that add 1.55% of Customer, Professional, Firm, Broker-Dealer or Non-NOM Market Maker liquidity in Penny Symbols and/or Non-Penny Symbols of total industry customer equity and ETF option ADV contracts per day in a month will be subject to the following pricing applicable to executions less than 10,000 contracts: a $0.38 per contract Penny Symbols Fee for Removing Liquidity when the Participant is (i) both the buyer and seller or (ii) the Participant removes liquidity from another Participant under Common Ownership.

Currently, the Tier 6 rebate to add liquidity in Penny Symbols that is paid to Customers is modified according to note 7, which states as follows:

> Participants that: (1) add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non- Penny Symbols of 1.15% or more of total industry customer equity and ETF option ADV contracts per day in a month will receive an additional $0.02 per contract Penny Symbol Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Symbol in that month; or (2) add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols of 1.30% or more of total industry customer equity and ETF option ADV contracts per day in a month will receive an additional $0.05 per contract Penny Symbol Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Symbols in that month; or (3) (a) add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker- Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.80% of total industry customer equity and ETF option ADV contracts per day in a month, (b) add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Non-Penny Symbols above 0.12% of total industry customer equity and ETF option ADV contracts per day in a month, and (c) execute greater than 0.04% of Consolidated Volume ("CV") via Market-on-Close/Limit-on- Close ("MOC/LOC") volume within The Nasdaq

> Stock Market Closing Cross within a month will receive an additional $0.05 per contract Penny Symbol Customer Rebate to Add Liquidity for each transaction which adds liquidity in Penny Symbols in a month. Consolidated Volume shall mean the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of an equity member's trading activity, expressed as a percentage of or ratio to Consolidated Volume, the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity.

Currently, the Customer and Professional rebates to add liquidity in both Penny Symbols and Non-Penny Symbols are modified according to note 10, which states as follows:

> NOM Participants that (a) add Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 1.50% of total industry customer equity and ETF option ADV contracts per day in a month, (b) execute greater than 0.04% of Consolidated Volume ("CV") via Market-on-Close/Limit-on-Close ("MOC/LOC") volume within The Nasdaq Stock Market Closing Cross within a month, and (c) add greater than 1.5 million shares per day of non-displayed volume within The Nasdaq Stock Market within a month will receive a $0.55 per contract Rebate to Add Liquidity in Penny Symbols as Customer, a $0.48 per contract Rebate to Add Liquidity in Penny Symbols as Professional, and a $1.15 per contract Rebate to Add Liquidity in Non-Penny Symbols as Customer, and a $0.90 per contract Rebate to Add Liquidity in Non-Penny Symbols as Professional. Participants that qualify for this rebate would not be eligible for any other rebates in Tiers 1-6 or other rebate incentives on NOM for Customer and Professional order flow in Options 7, Section 2(1).

The Exchange proposes to make seven changes to these provisions of the Exchange fee schedule:

<u>First Change</u>

The Exchange proposes to increase the Tier 6 Customer rebate to add liquidity in Penny Symbols from $0.48 to $0.49. Therefore, the new schedule of this rebate for Customers will be as follows:

	Tier 1	**Tier 2**	**Tier 3**	**Tier 4**	**Tier 5**	**Tier 6**
Customer	($0.20)	($0.25)	($0.43)	($0.44)	($0.45)	($0.49)

Second Change

The Exchange proposes to lower the Tier 6 NOM Market Maker rebate to add liquidity in Penny Symbols from $0.47 to $0.45. Therefore, the new schedule of this rebate for NOM Market Makers will be as follows:

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
NOM Market Maker	($0.20)	($0.25)	($0.30)	($0.32)	($0.45)	($0.45)

Third Change

The Exchange proposes to modify the schedule of fees to remove liquidity in Penny and Non-Penny Symbols by eliminating and reserving note 2, which until now had modified the fees paid by Non-NOM Market Makers and NOM Market Makers to remove liquidity in Penny Symbols.

Fourth Change

The Exchange proposes to modify the Customer and Professional rebate to add liquidity in Penny Symbols by streamlining the criteria to qualify for Tier 6.[10] Specifically, the Exchange would modify the second of the two alternative paths to qualify for Tier 6.[11] This second alternative path, in turn, contains two separate requirements that must both be met. The second of

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10 As mentioned above, the current criteria to qualify for Tier 6 are the following: "Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.70% or more of total industry customer equity and ETF option ADV contracts per day in a month, or Participant: (1) adds Customer and/or Professional liquidity in Penny Symbols and/or Non-Penny Symbols of 0.10% or more of total industry customer equity and ETF option ADV contracts per day in a month, and (2) has added liquidity in all securities through one or more of its Nasdaq Market Center MPIDs that represent 1.00% or more of Consolidated Volume in a month or qualifies for MARS."

11 As seen in the immediately preceding footnote, the two conditions to satisfy this second path are currently as follows: "Participant: (1) adds Customer and/or Professional liquidity in Penny Symbols and/or Non-Penny Symbols of 0.10% or more of total industry customer equity and ETF option ADV contracts per day in a month, and (2) has added liquidity in all securities through one or more of its Nasdaq Market Center MPIDs that represent 1.00% or more of Consolidated Volume in a month or qualifies for MARS."

these requirements, in turn, is composed of two alternatives.[12] The Exchange proposes to eliminate the first of these two alternatives.[13] Therefore, the revised criteria to qualify for Tier 6 would be as follows:

Tier 6	Participant adds Customer, Professional, Firm, Non-NOM Market Maker and/or Broker-Dealer liquidity in Penny Symbols and/or Non-Penny Symbols above 0.70% or more of total industry customer equity and ETF option ADV contracts per day in a month, or Participant : (1) adds Customer and/or Professional liquidity in Penny Symbols and/or Non-Penny Symbols of 0.10% or more of total industry customer equity and ETF option ADV contracts per day in a month, and (2) qualifies for MARS

Fifth Change

The Exchange proposes to modify the schedule of rebates to add liquidity in Penny Symbols by eliminating and reserving note 7, which until now had modified the Tier 6 rebate paid to Customers.

Sixth Change

The only definition of "Consolidated Volume" that is currently in Options 7 is contained in note 7, which is being deleted in this filing. The Exchange proposes to relocate this same definition, verbatim, to Options 7, Section 1(a), which contains several other defined terms. The "Consolidated Volume" defined term in Options 7, Section 1(a) would read as follows:

> The term **"Consolidated Volume"** shall mean the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of an equity member's trading activity, expressed as a percentage of or ratio to Consolidated Volume,

12 As seen in the immediately preceding footnote, the two alternatives to satisfy this second requirement are currently that the Participant "(2) has added to liquidity in all securities through one or more of its Nasdaq Market Center MPIDs that represent 1.00% or more of Consolidated Volume in a month or qualifies for MARS."

13 As seen in the immediately preceding footnote, the first of these two current alternative requirements is that the Participant "has added to liquidity in all securities through one or more of its Nasdaq Market Center MPIDs that represent 1.00% or more of Consolidated Volume in a month." This is the provision of the Tier 6 criteria for the Customer and Professional rebate to add liquidity in Penny Symbols that the Exchange proposes to delete through this filing.

the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity.

Seventh Change

The Exchange proposes to modify the rebates to add liquidity in Penny Symbols and the schedule of fees and rebates to add liquidity in Non-Penny Symbols by eliminating and reserving note 10, which until now had modified the rebates paid to Customers and Professionals to add liquidity in Penny Symbols, as well as the rebates paid to Customers and Professionals to add liquidity in Non-Penny Symbols.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[14] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[15] in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

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, while adopting a series of steps to improve the current market model, 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."[16]

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14 15 U.S.C. 78f(b).

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

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

Likewise, in NetCoalition v. Securities and Exchange Commission[17] ("NetCoalition") the D.C. Circuit upheld the Commission's use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.[18] As the court emphasized, the Commission "intended in Regulation NMS that 'market forces, rather than regulatory requirements' play a role in determining the market data . . . to be made available to investors and at what cost."[19]

Further, "[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'…."[20] Although the court and the SEC were discussing the cash equities markets, the Exchange believes that these views apply with equal force to the options markets.

The Exchange's proposed changes to Options 7 are reasonable in several respects. As a threshold matter, the Exchange is subject to significant competitive forces in the market for options transaction services that constrain its pricing determinations in that market. Within this environment, the Exchange must continually adjust the fees and rebates set forth in its Pricing Schedule to remain competitive with the other national securities exchanges to which market

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17 NetCoalition v. SEC, 615 F.3d 525 (D.C. Cir. 2010).

18 See NetCoalition, at 534-535.

19 Id. at 537.

20 Id. at 539 (quoting Securities Exchange Act Release No. 59039 (Dec. 2, 2008), 73 FR 74770, 74782-83 (Dec. 9, 2008) (File No. SR-NYSEArca-2006-21)).

participants may direct their options order flow. Each of the seven proposed changes is discussed in turn below.

First Change

The proposed amendment to the Tier 6 Customer rebate to add liquidity in Penny Symbols from \$0.48 per contract to \$0.49 per contract is reasonable because it modestly increases the top-tier Customer Penny Symbol rebate paid on NOM, which is designed to attract additional Customer order flow to the Exchange. As the Exchange has previously observed, Customer liquidity offers benefits to the market that ultimately benefit all Participants: it provides more trading opportunities, which attracts market makers, and an increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow. The proposed higher Tier 6 rebate is therefore intended to improve overall market quality on the Exchange by incentivizing Participants to bring additional Customer order flow to NOM and, in turn, provide more trading opportunities to the benefit of all market participants. The amendment is part of an overall effort to appropriately calibrate rebates in a manner that helps attract order flow to NOM, from which all Participants benefit through increased trading opportunities and greater interaction with liquidity.

The proposed amendment is equitable and not unfairly discriminatory because the Exchange would uniformly apply the revised Tier 6 rebate to every Participant that satisfies the qualifying criteria for that Tier through Customer liquidity-adding order flow. Continuing to provide more favorable pricing on Customer liquidity than on liquidity from other categories of market participants is consistent with the Exchange's long-standing practice throughout its Pricing Schedule and is justified because Customer liquidity offers benefits that ultimately flow through to all market participants, as described above. Similar upward adjustments to individual

Customer and NOM Market Maker Penny Symbol and Non-Penny Symbol liquidity-adding rebates have previously been effected by the Exchange on the same basis.[21]

Second Change

The proposed amendment to the Tier 6 NOM Market Maker rebate to add liquidity in Penny Symbols from $0.47 per contract to $0.45 per contract is reasonable because NOM Market Makers would continue to receive substantial rebates for adding Penny Symbol liquidity across all six volume tiers, and the Tier 6 rebate would remain among the highest of those tiers, tied with the Tier 5 rebate at $0.45 per contract. The amendment is part of an overall effort to appropriately calibrate rebates in a manner that helps attract order flow to NOM, from which all Participants benefit through increased trading opportunities and greater interaction with liquidity.

The proposed amendment is equitable and not unfairly discriminatory because the Exchange would uniformly apply the revised Tier 6 rebate to every NOM Market Maker that satisfies the qualifying criteria for that Tier. Similar downward adjustments to individual NOM Market Maker Penny Symbol rebate tiers have previously been effected by the Exchange on the same basis.[22]

Third Change

The proposed elimination and reservation of note 2 in Options 7, Section 2(1) is reasonable. Note 2 currently offers Non-NOM Market Makers and NOM Market Makers

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21 See, e.g., Securities Exchange Act Release No. 103339 (June 27, 2025), 90 FR 29082 (July 2, 2025) (File No. SR-NASDAQ-2025-045) (increasing the Tier 5 NOM Market Maker Rebate to Add Liquidity in Penny Symbols from $0.44 to $0.46 per contract); Securities Exchange Act Release No. 98934 (Nov. 15, 2023), 88 FR 81166 (Nov. 21, 2023) (File No. SR-NASDAQ-2023-044) (increasing the note 9 Customer Rebate to Add Liquidity in Non-Penny Symbols from $1.00 to $1.10 per contract, and increasing the note 10 Customer Rebate to Add Liquidity in Non-Penny Symbols from $1.05 to $1.15 per contract).

22 See Securities Exchange Act Release No. 104818 (Feb. 11, 2026), 91 FR 7336 (Feb. 17, 2026) (File No. SR-NASDAQ-2026-006) (reducing the Tier 5 NOM Market Maker Rebate to Add Liquidity in Penny Symbols from $0.46 to $0.45 per contract and the Tier 6 NOM Market Maker Rebate to Add Liquidity in Penny Symbols from $0.48 to $0.47 per contract).

reduced fees for removing liquidity in Penny Symbols of $0.48 and $0.38 per contract in narrowly defined transactions in which the Participant is (i) both the buyer and the seller or (ii) removes liquidity from another Participant under Common Ownership, and only where the Participant has separately added 1.10% or 1.55% of total industry customer equity and ETF option ADV. Following the proposed elimination, Non-NOM Market Makers and NOM Market Makers would be assessed the same standard $0.50 per contract Penny Symbols fee for removing liquidity that is applicable to Broker-Dealers and Firms. The Exchange believes that eliminating this narrow incentive, which today applies only where the Participant is on both sides of the trade or removes liquidity from an affiliate under Common Ownership, produces a more uniform Penny Symbols removal fee structure across Non-NOM Market Makers, NOM Market Makers, Broker-Dealers and Firms and simplifies the Pricing Schedule.

The proposed elimination is equitable and not unfairly discriminatory because, upon its effectiveness, no Participant would be able to qualify for the eliminated note 2 incentives, and the Exchange would uniformly apply the standard fees to remove liquidity in Penny Symbols to all Non-NOM Market Makers and NOM Market Makers.

Fourth Change

The proposed modification to the Tier 6 criteria for the Customer and Professional rebate to add liquidity in Penny Symbols is reasonable. Tier 6 is presently available under two alternative qualification paths, and the proposal streamlines only the second of those paths. Following the proposed change, that second path will continue to require the Participant to add at least 0.10% of total industry customer equity and ETF option ADV in Customer and/or Professional volume, and to qualify for MARS. The primary qualification path (adding at least 0.70% of total industry customer equity and ETF option ADV in Penny Symbol and/or Non-

Penny Symbol liquidity) is not affected by the proposal, and neither is the requirement that the Participant reach 0.10% of total industry customer equity and ETF option ADV in Customer and/or Professional volume under the second path. The Exchange has previously observed, in adding an alternative MARS-tied route to Tier 3 of the Customer and Professional rebate program,[23] that tying rebate qualification to MARS is designed to incentivize Participants to increase their liquidity adding activity on NOM and thereby improve the quality of the market for all Participants. The Exchange believes that the same reasoning supports focusing the second Tier 6 qualification path on the MARS-tied requirement alone.

The proposed modification is equitable and not unfairly discriminatory because the Exchange would uniformly apply the streamlined Tier 6 criteria to every Participant that seeks to earn the Customer and Professional rebate to add liquidity in Penny Symbols at Tier 6. Participants that previously could have qualified for Tier 6 through the deleted alternative (adding liquidity in all securities through one or more of their Nasdaq Market Center MPIDs representing 1.00% or more of Consolidated Volume in a month) may still qualify for Tier 6 either by satisfying the unmodified primary volume threshold or by satisfying the retained MARS-tied requirement of the second path, on the same terms as every other Participant. The Exchange acknowledges that a Participant whose Tier 6 eligibility currently rests solely on the deleted MPID/Consolidated Volume alternative—that is, a Participant that does not meet either the unmodified primary volume threshold or the retained MARS-tied requirement of the second path—would no longer qualify for Tier 6 following the proposed change. The Exchange believes this outcome is appropriate because it aligns Tier 6 eligibility with volume-based and MARS-

23 See Securities Exchange Act Release No. 92974 (Sept. 14, 2021), 86 FR 52273 (Sept. 20, 2021) (File No. SR-NASDAQ-2021-069) (adding an alternative MARS-tied route to qualify for the Tier 3 Customer and Professional Rebate to Add Liquidity in Penny Symbols).

linked criteria that more directly incentivize the addition of Customer and Professional order flow to NOM.

Fifth Change

The proposed elimination and reservation of note 7 in Options 7, Section 2(1) is reasonable. Note 7 currently modifies the Tier 6 Customer rebate to add liquidity in Penny Symbols by providing additional $0.02, $0.05, or $0.05 per contract enhancements upon satisfaction of substantial volume and cross-market conditions. The Exchange has observed that these layered volume-based and cross-market enhancements have not attracted incremental Customer order flow at levels commensurate with the complexity that they add to the Pricing Schedule. Following the proposed elimination, Participants that qualify for the Tier 6 Customer rebate to add liquidity in Penny Symbols would continue to receive that rebate at its established level. The Exchange believes that consolidating the Tier 6 Customer rebate at its established, uniform level, without the additional volume-based and cross-market enhancements currently in note 7, produces a simpler and more transparent Tier 6 Customer rebate structure.

The proposed elimination is equitable and not unfairly discriminatory because, upon its effectiveness, no Participant would be able to qualify for the eliminated note 7 enhancements, and the Exchange would uniformly apply the standard Tier 6 Customer rebate to every Participant that qualifies for that Tier.

Sixth Change

The proposed relocation of the "Consolidated Volume" defined term from note 7 of Options 7, Section 2(1) to Options 7, Section 1(a), which houses the defined terms applicable throughout the Pricing Schedule, is reasonable. The proposed relocation is a non-substantive change that reproduces the "Consolidated Volume" definition verbatim in a new location and, in itself, does not modify any fee, rebate, threshold, or qualification criterion under Options 7. Because notes 3, 4, 9 and the note designated by "##" within Options 7, Section 2(1) each use the term "Consolidated Volume" without themselves defining it, and because the concurrent elimination of note 7 (the sole current location of the defined term) would otherwise leave "Consolidated Volume" undefined within Options 7, the proposed relocation preserves an accurate and clearly identifiable definition of "Consolidated Volume" for all remaining references to that term within Options 7. Placing the "Consolidated Volume" defined term alongside the other defined terms in Section 1(a) also makes the Pricing Schedule easier to read and more accessible to Participants and other market participants that consult it.

The proposed relocation is equitable and not unfairly discriminatory because it applies uniformly across all Participants. The definition of "Consolidated Volume" proposed for Options 7, Section 1(a) is identical to the definition that currently appears in note 7, and its relocation does not alter how "Consolidated Volume," or activity for any fee or rebate tier that references "Consolidated Volume," is calculated. The Exchange will therefore continue to apply the same measure of "Consolidated Volume," in the same manner, to every Participant that seeks to qualify under any fee or rebate provision of Options 7 that references that term.

<u>Seventh Change</u>

The proposed elimination and reservation of note 10 in Options 7, Section 2(1) is reasonable. Note 10 currently provides an alternative, exclusive rebate schedule to Participants that satisfy a demanding combination of NOM add-liquidity volume above 1.50% of total industry customer equity and ETF option ADV, MOC/LOC Consolidated Volume greater than 0.04% executed within The Nasdaq Stock Market Closing Cross, and non-displayed volume within The Nasdaq Stock Market greater than 1.5 million shares per day. Participants that qualified for the note 10 rebate schedule were excluded from receiving any of the six tiered Customer and Professional rebates to add liquidity, and from any other Customer and Professional rebate incentive on NOM. With the proposed elimination, all Participants, including any Participant that previously qualified for the note 10 rebate schedule, would be eligible to earn the tiered Customer and Professional rebates to add liquidity in Penny Symbols and Non-Penny Symbols on the same basis as every other Participant.

The proposed elimination is equitable and not unfairly discriminatory because, upon its effectiveness, no Participant would be able to qualify for the eliminated note 10 rebate schedule, and the Exchange would uniformly apply to all Participants the tiered Customer and Professional rebates to add liquidity.

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.

Inter-market Competition

The proposal does not impose an undue burden on inter-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes its proposal remains competitive with other options markets and will offer market participants with another choice of where to transact options. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

Intra-market Competition

The Exchange does not believe that its proposal would impose an undue burden on intra-market competition. Each of the seven proposed changes would apply uniformly across all Participants, or uniformly within an identifiable class of Participants to which the corresponding pricing provision applies.

First Change

The proposed increase of the Tier 6 Customer rebate to add liquidity in Penny Symbols from $0.48 per contract to $0.49 per contract does not impose an undue burden on intra-market competition, because the revised Tier 6 rebate would apply uniformly to every Participant that satisfies the Tier 6 qualification criteria through Customer liquidity-adding order flow. The Exchange's long-standing practice of providing more favorable pricing on Customer liquidity than on liquidity from other categories of market participants does not impose an undue burden on intra-market competition because, as described above, Customer liquidity offers benefits that ultimately flow through to all Participants.

Second Change

The proposed reduction of the Tier 6 NOM Market Maker rebate to add liquidity in Penny Symbols from $0.47 per contract to $0.45 per contract does not impose an undue burden on intra-market competition, because the revised rebate would apply uniformly to every NOM Market Maker that satisfies the Tier 6 qualification criteria, and NOM Market Makers would continue to receive substantial rebates for adding Penny Symbol liquidity across all six volume tiers.

Third Change

The proposed elimination and reservation of note 2 in Options 7, Section 2(1) does not impose an undue burden on intra-market competition, because, upon its effectiveness, no Participant would be able to qualify for the eliminated note 2 incentives, and Non-NOM Market Makers and NOM Market Makers would be assessed the same $0.50 per contract Penny Symbol fee for removing liquidity as Broker-Dealers and Firms.

Fourth Change

The proposed modification of the Tier 6 criteria for the Customer and Professional rebate to add liquidity in Penny Symbols does not impose an undue burden on intra-market competition, because the streamlined Tier 6 criteria would apply uniformly to every Participant that seeks the Tier 6 rebate. The primary qualification path (adding at least 0.70% of total industry customer equity and ETF option ADV in Penny Symbol and/or Non-Penny Symbol liquidity) is unchanged by the proposal, and the MARS-tied requirement of the second qualification path is retained without modification. The proposal narrows only one of two alternative requirements within the second qualification path, and it does so on terms that apply identically to every Participant.

Fifth Change

The proposed elimination and reservation of note 7 in Options 7, Section 2(1) does not impose an undue burden on intra-market competition, because, upon its effectiveness, no Participant would be able to qualify for the eliminated note 7 enhancements, and the Tier 6 Customer rebate to add liquidity in Penny Symbols would continue to be paid at its established level to every Participant that satisfies the Tier 6 criteria.

Sixth Change

The proposed relocation of the "Consolidated Volume" defined term from note 7 of Options 7, Section 2(1) to Options 7, Section 1(a) does not impose an undue burden on intra-market competition. The relocation is a non-substantive change that reproduces the definition verbatim in a new location, does not modify any fee, rebate, threshold or qualification criterion, and does not alter how "Consolidated Volume" is calculated or applied to any Participant. The same measure of "Consolidated Volume" will continue to apply to all Participants that seek to qualify under any fee or rebate provision of Options 7 that references the term and, accordingly, the proposed relocation applies uniformly across all Participants.

Seventh Change

The proposed elimination and reservation of note 10 in Options 7, Section 2(1) does not impose an undue burden on intra-market competition. Upon its effectiveness, no Participant would be able to qualify for the eliminated note 10 rebate schedule, and, importantly, Participants that previously would have been excluded from the tiered Customer and Professional rebates to add liquidity by virtue of qualifying for note 10 would once again be eligible to earn those tiered rebates on the same basis as every other Participant. The Exchange therefore believes that this change furthers intra-market competition by allowing all Participants, including any Participants that previously qualified for the note 10 rebate schedule, to be eligible to qualify and earn the tiered Customer and Professional rebates to add liquidity in Penny Symbols and Non-Penny Symbols on the same basis as every other Participant.

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 Act.[24]

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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-NASDAQ-2026-074 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.

24 15 U.S.C. 78s(b)(3)(A)(ii).

All submissions should refer to file number SR-NASDAQ-2026-074. 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-NASDAQ-2026-074 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.[25]

Sherry R. Haywood,

Assistant Secretary.

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25 17 CFR 200.30-3(a)(12).