SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106961; File No. SR-PHLX-2026-74]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the PHLX Pricing Schedule at Options 7, Sections 2 (Customer Rebate Program) and 4 (Multiply Listed Options Fees)

November 23, 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 November 12, 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 PHLX Pricing Schedule at Options 7, Sections 2 (Customer Rebate Program) and 4 (Multiply Listed Options Fees).[3]

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.

3 The Exchange filed SR-Phlx-2026-72 on November 2, 2026. On November 12, 2026, the Exchange proposes to withdraw SR-Phlx-2026-72 and replace it with 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

The Exchange proposes to amend its Pricing Schedule at Options 7, Sections 2 (Customer Rebate Program) and 4 (Multiply Listed Options Fees).

Current Section 2 (Customer Rebate Program)

Currently, the Exchange pays rebates on five Customer[4] Rebate Tiers according to four categories. The Customer Rebate Tiers below are calculated by totaling Customer volume in Multiply Listed Options (including SPY) that are electronically-delivered and executed, except volume associated with electronic Qualified Contingent Cross Orders, as defined in Options 3, Section 12. Rebates are paid on Customer Rebate Tiers according to the below categories.[5]

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4 The term "Customer" applies to any transaction that is identified by a member or member organization for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of a broker or dealer or for the account of a "Professional" (as that term is defined in Options 1, Section 1(b)(45)). See Options 7, Section 1(c).

5 Members and member organizations under Common Ownership may aggregate their Customer volume for purposes of calculating the Customer Rebate Tiers and receiving rebates. Affiliated Entities may aggregate their Customer volume for purposes of calculating the Customer Rebate Tiers and receiving rebates. See Options 7, Section 2. Rebates are not paid on broad-based index options symbols listed within Options 7, Section 5.A. in any Category, however broad-based index options symbols listed within Options 7, Section 5.A. count toward the volume requirement to qualify for a Customer Rebate Tier.

Customer Rebate Tiers	Percentage Thresholds of National Customer Volume in Multiply-Listed Equity and ETF Options Classes, excluding SPY Options (Monthly)	Category A	Category B	Category C	Category D
Tier 1	0.00% - 0.60%	$0.00	$0.00	$0.00	$0.00
Tier 2	Above 0.60% - 1.50%	$0.10	$0.10	$0.16	$0.21
Tier 3	Above 1.50% - 2.00%	$0.15	$0.12	$0.18	$0.22
Tier 4	Above 2.00% - 2.50%	$0.20	$0.16	$0.22	$0.26
Tier 5	Above 2.50%	$0.21	$0.17	$0.22	$0.27

The Exchange pays a Category B Rebate on Customer PIXL Orders[6] in Options 7, Section 4 symbols that execute against non-Initiating Order interest. In the instance where member organizations qualify for Tier 4 in the Customer Rebate Program, Customer PIXL Orders that execute against a PIXL Initiating Order will be paid a rebate of $0.125 per contract. In the instance where member organizations qualify for Tier 5 in the Customer Rebate Program, Customer PIXL Orders that execute against a PIXL Initiating Order will be paid a rebate of $0.135 per contract. All rebates on Customer PIXL Orders will be capped at 4,000 contracts per order for Simple PIXL Orders.

Section 2 Changes

The Exchange proposes to modify this Category B Rebate so that in the instance where member organizations qualify for Tier 4 in the Customer Rebate Program, Customer PIXL Orders that execute against a PIXL Initiating Order will be paid a rebate of $0.12 (instead of $0.125) per contract; while in the instance where member organizations qualify for Tier 5 in the

[6] A PIXL Order is as described in Options 3, Section 13(a). See Options 3, Section 7(y). A member may electronically submit for execution an order it represents as agent on behalf of a Public Customer, broker-dealer, or any other entity ("PIXL Order") against principal interest or against any other order it represents as agent (an "Initiating Order") provided it submits the PIXL Order for electronic execution into the PIXL Auction. See Options 3, Section 13.

Customer Rebate Program, Customer PIXL Orders that execute against a PIXL Initiating Order will be paid a rebate of $0.13 (instead of $0.135) per contract.

Current Section 4 (Multiply Listed Options Fees)

Currently, the Exchange assesses a $0.20 per contract QCC Transaction Fee for a Lead Market Maker,[7] Market Maker,[8] Firm,[9] and Broker-Dealer.[10] Customers and Professionals are not assessed a QCC Transaction Fee. QCC Transaction Fees apply to electronic QCC Orders[11] and Floor QCC Orders.[12] Currently, the Exchange pays various QCC Rebates based on certain criteria.

The Exchange pays a QCC Rebate of $0.12 per contract on electronic QCC Orders and Floor QCC Orders when a QCC Order is comprised of a Customer or Professional order on one

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7 The term "Lead Market Maker" applies to transactions for the account of a Lead Market Maker (as defined in Options 2, Section 12(a)). A Lead Market Maker is an Exchange member who is registered as an options Lead Market Maker pursuant to Options 2, Section 12(a). An options Lead Market Maker includes a Remote Lead Market Maker which is defined as an options Lead Market Maker in one or more classes that does not have a physical presence on an Exchange floor and is approved by the Exchange pursuant to Options 2, Section 11. See Options 7, Section 1(c).

8 The term "Market Maker" is defined in Options 1, Section 1(b)(28) as a member of the Exchange who is registered as an options Market Maker pursuant to Options 2, Section 12(a). A Market Maker includes SQTs and RSQTs as well as Floor Market Makers. The term "Streaming Quote Trader" or "SQT" is defined in Options 1, Section 1(b)(55) as a Market Maker who has received permission from the Exchange to generate and submit option quotations electronically in options to which such SQT is assigned. The term "Remote Streaming Quote Trader" or "RSQT" is defined in Options 1, Section 1(b)(49) as a Market Maker that is a member affiliated with an RSQTO with no physical trading floor presence who has received permission from the Exchange to generate and submit option quotations electronically in options to which such RSQT has been assigned. A Remote Streaming Quote Trader Organization or "RSQTO," which may also be referred to as a Remote Market Making Organization ("RMO"), is a member organization in good standing that satisfies the RSQTO readiness requirements in Options 2, Section 1(a). See Options 7, Section 1(c).

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

10 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(c).

11 A Qualified Contingent Cross ("QCC") Order is comprised of an originating order to buy or sell at least 1000 contracts that is identified as being part of a qualified contingent trade, as that term is defined in Supplementary Material .01, coupled with a contra-side order or orders totaling an equal number of contracts. See Options 3, Section 7(j). Electronic QCC Orders are described in Options 3, Section 12.

12 Floor QCC Orders are described in Options 8, Section 30(e).

side, and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side. This rebate will be $0.17 per contract in the event that a member or member organization executes greater than 750,000 qualifying QCC contracts in a given month. This rebate will be $0.22 per contract in the event that a member or member organization executes (1) greater than 750,000 qualifying QCC contracts in a given month, (2) Floor Originated Strategy Executions in excess of 1,250,000 contracts in a given month, and (3) at least 40% of the member or member organization's QCC executed contracts in that month are comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side.

The Exchange pays a QCC Rebate of $0.14 per contract on electronic QCC Orders, as defined in Options 3, Section 12, and Floor QCC Orders, as defined in Options 8, Section 30(e), when a QCC Order is comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side. This rebate will be $0.19 per contract in the event that a member or member organization executes greater than 750,000 qualifying QCC contracts in a given month. This rebate will be $0.30 per contract in the event that a member or member organization executes: (1) greater than 750,000 qualifying QCC contracts in a given month, (2) Floor Originated Strategy Executions in excess of 1,250,000 contracts in a given month, and (3) at least 40% of the member or member organization's QCC executed contracts in that month are comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side.

Section 4 Changes

The Exchange proposes to modify one of the rebates when a QCC Order is comprised of a Customer or Professional order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side. In particular, the Exchange proposes to decrease from $0.22 to $0.20 the rebate per contract in the event that a member or member organization executes (1) greater than 750,000 qualifying QCC contracts in a given month, (2) Floor Originated Strategy Executions in excess of 1,250,000 contracts in a given month, and (3) at least 40% of the member or member organization's QCC executed contracts in that month are comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side.

The Exchange also proposes to modify one of the rebates when a QCC Order is comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side. In particular, the Exchange proposes to increase from $0.30 to $0.32 the rebate per contract in the event that a member or member organization executes: (1) greater than 750,000 qualifying QCC contracts in a given month, (2) Floor Originated Strategy Executions in excess of 1,250,000 contracts in a given month, and (3) at least 40% of the member or member organization's QCC executed contracts in that month are comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[13] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[14] 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."[15]

Likewise, in NetCoalition v. Securities and Exchange Commission[16] ("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.[17] As the court emphasized, the Commission "intended in Regulation NMS that

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13 15 U.S.C. 78f(b).

14 15 U.S.C. 78f(b)(4) and (5).

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

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

17 See NetCoalition, at 534 - 535.

'market forces, rather than regulatory requirements' play a role in determining the market data . . . to be made available to investors and at what cost."[18]

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'…."[19] 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.

Section 2 Changes

The Exchange's proposal to modify the Category B Rebate to pay Customer PIXL Orders that execute against a PIXL Initiating Order a rebate of $0.12 per contract (instead of $0.125) where member organizations qualify for Tier 4 of the Customer Rebate Program, and $0.13 per contract (instead of $0.135) where member organizations qualify for Tier 5 of the Customer Rebate Program, is reasonable. Despite the modest reduction in the amount of these rebates, the Exchange believes that the Category B Rebate will continue to incentivize member organizations to submit Customer PIXL Orders to the Exchange and to qualify for Tier 4 or Tier 5 of the Customer Rebate Program in order to earn a rebate on Customer PIXL Orders that execute against Initiating Order interest.

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[18] Id. at 537.

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

The Exchange's proposal to modify the Category B Rebate is equitable and not unfairly discriminatory because the Exchange would uniformly pay the modified rebates to any member organization that qualifies for Tier 4 or Tier 5 of the Customer Rebate Program. Further, paying these rebates only to Customers is equitable and not unfairly discriminatory because Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of market makers—particularly in response to pricing—facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants.

Section 4 Changes

The Exchange's proposal to decrease the QCC Rebate from $0.22 to $0.20 per contract when a QCC Order is comprised of a Customer or Professional order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side, provided the qualifications are met, is reasonable. While the Exchange's proposal decreases this rebate, the Exchange believes that the proposed $0.20 per contract rebate would continue to incentivize members and member organizations to transact qualifying QCC Orders and Floor Originated Strategy Executions on Phlx. The Exchange also believes that the proposed rebate remains an appropriate incentive because it would continue to be available only where the member or member organization satisfies objective volume and composition criteria, including greater than 750,000 qualifying QCC contracts, Floor Originated Strategy Executions in excess of 1,250,000 contracts, and the 40% QCC executed-contract requirement. Further, the proposed $0.20 per contract rebate would remain higher than the $0.12 base rebate and the $0.17 rebate that applies where a member or member organization executes greater than 750,000 qualifying QCC contracts in a given month.

The Exchange's proposal to increase the QCC Rebate from $0.30 to $0.32 per contract when a QCC Order is comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side, provided the qualifications are met, is reasonable because the increased rebate is designed to encourage Phlx members and member organizations to transact a greater number of qualifying QCC Orders and Floor Originated Strategy Executions on the Exchange. The Exchange believes the increased rebate will continue to promote order flow to Phlx and provide members and member organizations with an additional incentive to satisfy the specified QCC and Floor Originated Strategy Execution criteria.

The Exchange's proposal to modify these QCC Rebates is equitable and not unfairly discriminatory because all members and member organizations may qualify for the rebates, provided they transact the requisite volume and satisfy the applicable objective criteria. The proposed rebates would apply uniformly to all similarly situated members and member organizations that meet those criteria. Further, the Exchange believes that paying a higher enhanced rebate when a QCC Order is comprised of Lead Market Maker, Market Maker, Broker-Dealer, or Firm interest on both sides is equitable and not unfairly discriminatory because Lead Market Makers, Market Makers, Broker-Dealers, and Firms are assessed the QCC Transaction Fee, whereas Customers and Professionals are not assessed that fee.

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 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 the proposed rule change would impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Section 2 Changes

The Exchange's proposal to modify the Category B Rebate paid on Customer PIXL Orders that execute against a PIXL Initiating Order does not impose an undue burden on intra-market competition. The Exchange would uniformly pay the modified Category B rebate of $0.12 per contract to any member organization that qualifies for Tier 4 of the Customer Rebate Program, and the modified Category B rebate of $0.13 per contract to any member organization that qualifies for Tier 5 of the Customer Rebate Program. Further, paying these rebates only to

Customers does not impose an undue burden on intra-market competition because Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of market makers—particularly in response to pricing—facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants.

Section 4 Changes

The Exchange's proposal to modify the QCC Rebates does not impose an undue burden on intra-market competition. The proposed $0.20 per contract rebate and proposed $0.32 per contract rebate would apply uniformly to all similarly situated members and member organizations that satisfy the applicable objective qualifications for those rebates, and any member or member organization may qualify by transacting the requisite volume and satisfying the applicable Floor Originated Strategy Execution and 40% QCC executed-contract requirements.

The Exchange also does not believe that decreasing one QCC Rebate and increasing another QCC Rebate imposes an undue burden on competition because the changes are designed to adjust incentives for qualifying QCC order flow, not to restrict access to the Exchange or disadvantage similarly situated participants. Further, the Exchange believes that paying a higher enhanced rebate when a QCC Order is comprised of Lead Market Maker, Market Maker, Broker-Dealer, or Firm interest on both sides does not impose an undue burden on competition because Lead Market Makers, Market Makers, Broker-Dealers, and Firms are assessed the QCC Transaction Fee, whereas Customers and Professionals are not assessed that fee. To the extent any market participant believes that the Exchange's rebates are not attractive, that participant may direct order flow to competing options exchanges that offer different pricing incentives.

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.[20]

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-2026-74 on the subject line.

[20] 15 U.S.C. 78s(b)(3)(A)(ii).

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-2026-74. 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-2026-74 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.[21]

Vanessa A. Countryman,

Secretary.

[21] 17 CFR 200.30-3(a)(12).