

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104473; File No. SR-Phlx-2025-76]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Options 7, Section 9, B, Port Fees

December 19, 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 December 18, 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’s Pricing Schedule at Options 7, Section 9, B, Port Fees.³

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on January 1, 2026.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ On December 11, 2025 the Exchange filed SR-Phlx-2025-71. On December 18, 2025, the Exchange withdrew SR-Phlx-2025-71 and filed this proposal.

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

Phlx recently completed a technology migration to a new platform on December 8, 2025. As part of the technology migration, Phlx members and member organizations acquired new ports to connect to the new technology platform to accommodate the symbol migration plan. Specifically, members and member organizations utilized both existing or “legacy”⁴ ports and “new”⁵ ports during the technology migration rollout which occurred over a 5 week period on a symbol-by-symbol basis. During the transition to the new platform, Phlx did not assess the SQF

⁴ A “legacy” port refers to a port that was subscribed to by a Phlx member or member organization prior to the technology migration and connects to the existing technology platform.

⁵ A “new” port refers to a port acquired for the Phlx technology migration and would connect to the new technology migration.

Port,⁶ SQF Purge Port,⁷ and CTI Port⁸ fees in Options 7, Section 9, B for any new SQF Ports, SQF Purge Ports, and CTI Ports, which were duplicative of legacy SQF Ports, SQF Purge Ports, and CTI Ports, acquired as part of the migration from November 1, 2025 through December 31, 2025 (“Transition Period”).⁹ Phlx did assess the SQF Port, SQF Purge Port, and CTI Port fees in Options 7, Section 9, B for legacy SQF Ports, SQF Purge Ports, and CTI Ports during the Transition Period, including new SQF Ports, SQF Purge Ports, and CTI Ports. The prior Phlx rule change¹⁰ provided that, as of January 1, 2026, Phlx will assess the SQF Port, SQF Purge Port, and CTI Port fees in Options 7, Section 9, B for all new and legacy SQF Ports, SQF Purge

⁶ “Specialized Quote Feed” or “SQF” is an interface that allows Lead Market Makers, Streaming Quote Traders (“SQTs”) and Remote Streaming Quote Traders (“RSQTs”) to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses into and from the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying and complex instruments); (2) system event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge requests from the Lead Market Maker, SQT or RSQT. Lead Market Makers, SQTs and RSQTs may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the Order Price Protection, the Market Order Spread Protection, or Size Limitation in Options 3, Section 15(a)(1), (a)(2) and (b)(2), respectively. See Options 3, Section 7(a)(i)(B).

⁷ An SQF Purge Interface only receives and notifies of purge request from the Market Maker.

⁸ Clearing Trade Interface (“CTI”) is a real-time clearing trade update message that is sent to a member after an execution has occurred and contains trade details specific to that member. The information includes, among other things, the following: (i) The Clearing Member Trade Agreement or “CMTA” or “OCC” number; (ii) Exchange badge or house number; (iii) the Exchange internal firm identifier; (iv) an indicator which will distinguish electronic and non-electronically delivered orders; (v) liquidity indicators and transaction type for billing purposes; and (vi) capacity. See Options 3, Section 23(b)(1).

⁹ The duplicate new SQF Ports, SQF Purge Ports, and CTI Ports and duplicate mnemonics were offered at no cost will allow members and member organizations time to test ports to the new environment as well as provide continuous connection to the Exchange’s match engine during the migration. During the Transition Period, members and member organizations will be required to utilize their new ports on the new platform for symbols that have migrated to the new platform, while continuing to leverage legacy ports for symbols that have not yet migrated to the new platform. The technology migration does not require Phlx members and member organizations to acquire additional ports or any new ports that are being offered, rather the technology migration requires a new port to connect to the new environment. Phlx assessed port fees for December 2025 as of December 1, 2025.

¹⁰ See Securities Exchange Act Release No. 103593 (July 30, 2025), 90 FR 36479 (August 4, 2025) (SR-Phlx-2025-32) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 7, Section 9, B, Port Fees).

Ports, and CTI Ports to which they subscribe. Phlx members and member organizations may return legacy SQF Ports, SQF Purge Ports, and CTI Ports in December 2025 to avoid any fees. Legacy SQF Ports, SQF Purge Ports, and CTI Ports are no longer necessary since the Phlx migration is complete and all trading is currently on the new platform.

SR-Phlx-2025-32 also discussed fees for FIX Ports during the Transition Period¹¹ as well as new OTTO¹² Port and new FIX Drop¹³ Port Fees.¹⁴ Finally, Phlx provided that it planned to sunset legacy FIX Ports, SQF Ports, SQF Purge Ports, and CTI Ports on February 27, 2026, after which time these ports will no longer be available.

Proposal

At this time, the Exchange proposes to expedite the sunset date for SQF Ports, SQF Purge Ports, and CTI Ports from February 27, 2026 to January 1, 2026. The Phlx migration was complete on December 8, 2025. The Exchange believes that Phlx market participants have

¹¹ As of January 1, 2026, the Exchange will assess a FIX Port Fee based on each mnemonic associated with new and legacy FIX Ports.

¹² As proposed, “Ouch to Trade Options” or “OTTO” is an interface that allows member organizations and their Sponsored Customers to connect, send, and receive messages related to orders, auction orders, and auction responses to the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying and complex instruments); (2) system event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) order messages; (6) risk protection triggers and cancel notifications; (7) auction notifications; (8) auction responses; and (9) post trade allocation messages. OTTO will be located in the Exchange’s revised rules at Supplementary Material .03 of Options 3, Section 7. The Exchange will assess an OTTO Port fee of \$400 per port, per month, per mnemonic, subject to a monthly cap of \$4,000. See Securities Exchange Act Release No. 102337 (February 4, 2025), 90 FR 9267 (February 10, 2025) (SR-Phlx-2025-05) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt a New OTTO Protocol),

¹³ FIX DROP is a real-time order and execution update message that is sent to a member after an order has been received/modified or an execution has occurred and contains trade details specific to that member. The information includes, among other things, the following: (i) executions; (ii) cancellations; (iii) modifications to an existing order; and (iv) busts or post-trade corrections. FIX Drop will be located in the Exchange’s rules at Options 3, Section 23(b)(3). The Exchange will assess a FIX Drop Fee of \$500 per port, per month, per account number. See Securities Exchange Act Release No. 90 FR 8818 (February 3, 2025) (SR-Phlx-2025-04) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt a FIX Drop Port and Related Fees).

¹⁴ On November 1, 2025, Phlx began assessing OTTO Port Fees and FIX Drop Port Fees to any member or member organization that subscribed to these new ports.

enough time to return their SQF Ports, SQF Purge Ports, and CTI Ports in December 2025 to allow the Exchange to sunset these ports.

This proposal does not impact FIX Ports which would sunset on February 27, 2026. As of January 1, 2026, Phlx will assess a FIX Port Fee based on each mnemonic associated with new and legacy FIX Ports. Phlx members and member organizations may return legacy FIX Ports in December 2025 to avoid any fees or opt to return them any time prior to February 27, 2026.

The Exchange notes that legacy FIX Ports currently provide data from the new platform while legacy SQF Ports, SQF Purge Ports, and CTI Ports do not currently provide any data.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁵ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹⁶ 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.

Phlx's proposal to expedite the sunset date for SQF Ports, SQF Purge Ports, and CTI Ports from February 27, 2026 to January 1, 2026 is reasonable because the Phlx migration was complete on December 8, 2025 and the SQF Ports, SQF Purge Ports, and CTI Ports are not functional at this time. Also, the Exchange believes that Phlx market participants have enough time to return these ports in December 2025 to allow the Exchange to sunset these ports. This proposal does not impact FIX Ports which would sunset on February 27, 2026. Unlike legacy

¹⁵ See 15 U.S.C. 78f(b).

¹⁶ See 15 U.S.C. 78f(b)(4) and (5).

SQF Ports, SQF Purge Ports, and CTI Ports, legacy FIX Ports provide data from the new platform and are still functional. As of January 1, 2026, Phlx will assess a FIX Port Fee based on each mnemonic associated with new and legacy FIX Ports. Phlx members and member organizations may return legacy FIX Ports in December 2025 to avoid any fees. The Exchange notes that Market Makers acquire SQF Ports and SQF Purge Ports to quote on the Exchange. In contrast, all market participants utilize FIX Ports to enter orders and may utilize CTI Ports for clearing information. The Exchange believes that all members and member organizations would be able to return all legacy ports prior to December 31, 2025.

Phlx's proposal to expedite the sunset date for SQF Ports, SQF Purge Ports, and CTI Ports from February 27, 2026 to January 1, 2026 is equitable and not unfairly discriminatory because no Phlx member or member organization is able to utilize SQF Ports, SQF Purge Ports, and CTI Ports today because they are not connected to a platform that is active. Also, no Phlx member or member organization would be able to log into their SQF Ports, SQF Purge Ports or CTI Ports after the sunset date.

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.

Intermarket 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.

Intermarket Competition

The Exchange believes its proposal remains competitive with other options markets, and will offer market participants with another choice of venue 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. 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.

Intramarket Competition

Phlx's proposal to expedite the sunset date for SQF Ports, SQF Purge Ports, and CTI Ports from February 27, 2026 to January 1, 2026 does not impose an undue burden on competition because no Phlx member or member organization is able to utilize SQF Ports, SQF Purge Ports or CTI Ports today because they are not connected to a platform that is active. Also, no Phlx member or member organization would be able to log into their SQF Ports, SQF Purge Ports or CTI Ports after the sunset date.

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.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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

(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-Phlx-2025-76 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-Phlx-2025-76. 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-2025-76 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.

¹⁸ 17 CFR 200.30-3(a)(12).