

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 26

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2023 - * 15

Amendment No. (req. for Amendments *)

Filing by Nasdaq MRX, LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
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Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>
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Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Amends Options 7, Section 3

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Angela	Last Name * Dunn
Title * Principal Associate General Counsel	
E-mail * Angela.dunn@nasdaq.com	
Telephone * (215) 496-5692	Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Nasdaq MRX, LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 08/09/2023	(Title *) EVP and Chief Legal Officer
By John Zecca (Name *)	

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

 Date: 2023.08.09 09:32:52 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

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SR-MRX-2023-15 19b-4.doc

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

SR-MRX-2023-15 Exhibit 1.doc

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

SR-MRX-2023-15 Exhibit 5.doc

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Nasdaq MRX, LLC (“MRX” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend the Exchange’s Pricing Schedule at Options 7, Section 3 (Regular Order Fees and Rebates).³

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”). Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

Angela Saccomandi Dunn
Principal Associate General Counsel
Nasdaq, Inc.
215-496-5692

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange withdrew SR-MRX-2023-13 on August 9, 2023 and replaced it with the instant filing.

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

a. Purpose

The purpose of the proposed rule change is to amend the Exchange’s Pricing Schedule at Options 7, Section 3 (Regular Order Fees and Rebates).

Today, as set forth in Table 1 of Options 7, Section 3, the Exchange assesses the following Maker Fees/Rebate for regular orders in Penny Symbols:

Penny Symbols				
Market Participant	Maker Fee Tier 1	Maker Fee Tier 2	Maker Fee/Rebate Tier 3	Maker Fee/Rebate Tier 4
Market Maker	\$0.10	\$0.00	(\$0.05)	(\$0.10)
Non-Nasdaq MRX Market Maker (FarMM)	\$0.47	\$0.47	\$0.47	\$0.47
Firm Proprietary / Broker-Dealer	\$0.47	\$0.47	\$0.47	\$0.47
Professional Customer	\$0.47	\$0.47	\$0.47	\$0.47
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00

Today, the Exchange assesses the following Penny Symbol Maker Fees/Rebates to Market Makers⁴: a Tier 1 fee of \$0.10 per contract, a Tier 2 fee of \$0.00 per contract, a Tier 3 rebate of \$0.05 per contract and a Tier 4 rebate of \$0.10 per contract. At this time, the Exchange proposes to amend the Market Maker Tier 1 through Tier 4 Penny Symbol Maker Fees/Rebates by adding a new note 6 in Options 7, Section 3 that would provide that Market Maker Penny Symbol Tier 1 through Tier 4 Maker Fees/Rebates will be \$0.00 per contract for options on SPDR S&P 500 ETF Trust (“SPY”), the INVESCO QQQ TrustSM, Series 1 (“QQQ”), and iShares Russell 2000 ETF (“IWM”).

⁴ A “Market Maker” is a market maker as defined in Nasdaq MRX Rule Options 1, Section 1(a)(21). See Options 1, Section 1(c).

Today, as set forth in Table 1 of Options 7, Section 3, the Exchange assesses the following Taker Fees for regular orders in Penny Symbols:

Market Participant	Taker Fee Tier 1	Taker Fee Tier 2	Taker Fee Tier 3	Taker Fee Tier 4
Market Maker	\$0.50	\$0.50	\$0.50	\$0.50
Non-Nasdaq MRX Market Maker (FarMM)	\$0.50	\$0.50	\$0.50	\$0.50
Firm Proprietary / Broker-Dealer	\$0.50	\$0.50	\$0.50	\$0.50
Professional Customer	\$0.50	\$0.50	\$0.50	\$0.50
Priority Customer	\$0.15	\$0.15	\$0.15	\$0.10

Today, the Exchange assesses the following Penny Symbol Taker Fees to Priority Customers: a Tier 1 fee of \$0.15 per contract, a Tier 2 fee of \$0.15 per contract, a Tier 3 fee of \$0.15 per contract and a Tier 4 fee of \$0.10 per contract. At this time, the Exchange proposes to amend the Priority Customer⁵ Tier 1 through Tier 4 Penny Symbol Taker Fees by adding a new note 6 in Options 7, Section 3 that would provide that the Priority Customer Penny Symbol Tier 1 through Tier 4 Taker Fees will be \$0.00 for options on SPY, QQQ and IWM.

The Exchange believes that the proposed pricing will attract Priority Customer orders in SPY, QQQ and IWM to MRX in Penny Symbols. Additionally, the Exchange believes this pricing will encourage Market Makers to add liquidity on the MRX order book in SPY, QQQ and IWM as the Tier 1 Market Maker Penny Symbol Maker Fee of

⁵ A “Priority Customer” is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq MRX Options 1, Section 1(a)(36). Unless otherwise noted, when used in this Pricing Schedule the term “Priority Customer” includes “Retail”. A “Retail” order is a Priority Customer order that originates from a natural person, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. See Options 1, Section 1(c).

\$0.10 per contract is being reduced to \$0.00 per contract. While Market Makers that add liquidity in SPY, QQQ and IWM will no longer receive the Market Maker Tier 3 or Tier 4 Maker Rebates in Penny Symbols, the proposed pricing should overall continue to attract order flow to MRX in these symbols.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁶ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁷ 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 Penny Symbol Maker Fees/Rebates and Taker Fees are reasonable in several respects. As a threshold matter, the Exchange is subject to significant competitive forces in the market for options 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 can afford to take its market share percentages for

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4) and (5).

granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’....”⁸

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.”⁹

Numerous indicia demonstrate the competitive nature of this market. For example, clear substitutes to the Exchange exist in the market for options security transaction services. The Exchange is only one of sixteen options exchanges to which market participants may direct their order flow. 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.

The Exchange believes that it is reasonable to decrease its Market Maker Penny Symbol Tier 1 Maker Fee from \$0.10 to \$0.00 per contract on options in SPY, QQQ and IWM and not pay any Market Maker Penny Symbol Tier 3 or 4 Maker Rebates (currently

⁸ NetCoalition v. SEC, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

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

\$0.05 and \$0.10 per contract, respectively) on options in SPY, QQQ and IWM in order to attract Priority Customer orders in SPY, QQQ and IWM to MRX and incentivize Market Makers to add liquidity in SPY, QQQ and IWM on MRX. With this proposal, the Exchange seeks to assess Market Makers no Penny Symbol Maker Fees and pay no Maker Rebates in Penny Symbols to Market Makers on options in SPY, QQQ and IWM. While Market Makers who are eligible to receive a Penny Symbol Tier 3 or 4 Maker Rebate would no longer receive this rebate in SPY, QQQ, and IWM, they would be able to provide liquidity on the order book in these symbols at no cost. Additionally, Priority Customers would be able to remove Penny Symbol liquidity from the order book at no cost. With this proposal, the Priority Customer Penny Symbol Taker Fee in Tiers 1-3 would be reduced from \$0.15 to \$0.00 per contract and the Priority Customer Penny Symbol Taker Fee in Tier 4 would be reduced from \$0.10 to \$0.00 per contract on options in SPY, QQQ and IWM.

The Exchange believes that it is equitable and not unfairly discriminatory to decrease its Market Maker Penny Symbol Tier 1 Maker Fee from \$0.10 to \$0.00 per contract and not pay any Market Maker Penny Symbol Tier 3 or 4 Maker Rebates, (currently \$0.05 and \$0.10 per contract, respectively) on options in SPY, QQQ and IWM because Market Makers have different requirements and additional obligations to the Exchange that other market participants do not (such as quoting requirements).¹⁰ As such, the proposed fees are designed to increase Market Maker participation in SPY, QQQ and IWM, for the benefit of all market participants, by removing fees for Market Makers to add Penny Symbol liquidity in SPY, QQQ and IWM. The Exchange believes

¹⁰ See MRX Options 2, Section 5.

that it is equitable and not unfairly discriminatory to assess Priority Customers no Penny Symbol Taker Fees in SPY, QQQ and IWM because Priority Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants, to the benefit of all market participants.

The Exchange believes assessing different fees for options in SPY, QQQ and IWM, as compared to other symbols, is reasonable because trading in SPY, QQQ and IWM is different from trading in other symbols in that they are more liquid, have higher volume and competition for executions is more intense. Additionally, the Exchange believes assessing different fees for options in SPY, QQQ and IWM, as compared to other symbols, is equitable and not unfairly discriminatory because the Exchange would uniformly not assess a Market Maker the Penny Symbol Maker Fees or pay a Market Maker the Penny Symbol Maker Rebates in SPY, QQQ and IWM. Similarly, the Exchange would uniformly not assess Priority Customers the Penny Symbol Taker Fees in SPY, QQQ and IWM.

4. 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 intra-market competition, the Exchange does not believe that its proposals will place any category of market participant at a competitive disadvantage. The Exchange believes that the proposed Market Maker Penny Symbol Maker Fees/Rebates and Priority Customer Penny Symbol Taker Fees will encourage additional

liquidity and trading of SPY, QQQ and IWM on MRX. Despite not paying Market Makers any Maker Rebates in SPY, QQQ and IWM in Penny Symbols, the proposed pricing should overall continue to attract order flow to MRX in these symbols.

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 options 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 believes that this proposal does not impose an undue burden on competition. The proposed pricing will attract Priority Customer orders in SPY, QQQ and IWM to MRX in Penny Symbols because no Priority Customer Penny Symbol Taker Fee will be assessed in these symbols. Additionally, the Exchange believes this pricing will encourage Market Makers to add liquidity on the MRX order book in SPY, QQQ and IWM as the Tier 1 Market Maker Penny Symbol Maker Fee of \$0.10 per contract is being reduced to \$0.00 per contract. While Market Makers that add liquidity in SPY, QQQ and IWM will no longer receive the Market Maker Tier 3 or Tier 4 Maker Rebates in Penny Symbols, the proposed pricing should overall continue to attract order flow to MRX in these symbols. Market Makers have different requirements and additional obligations to the Exchange that other market participants do not (such as quoting

requirements).¹¹ Increasing Market Maker participation in SPY, QQQ and IWM, by removing the Tier 1 Maker Fee for Market Makers to add Penny Symbol liquidity in SPY, QQQ and IWM, will benefit all market participants. Assessing Priority Customers no Penny Symbol Taker Fees in SPY, QQQ and IWM will benefit all market participants as Priority Customer liquidity provides more trading opportunities, which attracts market makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants, for the benefit of all market participants. The Exchange believes assessing different fees for options in SPY, QQQ and IWM, as compared to other symbols, does not impose an undue burden on competition because the Exchange would uniformly not assess a Market Maker a Penny Symbol Maker Fee or pay a Market Maker a Penny Symbol Maker Rebate in SPY, QQQ and IWM. Similarly, the Exchange would uniformly not assess Priority Customers a Penny Symbol Taker Fee in SPY, QQQ and IWM.

In sum, if the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

5. 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.

¹¹ See MRX Options 2, Section 5.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,¹² the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

¹² 15 U.S.C. 78s(b)(3)(A)(ii).

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.
5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-MRX-2023-15)

August __, 2023

Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend MRX Options 7, Section 3

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 August 9, 2023, Nasdaq MRX, LLC (“MRX” 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 Pricing Schedule at Options 7, Section 3 (Regular Order Fees and Rebates).³

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/mrx/rules>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange withdrew SR-MRX-2023-13 on August 9, 2023 and replaced it with the instant filing.

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 Pricing Schedule at Options 7, Section 3 (Regular Order Fees and Rebates).

Today, as set forth in Table 1 of Options 7, Section 3, the Exchange assesses the following Maker Fees/Rebate for regular orders in Penny Symbols:

Penny Symbols

Market Participant	Maker Fee Tier 1	Maker Fee Tier 2	Maker Fee/Rebate Tier 3	Maker Fee/Rebate Tier 4
Market Maker	\$0.10	\$0.00	(\$0.05)	(\$0.10)
Non-Nasdaq MRX Market Maker (FarMM)	\$0.47	\$0.47	\$0.47	\$0.47
Firm Proprietary / Broker-Dealer	\$0.47	\$0.47	\$0.47	\$0.47
Professional Customer	\$0.47	\$0.47	\$0.47	\$0.47
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00

Today, the Exchange assesses the following Penny Symbol Maker Fees/Rebates to Market Makers⁴: a Tier 1 fee of \$0.10 per contract, a Tier 2 fee of \$0.00 per contract, a Tier 3 rebate of \$0.05 per contract and a Tier 4 rebate of \$0.10 per contract. At this time, the Exchange proposes to amend the Market Maker Tier 1 through Tier 4 Penny Symbol Maker Fees/Rebates by adding a new note 6 in Options 7, Section 3 that would provide

⁴ A “Market Maker” is a market maker as defined in Nasdaq MRX Rule Options 1, Section 1(a)(21). See Options 1, Section 1(c).

that Market Maker Penny Symbol Tier 1 through Tier 4 Maker Fees/Rebates will be \$0.00 per contract for options on SPDR S&P 500 ETF Trust (“SPY”), the INVESCO QQQ TrustSM, Series 1 (“QQQ”), and iShares Russell 2000 ETF (“IWM”).

Today, as set forth in Table 1 of Options 7, Section 3, the Exchange assesses the following Taker Fees for regular orders in Penny Symbols:

Market Participant	Taker Fee Tier 1	Taker Fee Tier 2	Taker Fee Tier 3	Taker Fee Tier 4
Market Maker	\$0.50	\$0.50	\$0.50	\$0.50
Non-Nasdaq MRX Market Maker (FarMM)	\$0.50	\$0.50	\$0.50	\$0.50
Firm Proprietary / Broker-Dealer	\$0.50	\$0.50	\$0.50	\$0.50
Professional Customer	\$0.50	\$0.50	\$0.50	\$0.50
Priority Customer	\$0.15	\$0.15	\$0.15	\$0.10

Today, the Exchange assesses the following Penny Symbol Taker Fees to Priority Customers: a Tier 1 fee of \$0.15 per contract, a Tier 2 fee of \$0.15 per contract, a Tier 3 fee of \$0.15 per contract and a Tier 4 fee of \$0.10 per contract. At this time, the Exchange proposes to amend the Priority Customer⁵ Tier 1 through Tier 4 Penny Symbol Taker Fees by adding a new note 6 in Options 7, Section 3 that would provide that the Priority Customer Penny Symbol Tier 1 through Tier 4 Taker Fees will be \$0.00 for options on SPY, QQQ and IWM.

The Exchange believes that the proposed pricing will attract Priority Customer orders in SPY, QQQ and IWM to MRX in Penny Symbols. Additionally, the Exchange

⁵ A “Priority Customer” is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq MRX Options 1, Section 1(a)(36). Unless otherwise noted, when used in this Pricing Schedule the term “Priority Customer” includes “Retail”. A “Retail” order is a Priority Customer order that originates from a natural person, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. See Options 1, Section 1(c).

believes this pricing will encourage Market Makers to add liquidity on the MRX order book in SPY, QQQ and IWM as the Tier 1 Market Maker Penny Symbol Maker Fee of \$0.10 per contract is being reduced to \$0.00 per contract. While Market Makers that add liquidity in SPY, QQQ and IWM will no longer receive the Market Maker Tier 3 or Tier 4 Maker Rebates in Penny Symbols, the proposed pricing should overall continue to attract order flow to MRX in these symbols.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁶ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁷ 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 Penny Symbol Maker Fees/Rebates and Taker Fees are reasonable in several respects. As a threshold matter, the Exchange is subject to significant competitive forces in the market for options 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 can afford to take its market share percentages for

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4) and (5).

granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’....”⁸

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.”⁹

Numerous indicia demonstrate the competitive nature of this market. For example, clear substitutes to the Exchange exist in the market for options security transaction services. The Exchange is only one of sixteen options exchanges to which market participants may direct their order flow. 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.

The Exchange believes that it is reasonable to decrease its Market Maker Penny Symbol Tier 1 Maker Fee from \$0.10 to \$0.00 per contract on options in SPY, QQQ and IWM and not pay any Market Maker Penny Symbol Tier 3 or 4 Maker Rebates (currently

⁸ NetCoalition v. SEC, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

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

\$0.05 and \$0.10 per contract, respectively) on options in SPY, QQQ and IWM in order to attract Priority Customer orders in SPY, QQQ and IWM to MRX and incentivize Market Makers to add liquidity in SPY, QQQ and IWM on MRX. With this proposal, the Exchange seeks to assess Market Makers no Penny Symbol Maker Fees and pay no Maker Rebates in Penny Symbols to Market Makers on options in SPY, QQQ and IWM. While Market Makers who are eligible to receive a Penny Symbol Tier 3 or 4 Maker Rebate would no longer receive this rebate in SPY, QQQ, and IWM, they would be able to provide liquidity on the order book in these symbols at no cost. Additionally, Priority Customers would be able to remove Penny Symbol liquidity from the order book at no cost. With this proposal, the Priority Customer Penny Symbol Taker Fee in Tiers 1-3 would be reduced from \$0.15 to \$0.00 per contract and the Priority Customer Penny Symbol Taker Fee in Tier 4 would be reduced from \$0.10 to \$0.00 per contract on options in SPY, QQQ and IWM.

The Exchange believes that it is equitable and not unfairly discriminatory to decrease its Market Maker Penny Symbol Tier 1 Maker Fee from \$0.10 to \$0.00 per contract and not pay any Market Maker Penny Symbol Tier 3 or 4 Maker Rebates, (currently \$0.05 and \$0.10 per contract, respectively) on options in SPY, QQQ and IWM because Market Makers have different requirements and additional obligations to the Exchange that other market participants do not (such as quoting requirements).¹⁰ As such, the proposed fees are designed to increase Market Maker participation in SPY, QQQ and IWM, for the benefit of all market participants, by removing fees for Market Makers to add Penny Symbol liquidity in SPY, QQQ and IWM. The Exchange believes

¹⁰ See MRX Options 2, Section 5.

that it is equitable and not unfairly discriminatory to assess Priority Customers no Penny Symbol Taker Fees in SPY, QQQ and IWM because Priority Customer liquidity benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants, to the benefit of all market participants.

The Exchange believes assessing different fees for options in SPY, QQQ and IWM, as compared to other symbols, is reasonable because trading in SPY, QQQ and IWM is different from trading in other symbols in that they are more liquid, have higher volume and competition for executions is more intense. Additionally, the Exchange believes assessing different fees for options in SPY, QQQ and IWM, as compared to other symbols, is equitable and not unfairly discriminatory because the Exchange would uniformly not assess a Market Maker the Penny Symbol Maker Fees or pay a Market Maker the Penny Symbol Maker Rebates in SPY, QQQ and IWM. Similarly, the Exchange would uniformly not assess Priority Customers the Penny Symbol Taker Fees in SPY, QQQ and IWM.

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 intra-market competition, the Exchange does not believe that its proposals will place any category of market participant at a competitive disadvantage. The Exchange believes that the proposed Market Maker Penny Symbol Maker

Fees/Rebates and Priority Customer Penny Symbol Taker Fees will encourage additional liquidity and trading of SPY, QQQ and IWM on MRX. Despite not paying Market Makers any Maker Rebates in SPY, QQQ and IWM in Penny Symbols, the proposed pricing should overall continue to attract order flow to MRX in these symbols.

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 options 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 believes that this proposal does not impose an undue burden on competition. The proposed pricing will attract Priority Customer orders in SPY, QQQ and IWM to MRX in Penny Symbols because no Priority Customer Penny Symbol Taker Fee will be assessed in these symbols. Additionally, the Exchange believes this pricing will encourage Market Makers to add liquidity on the MRX order book in SPY, QQQ and IWM as the Tier 1 Market Maker Penny Symbol Maker Fee of \$0.10 per contract is being reduced to \$0.00 per contract. While Market Makers that add liquidity in SPY, QQQ and IWM will no longer receive the Market Maker Tier 3 or Tier 4 Maker Rebates in Penny Symbols, the proposed pricing should overall continue to attract order flow to MRX in these symbols. Market Makers have different requirements and additional

obligations to the Exchange that other market participants do not (such as quoting requirements).¹¹ Increasing Market Maker participation in SPY, QQQ and IWM, by removing the Tier 1 Maker Fee for Market Makers to add Penny Symbol liquidity in SPY, QQQ and IWM, will benefit all market participants. Assessing Priority Customers no Penny Symbol Taker Fees in SPY, QQQ and IWM will benefit all market participants as Priority Customer liquidity provides more trading opportunities, which attracts market makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants, for the benefit of all market participants. The Exchange believes assessing different fees for options in SPY, QQQ and IWM, as compared to other symbols, does not impose an undue burden on competition because the Exchange would uniformly not assess a Market Maker a Penny Symbol Maker Fee or pay a Market Maker a Penny Symbol Maker Rebate in SPY, QQQ and IWM. Similarly, the Exchange would uniformly not assess Priority Customers a Penny Symbol Taker Fee in SPY, QQQ and IWM.

In sum, if the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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.

¹¹ See MRX Options 2, Section 5.

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-MRX-2023-15 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-MRX-2023-15. This file number should be included on the subject line if email is used. To help the Commission process

¹² 15 U.S.C. 78s(b)(3)(A)(ii).

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 submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also 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-MRX-2023-15 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).

EXHIBIT 5

New text is underlined; deleted text is in brackets.

Nasdaq MRX, LLC Rules

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Options Rules

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Options 7 Pricing Schedule

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Section 3. Regular Order Fees and Rebates

Table 1

Penny Symbols

Market Participant	Maker Fee Tier 1	Maker Fee Tier 2	Maker Fee/Rebate Tier 3	Maker Fee/Rebate Tier 4	Taker Fee Tier 1	Taker Fee Tier 2	Taker Fee Tier 3	Taker Fee Tier 4
Market Maker ⁽¹⁾⁽⁵⁾	\$0.10 ⁽⁶⁾	\$0.00 ⁽⁶⁾	(\$0.05) ⁽⁶⁾	(\$0.10) ⁽⁶⁾	\$0.50 ⁽²⁾⁽⁴⁾	\$0.50 ⁽²⁾⁽⁴⁾	\$0.50 ⁽²⁾⁽⁴⁾	\$0.50 ⁽²⁾⁽⁴⁾
Non-Nasdaq MRX Market Maker (FarMM)	\$0.47	\$0.47	\$0.47	\$0.47	\$0.50	\$0.50	\$0.50	\$0.50
Firm Proprietary / Broker-Dealer	\$0.47	\$0.47	\$0.47	\$0.47	\$0.50	\$0.50	\$0.50	\$0.50
Professional Customer	\$0.47	\$0.47	\$0.47	\$0.47	\$0.50	\$0.50	\$0.50	\$0.50
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.15 ⁽⁶⁾	\$0.15 ⁽⁶⁾	\$0.15 ⁽⁶⁾	\$0.10 ⁽⁶⁾

Non-Penny Symbols

Market Participant	Maker Fee Tier 1	Maker Fee Tier 2	Maker Fee Tier 3	Maker Fee Tier 4	Taker Fee Tier 1	Taker Fee Tier 2	Taker Fee Tier 3	Taker Fee Tier 4
Market Maker ⁽¹⁾⁽⁵⁾	\$0.35	\$0.20	\$0.15	\$0.10	\$1.10 ⁽³⁾⁽⁴⁾	\$1.10 ⁽³⁾⁽⁴⁾	\$1.10 ⁽³⁾⁽⁴⁾	\$1.10 ⁽³⁾⁽⁴⁾

Non-Nasdaq MRX Market Maker (FarMM)	\$0.90	\$0.90	\$0.90	\$0.90	\$1.10	\$1.10	\$1.10	\$1.10
Firm Proprietary / Broker- Dealer	\$0.90	\$0.90	\$0.90	\$0.90	\$1.10	\$1.10	\$1.10	\$1.10
Professional Customer	\$0.90	\$0.90	\$0.90	\$0.90	\$1.10	\$1.10	\$1.10	\$1.10
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.35	\$0.25	\$0.15	\$0.10

* * * * *

6.[Reserved.]Market Maker Tier 1 through Tier 4 Maker Fees/Rebates and Priority Customer Tier 1 through Tier 4 Taker Fees will be \$0.00 per contract, in Penny Symbols, for the following option symbols: SPY, QQQ and IWM.

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