

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104297; File No. SR-PHLX-2025-63]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend PHLX Equity 4, Rule 3301A(b) To Specify that the “Time-in-Force” Order Attribute of “Immediate-or-Cancel” Is Not Available To Post-Only Orders Or Midpoint Peg Post-Only Orders Entered Through the CORE FIX Protocol, and To Correct a Clerical Error Regarding the Availability of the Trade Now Order Attribute for Midpoint Peg Post-Only Orders

December 3, 2025.

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 November 24, 2025, Nasdaq PHLX LLC (“PHLX” 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 PHLX Equity 4, Rule 3301A(b) to specify that the “Time-in-Force” Order Attribute of “Immediate-or-Cancel” is not available to Post-Only Orders or Midpoint Peg Post-Only Orders entered through the CORE FIX protocol, and to correct a

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

clerical error regarding the availability of the Trade Now Order Attribute for Midpoint Peg Post-Only Orders.

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

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the 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's rules provide participants five Order³ entry protocols: OUCH,⁴ RASH,⁵

³ The term "Order" means an instruction to trade a specified number of shares in a specified NMS stock submitted to "PSX" or "System" by a participant. See PHLX Equity 1, Section 1(e). "PSX" or "System" is the automated system for order execution and trade reporting owned and operated by the Exchange. See PHLX Equity 1, Section 1(a).

⁴ The OUCH Order entry protocol is a proprietary protocol that allows subscribers to quickly enter orders into the System and receive executions. OUCH accepts limit Orders from members, and if there are matching Orders, they will execute. Non-matching Orders are added to the Limit Order Book, a database of available limit Orders, where they are matched in price-time priority. OUCH only provides a method for members to send Orders and receive status updates on those Orders. See <https://www.nasdaqtrader.com/Trader.aspx?id=OUCH>.

⁵ RASH (Routing and Special Handling) is a proprietary protocol that allows participants to enter Orders, cancel existing Orders and receive executions while providing smart order routing and special handling features. RASH also allows participants to use advanced functionality, including discretion, random reserve, pegging and routing. See <https://www.nasdaqtrader.com/Trader.aspx?id=RASH>.

FIX,⁶ FLITE,⁷ and CORE FIX.⁸ Due to differences in the technical designs and capabilities of these protocols, they offer market participants different functionalities and experiences with respect to order handling. That is, order handling behaviors on the Exchange vary, in certain circumstances, depending upon the particular protocol that a Participant chooses to utilize to enter its Orders in connection with particular Order Types⁹ and Order Attributes.¹⁰

Currently, PHLX Equity 4, Rule 3301A(b)(4)(C) and Rule 3301A(b)(6)(C) specify that a Post-Only Order and a Midpoint Peg Post-Only Order, respectively, with a Time-in-Force of Immediate-or-Cancel (“IOC”)¹¹ may not be entered through RASH or FIX. The Exchange proposes to amend these rules to specify that these exclusions also apply to orders entered through the CORE FIX protocol. In other words, a Post-Only Order or a Midpoint Peg Post-Only Order with a Time-in-Force of IOC may not be entered through RASH, FIX, or CORE FIX.

⁶ FIX is a vendor-neutral standard message protocol that defines an electronic message exchange for communicating securities transactions between two parties. The Exchange’s FIX implementation acts like a router, converting incoming FIX messages into OUCH messages and back again. See <https://www.nasdaqtrader.com/Trader.aspx?id=FIX> and https://www.nasdaqtrader.com/content/ProductsServices/Trading/Protocols_quickref.pdf.

⁷ FIX Lite or “FLITE” is an Order entry protocol based on a subset of FIX. See <https://www.nasdaqtrader.com/Trader.aspx?id=FLITE> and https://www.nasdaqtrader.com/content/ProductsServices/Trading/Protocols_quickref.pdf.

⁸ CORE FIX is a proprietary order entry protocol that will allow participants to code for FIX, while enjoying the faster direct access to the Exchange that is offered by OUCH. The CORE FIX order entry protocol became effective on PHLX on September 23, 2025, but it has not yet become operative on the Exchange. See <https://www.nasdaqtrader.com/TraderNews.aspx?id=ETA2025-57> and Securities Exchange Act Release No. 104020 (Sept. 23, 2025), 90 FR 46446 (Sept. 26, 2025) (File No. SR-PHLX-2025-46) (Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend PHLX Equity 4, Rules 3100, 3301A, 3301B, and 3307 To Add the CORE FIX Order Entry Protocol) (“2025 Filing”).

⁹ An “Order Type” is a standardized set of instructions associated with an Order that define how it will behave with respect to pricing, execution, and/or posting to the PSX Book when submitted to the System. See PHLX Equity 1, Section 1(e). The “PSX Book” is a montage for quotes and orders that collects and ranks all quotes and orders submitted by participants. See PHLX Equity 1, Section 1(a)(1).

¹⁰ An “Order Attribute” is a further set of variable instructions that may be associated with an Order to further define how it will behave with respect to pricing, execution, and/or posting to the PSX Book when submitted to PSX. See PHLX Equity 1, Section 1(e).

¹¹ An order with an IOC Order Attribute is to be executed in whole or in part upon receipt. Any portion not so executed is cancelled.

Additionally, the Exchange wishes to correct a clerical error in PHLX Equity 4, Rule 3301A(b)(6)(C) regarding the availability of the Trade Now Order Attribute for Midpoint Peg Post-Only Orders. In 2024 the Exchange removed the Trade Now Order Attribute from the list of Order Attributes available for Midpoint Peg Post-Only Orders.¹² However, the Exchange mistakenly did not make this change to its rulebook on the Exchange’s website. Therefore, earlier this year, when the Exchange modified this same rule as part of its filing to add the CORE FIX order entry protocol to the Exchange, the Exchange mistakenly modified this deleted rule text to add CORE FIX to the list of order entry protocols through which the Trade Now Order Attribute is available for Midpoint Peg Post Only Orders.¹³ The Exchange proposes to correct this clerical error by again removing the Trade Now Order Attribute from the list of order attributes available for Midpoint Peg Post-Only Orders.

The Exchange will announce the implementation date of the new CORE FIX Order Entry Protocol, including the functionality described in this filing, in an Equity Trader Alert at least 30 days prior to implementation. At present, the Exchange expects that the new CORE FIX functionality will be ready for implementation in the first quarter of 2026, although that time frame is subject to change.

The Exchange will remove from its rulebook the incorrect language in PHLX Equity 4, Rule 3301A(b)(6)(C) regarding the availability of the Trade Now Order Attribute for Midpoint Peg Post-Only Orders 30 days after the date of this filing.

¹² See Securities Exchange Act Release No. 100061 (May 3, 2024), 89 FR 39671 (May 9, 2024) (File No. SR-PHLX-2024-22) (Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Trade Now Order Attribute, at Equity 4, Rule 3301B and Rule 3301A) (“2024 Filing”).

¹³ See 2025 Filing.

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 Section 6(b)(5) of the Act,¹⁵ 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.

As a preliminary matter, the Exchange notes that this proposal is not novel. Earlier this year The Nasdaq Stock Market LLC made a similar change to its rulebook when it established CORE FIX on its equities market.¹⁶ The CORE FIX functionality under Nasdaq Equity 4, Rule 4702(b)(4)(C)¹⁷ and Nasdaq Equity 4, Rule 4702(b)(5)(C)¹⁸ is substantially similar to the CORE FIX functionality proposed by PHLX in the present filing. Additionally, removing Trade Now from the list of Order Attributes available for Midpoint Peg Post-Only Orders would effectuate one of the changes made by the Exchange, and noticed by the Commission, in the 2024 Filing.

It is consistent with the Act to amend the rulebook to specify the functionality of the new CORE FIX order entry protocol. What the current filing does is specify that Post-Only Orders and Midpoint Peg Post-Only Orders with a Time-in-Force of IOC that are submitted through

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ See Securities Exchange Act Release No. 102661 (Mar. 13, 2025), 90 FR 12858 (Mar. 19, 2025) (File No. SR-NASDAQ-2025-027) (Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Equity 4, Rules 4120, 4702 4703, and 4757) (“Nasdaq Filing”).

¹⁷ As amended in the Nasdaq Filing, this Nasdaq rule reads as follows: “The following Order Attributes may be assigned to a Post-Only Order . . . Time-in-Force; provided, however, that a Post-Only Order with a Time-in-Force of IOC may not be entered through CORE FIX, RASH, QIX, or FIX.”

¹⁸ As amended in the Nasdaq Filing, this Nasdaq rule reads as follows: “The following Order Attributes may be assigned to a Midpoint Peg Post-Only Order . . . Time-in-Force; provided, however, that a Midpoint Peg Post-Only Order with a Time-in-Force of IOC may not be entered through CORE FIX, RASH, QIX, or FIX.”

CORE FIX will be rejected, just as such orders are rejected when entered through RASH or FIX. Participants who wish to avail themselves of the Time-in-Force of IOC for Post-Only Orders and Midpoint Peg Post-Only Orders may continue to do so by utilizing other order entry protocols for that purpose.

It is also consistent with the Act to correct the rulebook to remove Trade Now from the list of Order Attributes available for a Midpoint Peg Post-Only Order. This is a change that was already filed and noticed by the Commission in 2024.¹⁹ Inadvertently including this deleted rule text in the 2025 Filing was a clerical error, and correcting this mistake helps avoid potential confusion among market participants.

Finally, this proposal is consistent with the Act and is designed to promote just and equitable principles of trade because it ensures that the rulebook accurately reflects the functionality of the of Time-in-Force Order Attribute of IOC for Post-Only Orders and Midpoint Peg Post-Only Orders. Specifying in the rulebook that this Order Attribute is not available for Post-Only Orders and Midpoint Peg Post-Only Orders entered through CORE FIX will help market participants choose the most appropriate order entry protocol to achieve their trading objectives. Also, removing once again Trade Now from the list of Order Attributes available for Midpoint Peg Post-Only Orders corrects a clerical error in the rulebook, which in turn led to a mistake in the 2025 Filing, and thus ensures that the rulebook matches what the Exchange filed, and the Commission noticed, in the 2024 Filing.

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. As a general

¹⁹ See 2024 Filing.

principle, the proposed changes are reflective of the significant competition among exchanges and non-exchange venues for order flow. In this regard, a proposed change that amends and clarifies the Exchange's rules regarding its Order Types and Order Attributes is pro-competitive because it bolsters the efficiency, functionality, and overall attractiveness of the Exchange in an absolute sense and relative to its peers. Moreover, the proposed changes will not unduly burden intra-market competition among various Exchange participants. Participants will experience no competitive impact from this change, as the change will apply equally to all participants, and participants remain free to use other order entry protocols if they wish to continue to avail themselves of the Time-in-Force of IOC for Post-Only Orders or Midpoint Peg Post-Only Orders. Likewise, correcting the rulebook by removing Trade Now from the list of Order Attributes available for Midpoint Peg Post-Only Orders will not burden intra-market competition among various Exchange participants. Participants will experience no competitive impact from this change, as the change will apply equally to all participants, and it is merely correcting a clerical error made by the Exchange in the 2025 Filing, and thus implementing a change that the Exchange made, and the Commission noticed, in the 2024 Filing.

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

No written comments were either solicited or received.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time

as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act²⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.²¹

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-PHLX-2025-63 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.

²⁰ 15 U.S.C. 78s(b)(3)(A)(iii).

²¹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

All submissions should refer to file number SR-PHLX-2025-63. 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-PHLX-2025-63 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.²²

Sherry R. Haywood,

Assistant Secretary.

²² 17 CFR 200.30-3(a)(12).