

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105691; File No. SR-Phlx-2026-38]

## Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Exchange's Options Regulatory Fee (ORF)

June 15, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 5, 2026, Nasdaq PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the 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 decrease the Phlx Options Regulatory Fee (“ORF”) rate that will be effective on July 1, 2026.<sup>3</sup> Additionally, the Exchange proposes a non-substantive amendment to Options 7, Section 6D, Options Regulatory Fee, regarding the July 1, 2026 rule text that describes the ORF collection methodology.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities and Exchange Act Release No. 103620 (August 1, 2025), 90 FR 37918 (August 6, 2025) (SR-Phlx-2025-30) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Methodology for Its Options Regulatory Fee (ORF) as of January 2, 2026). See also Securities and Exchange Act Release No. 104515 (December 29, 2025), 91 FR 181 (January 2, 2026) (SR-Phlx-2025-77) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Concerning the Exchange's Options Regulatory Fee (ORF) Methodology Until July 1, 2026).

While the changes proposed herein are effective upon filing, the Exchange has designated the proposed rule change to be operative on July 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.

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 previously filed various rule proposals<sup>4</sup> to amend its ORF methodology and the rate for July 1, 2026. At this time, Phlx proposes to decrease the July 1, 2026 ORF rate from \$0.0150 to \$0.0080 per contract side. Additionally, the Exchange proposes a non-substantive amendment to Options 7, Section 6D, Options Regulatory Fee, regarding the July 1, 2026 rule text that describes the ORF collection methodology.

**July 1, 2026 ORF**

As of July 1, 2026, Phlx will assess ORF for options transactions cleared by The Options

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<sup>4</sup> See id.

Clearing Corporation (“OCC”) in the customer<sup>5</sup> range, however ORF would be assessed to each Phlx member organization<sup>6</sup> for executions that occur on Phlx. Specifically, the ORF would be collected by OCC on behalf of Phlx from member organizations and non-member organizations for all customer transactions executed on Phlx. ORF would be assessed and collected on all ultimately cleared customer contracts, taking into account adjustments for CMTA that were provided to Phlx the same day as the trade.<sup>7</sup> Further, the Exchange would bill ORF according to the clearing instructions provided on the execution. More specifically, Phlx proposes to assess ORF based on the clearing instruction provided on the execution on trade date and would not take into consideration CMTA changes or transfers that occur at OCC.<sup>8</sup>

Phlx filed a rule proposal on July 25, 2025 to assess an ORF of \$0.0150 per contract side for January 2, 2026, the implementation of which was subsequently delayed to July 1, 2026.<sup>9</sup>

Nearly a year has passed since Phlx set the ORF rate for July 1, 2026.<sup>10</sup> At this time, Phlx

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<sup>5</sup> ORF would be assessed by Phlx and collected via the OCC from Customers, Professional Customers, and Broker-Dealers that are not affiliated with a clearing member. These market participants clear in the “C” range at OCC. ORF will continue to be assessed and collected from these market participants under the new methodology. On Phlx, a “Customer” means a person or entity that is not a broker or dealer in securities and is not a Professional as defined within Options 1, Section 1(b)(45); and a “Broker-Dealer” applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category.

<sup>6</sup> The term “member organization” means a corporation, partnership (general or limited), limited liability partnership, limited liability company, business trust or similar organization, transacting business as a broker or a dealer in securities and which has the status of a member organization by virtue of (i) admission to membership given to it by the Membership Department pursuant to the provisions of General 3, Sections 5 and 10 or the By-Laws or (ii) the transitional rules adopted by the Exchange pursuant to Section 6-4 of the By-Laws. References herein to officer or partner, when used in the context of a member organization, shall include any person holding a similar position in any organization other than a corporation or partnership that has the status of a member organization. See General 1, Section 1(17).

<sup>7</sup> Adjustments to CMTA that occur at OCC would not be taken into account.

<sup>8</sup> Adjustments that were made the same day as the trade on Phlx will be taken into account.

<sup>9</sup> See supra note 3.

<sup>10</sup> See Securities and Exchange Act Release No. 103620 (August 1, 2025), 90 FR 37918 (August 6, 2025) (SR-Phlx-2025-30) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Methodology for Its Options Regulatory Fee (ORF) as of January 2, 2026).

proposes to decrease the ORF rate from \$0.0150 to \$0.0080 per contract side.<sup>11</sup> This rate change is influenced by a review of costs and an increase in options volumes since the July 2025 rule change. Phlx will continue to ensure that ORF Regulatory Revenue<sup>12</sup> does not exceed a material portion of Options Regulatory Costs.<sup>13</sup> More specifically, Phlx will endeavor to ensure that ORF Regulatory Revenue generated from ORF will not exceed 82% of Options Regulatory Costs. The Exchange will notify member organizations via an Options Trader Alert of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

As is the case today, Phlx will monitor ORF Regulatory Revenue to ensure that it, in combination with other regulatory fees and fines, does not exceed Options Regulatory Costs. In determining whether an expense is considered an Options Regulatory Costs, the Exchange will continue to review all costs and make determinations whether there is a nexus between the expense and a regulatory function. The Exchange notes that fines collected by the Exchange in connection with a disciplinary matter will continue to offset Options Regulatory Costs.

ORF Regulatory Revenue is designed to recover a material portion of the Options Regulatory Costs to the Exchange for the supervision and regulation of member organizations' transactions, including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. Options Regulatory

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<sup>11</sup> Member organizations were notified of the ORF rate changes for July 1, 2026 via an Options Trader Alert on May 21, 2026. See Options Trader Alert #2026-22.

<sup>12</sup> ORF Regulatory Revenue is the amount of revenue collected from the ORF.

<sup>13</sup> Options Regulatory Costs are those regulatory costs for options that comprise a subset of the Exchange's regulatory budget that are specifically related to options regulatory expenses and encompasses the cost to regulate all member organizations' options activity.

Costs include direct regulatory expenses<sup>14</sup> and certain indirect expenses in support of the regulatory function.<sup>15</sup>

### **Rule Text Amendment**

Options 7, Section 6D, Options Regulatory Fee, provides, among other things, that, “Specifically, the ORF is collected by OCC on behalf of Phlx from Phlx member organizations and non-member organizations for all customer transactions executed on Phlx.” The Exchange proposes to amend this sentence to instead provide,

The ORF is collected by the OCC on behalf of the Exchange from either (1) a member organization that was the clearing firm for the transaction or (2) a non-member organization that was the clearing firm where a member organization was the executing firm for the transaction.

This rule text more specifically describes the Exchange’s collection process as explained in its prior rule proposal.<sup>16</sup> The Exchange proposes this revised rule text because it provides greater clarity to the manner in which ORF is collected. This proposed amendment is non-substantive.

### **2. Statutory Basis**

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>17</sup> Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act<sup>18</sup>, which provides that Exchange rules may provide for the equitable allocation of reasonable dues,

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<sup>14</sup> The direct expenses include in-house and third-party service provider costs to support the day-to-day regulatory work such as surveillances, investigations and examinations.

<sup>15</sup> The indirect expenses include support from such areas as Office of the General Counsel, technology, finance and internal audit.

<sup>16</sup> See supra note 10.

<sup>17</sup> 15 U.S.C. 78f(b).

<sup>18</sup> 15 U.S.C. 78f(b)(4).

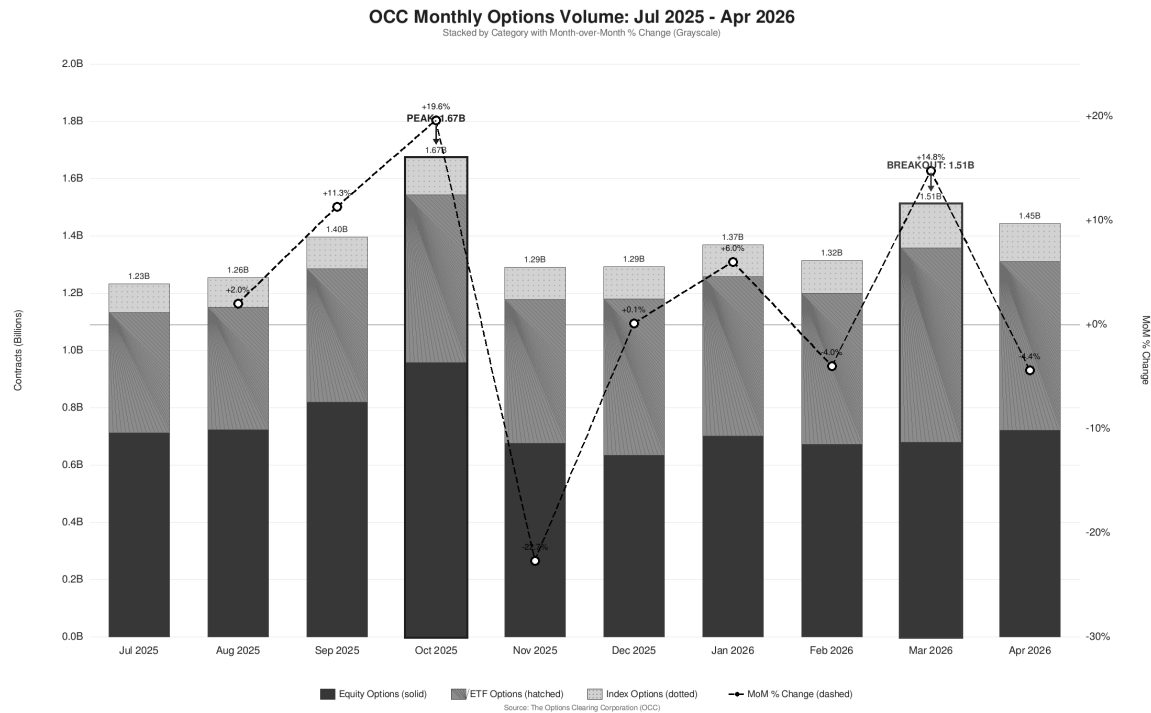
fees, and other charges among its members, and other persons using its facilities. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>19</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed reduction of the July 1, 2026 ORF rate is reasonable because it would help ensure that ORF Regulatory Revenue does not exceed a material portion of the Exchange's Options Regulatory Costs. As noted above, the ORF is designed to recover a material portion, but not all, of the Exchange's Options Regulatory Costs. Further, the Exchange believes the proposed fee change is reasonable because customer transactions will be subject to a lower ORF than the rate that would otherwise be in effect in July 2026.

The Exchange designed the ORF to generate ORF Regulatory Revenue that would be less than the Exchange's Options Regulatory Costs, thereby ensuring that such revenue, in combination with other regulatory fees and fines, does not exceed Options Regulatory Costs. This is consistent with the view of the Commission that regulatory fees be used for regulatory purposes and not to support the Exchange's business operations. As discussed above; however, after review of its Options Regulatory Costs and ORF Regulatory Revenue, which includes revenues from ORF and other regulatory fees and fines, the Exchange determined that absent a reduction in ORF it may collect ORF Regulatory Revenue which would exceed its Options Regulatory Costs. Indeed, the Exchange notes that when taking into account options volume since July 2025, it estimates the ORF, if left unchanged, may generate ORF Regulatory Revenue that would cover more than the approximated Exchange's projected Options Regulatory Costs.

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<sup>19</sup> 15 U.S.C. 78f(b)(5).



As such, the Exchange believes it is reasonable and appropriate to decrease the ORF amount from \$0.0150 to \$0.0080 per contract side.

The Exchange also believes the proposed fee change is equitable and not unfairly discriminatory because collecting 82% of Options Regulatory Costs is appropriate and correlates to the degree of regulatory responsibility and Options Regulatory Costs borne by the Exchange with respect to customer transactions. The Exchange’s proposal continues to ensure that Options Regulatory Revenue, in combination with other regulatory fees and fines, does not exceed Options Regulatory Costs. Fines collected by the Exchange in connection with a disciplinary matter will continue to offset Options Regulatory Costs. Capping ORF collected at 82% of Options Regulatory Costs, commencing July 1, 2026, is reasonable, equitable and not unfairly discriminatory as the Options Regulatory Revenue collected will offset the corresponding Options Regulatory Costs associated with on exchange customer transactions. The Exchange will review the ORF Regulatory Revenue and will amend the ORF if it finds that its ORF

Regulatory Revenue exceeds its projections.

### **Rule Text Amendment**

Amending the rule text at Options 7, Section 6D is a non-substantive amendment that is designed to more specifically describe the Exchange's collection process as explained in its prior rule proposal.<sup>20</sup>

#### **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 intra market competition not necessary or appropriate in furtherance of the purposes of the Act because this collection accounts for customer executions, which will be capped at 82% of Options Regulatory Costs commencing July 1, 2026. Further, the Exchange will review the ORF Regulatory Revenue and would amend the ORF if it finds that its ORF Regulatory Revenue exceeds its projections.

The proposed changes to ORF do not impose an undue burden on inter-market competition because ORF is a regulatory fee that supports regulation in furtherance of the purposes of the Act. The Exchange notes, however, the proposed change is not designed to address any competitive issues. The Exchange is obligated to ensure that the amount of ORF Regulatory Revenue, in combination with its other regulatory fees and fines, does not exceed Options Regulatory Cost.

### **Rule Text Amendment**

Amending the rule text at Options 7, Section 6D is a non-substantive amendment and, therefore, has no impact on competition.

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<sup>20</sup> See supra note 10.

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) of the Act<sup>21</sup> and paragraph (f) of Rule 19b-4<sup>22</sup> 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 will 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
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-Phlx-2026-38 on the subject line.

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<sup>21</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>22</sup> 17 CFR 240.19b-4(f).

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-2026-38. 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-2026-38 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.<sup>23</sup>

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

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<sup>23</sup> 17 CFR 200.30-3(a)(12).