SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106849; File No. SR-Phlx-2026-70]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Exchange's Fees at Equity 7, To Establish an Optional Nasdaq PSX Monthly Subscription Fee Program

November 9, 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 October 29, 2026, 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 the Exchange's fees at Equity 7, to establish an optional Nasdaq PSX Monthly Subscription Fee Program ("Program").

These amendments are effective upon filing. However, they will become operative on November 2, 2026. Therefore, interested firms can sign up for the Program by October 30, 2026, and start operating under the Program in the trading month that begins on November 2, 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.

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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 purpose of the proposed rule change is to amend the Exchange's fee schedule at Equity 7, by establishing an optional Nasdaq PSX Monthly Subscription Fee Program. The rule text for the Program will be located in Section 3 of Equity 7.

The Exchange is proposing to establish the Program as a completely voluntary and optional monthly alternative to its regular fee schedule, which charges firms[3] separate fees for each product or service they consume, including per share executed fees for removing liquidity on the Exchange during the month. Although the existing fee schedule is competitive and works well for many firms, the Exchange observes that for some firms, the existing fee schedule fails to incentivize increased participation on the Exchange. To address this concern, and to make participation in the Exchange more predictable and ultimately more attractive, the Exchange proposes to offer its firms the option to pay a single subscription fee each month.

[3] As spelled out in the rule text, for purposes of the Program, the term "firm" refers either to a member organization, or a group of affiliated member organizations that have been aggregated pursuant to Equity 7, Section 3 ("Aggregation of Activity of Affiliated Member Organizations").

Under the Program, a firm would be charged a flat fee of $650,000 a month. This fee will include an allocation of up to five order entry ports (i.e. OUCH, FIX, RASH) on Nasdaq PSX. It will also include liquidity-removing executions on Nasdaq PSX during the month—up to and including 0.125% of Consolidated Volume[4] in the prior month (rounded up to the nearest whole share).[5] Any liquidity-removing executions during the month on Nasdaq PSX that exceed 0.125% of Consolidated Volume in the prior month (rounded up to the nearest whole share) will be charged a fee of $0.0027 per share. Participation in the Program will not affect a firm's ability to earn rebates for providing liquidity on the Exchange.

The Program would be entirely voluntary and optional. Any firm that does not sign up for the Program will be charged the default rates under Section 3 of Equity 7. To sign up for the Program, a firm must notify the Exchange before noon (Eastern Time) on the last trading day of the prior month.[6] Likewise, a firm may withdraw from the Program by notifying the Exchange before noon (Eastern Time) on the last trading day of the prior month.[7] A firm will remain enrolled in the Program unless it notifies the Exchange of its withdrawal from the same.

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4 Equity 7, Section 3, defines "Consolidated Volume" for purposes of Equity 7 as "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."

5 As an example, in the month of September 2026, 0.125% of Consolidated Volume would have represented 375,777,878 shares. Also, compared to the default liquidity-removing rate on the Exchange of $0.0030, a firm would be better off under the Program if they remove liquidity greater than approximately 216,000,000 shares in a calendar month.

6 Therefore, for example, if a firm wishes to be part of the Program for the month of November 2026, the firm would have to notify the Exchange no later than noon (Eastern Time) on Friday, October 30, 2026—which is the last trading day of the prior month.

7 Therefore, for example, if a firm chose to be part of the Program for the month of November 2026, but wishes to drop out of the Program starting in December 2026, the firm would have to notify the Exchange no later than noon (Eastern Time) on Monday, November 30, 2026—which is the last trading day of the prior month. If a firm opts into the Program for a given month, it will remain on the Program for all subsequent months, unless the firm notifies the Exchange and withdraws from the Program.

The Exchange designed this fee to reflect the existing liquidity-removing execution and order entry protocol use of its firms, while also providing a cost-effective pathway for them to grow their participation on Nasdaq PSX. For firms whose current and expected activity aligns with this subscription fee model, the program could offer meaningful monthly savings compared with the existing regular fee schedule as their activity on Nasdaq PSX continues to grow. That said, each firm should evaluate for itself its expected needs and activities to determine whether the subscription fee or the regular fee schedule is appropriate.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[8] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[9] 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 Exchange's proposed changes to its fee schedule are reasonable in several respects. As a threshold matter, the Exchange is subject to significant competitive forces in the market for equity securities transaction services that constrain its pricing determinations in that market. The fact that this market is competitive has long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. Circuit stated as follows: "[n]o one disputes that competition for order flow is 'fierce.' … As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange

8 15 U.S.C. 78f(b).

9 15 U.S.C. 78f(b)(4) and (5).

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'…."[10]

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."[11]

Numerous indicia demonstrate the competitive nature of this market. For example, clear substitutes to the Exchange exist in the market for equity security transaction services. The Exchange is only one of several equity venues to which market participants may direct their order flow. Competing equity exchanges offer similar tiered pricing structures to that of the Exchange, including schedules of rebates and fees that apply based upon members achieving certain volume thresholds.

Within this environment, market participants can freely and often do shift their order flow among the Exchange and competing venues in response to changes in their respective pricing schedules. As such, the proposal represents a reasonable attempt by the Exchange to increase its liquidity and market share relative to its competitors.

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

[11] Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) ("Regulation NMS Adopting Release").

The Exchange believes that the proposed Program is reasonable because it would provide firms with an additional, simple, and predictable monthly pricing alternative for their Nasdaq PSX order entry protocol use and liquidity-removing execution activity, while retaining the flexibility to choose to continue being subject to regular transactions fees and port fees. A firm that elects the Program would pay a monthly fee that includes up to five order entry ports and liquidity-removing executions on Nasdaq PSX during the month up to and including 0.125% of Consolidated Volume in the prior month, while liquidity-removing executions above that level would be subject to the stated per-share fee. Firms that do not believe the Program is appropriate for their business, trading strategy, or expected liquidity-removing volume may choose not to enroll and instead remain subject to the default rates in Section 3 of Equity 7. The proposal therefore adds pricing choice rather than replacing the existing fee schedule.

The Exchange believes that the Program is reasonable, as it is a voluntary alternative to its regular fee schedule, which charges firms separate fees for each product or service they consume, including per share executed fees for removing liquidity on the Exchange during the month. Although the existing fee schedule is competitive and works well for many firms, the Exchange observes that for some firms , the existing fee schedule is complex and onerous to navigate, and that it fails to incentivize increased participation on the Exchange. To address this concern, which the Commission itself has expressed in the past, and to make participation in the Exchange easier, simpler, more predictable and ultimately more attractive, the Exchange believes that it is reasonable and consistent with the Act to offer its firms the option to pay a single subscription fee each month. The monthly fee would encompass a single flat monthly subscription fee to cover many if not most of their trading activities on the Exchange.

The Exchange also believes that the proposed Program is an equitable allocation of reasonable dues, fees, and other charges. The Program would be available to all firms on the same terms, and the monthly fee would apply only to firms that affirmatively choose to receive the bundled package of order entry ports and liquidity-removing executions covered by the Program. The included liquidity-removing execution volume threshold is based on current month activity of firms and prior-month Consolidated Volume, an objective and transparent measure already used in Equity 7 to determine transaction pricing, and the use of these appropriate measurement periods provides firms with greater certainty when deciding whether to elect the Program for a particular month. The Exchange believes that it is equitable to offer a monthly alternative that may be attractive to firms whose expected usage would make the Program efficient, while preserving the existing default pricing structure for firms that do not elect the Program.

The Exchange further believes that the proposed Program is not unfairly discriminatory. The Program would be offered to all firms in a uniform manner, and any differences in the economic effect of the Program would result from a firm's voluntary decision to enroll and its own level of Nasdaq PSX usage. Firms that determine that the Program would not be beneficial may continue to access Nasdaq PSX under the Exchange's otherwise-applicable pricing schedule. As a result, the proposal does not favor or penalize any particular firm, but instead permits each firm to choose the pricing option that best aligns with its business needs.

Finally, the Exchange believes that the Program is consistent with the Act because it may encourage additional order flow to Nasdaq PSX and thereby enhance market quality. By providing a firm with greater cost certainty for a specified amount of order entry and liquidity-removing execution activity, the Program may incentivize firms to direct additional orders to

Nasdaq PSX. Additional order flow and liquidity on Nasdaq PSX may benefit all market participants by increasing liquidity-removing execution opportunities and contributing to a more robust market. If the Program does not provide sufficient value to firms, they may decline to enroll or withdraw from the Program, and they remain free to route order flow to other venues.

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. In terms of inter-market competition, 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 and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to 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.

The Exchange does not believe that the Program will impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Program would be voluntary, and it would be available to all firms on the same terms. No firm would be required to enroll in the Program, and a firm that does not enroll would continue to be charged the default rates under Section 3 of Equity 7. Likewise, a firm that enrolls but later determines that the Program is no longer attractive may withdraw by providing timely notice to the Exchange. The Program therefore would not place any category of firm at a competitive

disadvantage; rather, it would add an optional pricing alternative that each firm may evaluate based on its own expected Nasdaq PSX usage.

The Exchange also does not believe that the Program will impose any burden on inter-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. Nasdaq PSX operates in a highly competitive market in which firms can readily direct order flow to competing equities exchanges or off-exchange venues if they view the Exchange's pricing as unattractive. The Program does not restrict the ability of any competing venue to modify its own fees, credits, connectivity charges, or pricing programs in response. To the extent the Program succeeds, it will do so because firms voluntarily determine that the Program provides value relative to available alternatives.

For these reasons, the Exchange believes that the Program may promote competition by giving firms an additional way to access Nasdaq PSX and manage their anticipated transaction and order entry costs. The proposal does not eliminate any existing pricing option, does not require firms to purchase any new service, and does not prevent other venues from offering similar or different pricing alternatives. Accordingly, the Exchange believes that any competitive effect of the proposal would be limited and consistent with the Exchange's need to compete for order flow in the national market system.

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.[12]

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-Phlx-2026-70 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.

[12] 15 U.S.C. 78s(b)(3)(A)(ii).

All submissions should refer to file number SR-Phlx-2026-70. 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-2026-70 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.[13]

Sherry R. Haywood,

Assistant Secretary.

[13] 17 CFR 200.30-3(a)(12).