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

File No. * SR 2025 - * 07

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) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

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

A proposal to amend the Exchange Pricing Schedule at Options 7.

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 * Sun Last Name * Kim

Title * Senior Associate General Counsel

E-mail * Sun.Kim@nasdaq.com

Telephone * (646) 420-7816 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 02/03/2025


(Title *)

By John Zecca

EVP and Chief Legal Officer

(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: 2025.02.03 10:56:10 -05'00'

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-2025-07 19b-4.docx

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 *

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SR-MRX-2025-07 Exhibit 1.docx

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-2025-07 Exhibit 5.docx

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

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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 1 and Section 3 to (i) adopt Penny Symbol Maker Rebates, (ii) amend Penny Symbol Taker Fees, (iii) eliminate discounted Penny Symbol Taker Fees, (iv) amend the volume requirements for qualifying tier thresholds, and (v) make several corrective changes. Each change is described further below.

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:

Sun Kim
Senior Associate General Counsel
Nasdaq, Inc.
646-420-7816

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 1 and Section 3 to (i) adopt Penny Symbol Maker Rebates, (ii) amend Penny Symbol Taker Fees, (iii) eliminate discounted Penny Symbol Taker Fees, (iv) amend the volume requirements for qualifying tier thresholds, and (v) make several corrective changes.

Background

Today, as set forth in Table 1 of Options 7, Section 3, the Exchange assesses market participants the below tiered Maker/Taker Fees and Rebates in Penny Symbols:

Penny Symbols

Market Participant	Maker Fee Tier 1	Maker Fee Tier 2	Maker Fee Tier 3	Maker Fee Tier 4	Taker		Taker Fee/Rebate Tier 3	Taker Fee/Rebate Tier 4
					Fee/Rebate Tier 1	Fee/Rebate Tier 2		
Market Maker	\$0.50	\$0.50	\$0.50	\$0.50	\$0.35	\$0.35	\$0.35	\$0.35
Non-Nasdaq MRX Market Maker (FarMM)	\$0.50	\$0.50	\$0.50	\$0.50	\$0.35	\$0.35	\$0.35	\$0.35
Firm Proprietary / Broker-Dealer	\$0.50	\$0.50	\$0.50	\$0.50	\$0.35	\$0.35	\$0.35	\$0.35
Professional Customer	\$0.50	\$0.50	\$0.50	\$0.50	\$0.35	\$0.35	\$0.35	\$0.35
Priority Customer	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.31)	(\$0.36)	(\$0.41)	(\$0.44)

The Table 1 maker/taker pricing described above is based on increasing volume requirements set forth in the following qualifying tier thresholds in Table 3 of Options 7, Section 3:³

Qualifying Tier Thresholds

Tiers	Total Customer ADV
Tier 1	executes up to 0.10%
Tier 2	executes more than 0.10% and up to 0.40%
Tier 3	executes more than 0.40% and up to 0.70%
Tier 4	executes more than 0.70%

The Exchange now proposes to make several changes to the pricing and related volume requirements described above.

Penny Symbol Maker Rebates

The Exchange proposes to offer a \$0.47 per contract Maker Rebate in Penny Symbols for Priority Customers⁴ in Tiers 2 – 4. The Exchange also proposes that when the Priority Customer trades against another Priority Customer, it will not receive the proposed \$0.47 per contract Maker Rebate but will instead receive a free execution.

Accordingly, the Exchange proposes to amend note 7 of Options 7, Section 3, Table 1 to

³ The volume requirements are based on Total Customer ADV. Total Customer ADV is Priority Customer Total Consolidated Volume divided by Customer Total Consolidated Volume, including volume executed by Affiliated Members or Affiliated Entities. Priority Customer Total Consolidated Volume is a Member's total Priority Customer volume executed on MRX in that month, including volume executed by Affiliated Members or Affiliated Entities. All eligible volume from Affiliated Members or an Affiliated Entity will be aggregated in determining applicable tiers.

⁴ 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).

reflect the foregoing proposal. As amended, note 7 will provide that Priority Customer orders will not receive any Maker Rebates in Penny Symbols or Taker Rebates in Penny and Non-Penny Symbols for trades executed against another Priority Customer order. Instead, the Priority Customer order will be assessed \$0.00 per contract. Lastly, the Exchange proposes to update the Table 1 headings (currently referring only to Maker Fees) to reflect that the Exchange is assessing Maker Fees/Rebates in Tiers 1 – 4.

Penny Symbol Taker Fees

The Exchange also proposes to amend the Penny Symbol Taker Fees for Non-Priority Customers⁵ when the Non-Priority Customer trades against a Priority Customer. Specifically, the Exchange proposes in new note 8 of Options 7, Section 3, Table 1 that when trading against a Priority Customer order, a Penny Symbol Taker Fee of \$0.47 per contract will apply instead of the Penny Symbol Taker Fee noted in Table 1 above. The Taker Fee for Non-Priority Customers would therefore increase under this proposal from \$0.35 to \$0.47 per contract when trading against Priority Customers.

Discounted Penny Symbol Taker Fees

Today, Market Makers⁶ are eligible for discounted Taker Fees in Penny Symbols when trading with Priority Customer orders entered by an Affiliated Member⁷ or Affiliated Entity.⁸ Specifically, a Taker Fee of \$0.20 per contract applies instead when

⁵ "Non-Priority Customers" include Market Makers, Non-Nasdaq MRX Market Makers (FarMMs), Firm Proprietary / Broker-Dealers, and Professional Customers.

⁶ A "Market Maker" is a market maker as defined in Nasdaq MRX Rule Options 1, Section 1(a)(21).

⁷ An "Affiliated Member" is a Member that shares at least 75% common ownership with a particular Member as reflected on the Member's Form BD, Schedule A.

⁸ An "Affiliated Entity" is a relationship between an Appointed Market Maker and an Appointed OFP for purposes of qualifying for certain pricing specified in the Pricing Schedule. Market Makers and OFPs are required to send an email to the Exchange to appoint their counterpart, at least 3 business days prior to the last day of the month to qualify for the next month. The

trading with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity. A Taker Fee of \$0.10 per contract applies instead when trading with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity if the Member has a Total Affiliated Member or Affiliated Entity Priority Customer ADV⁹ of 0.20% to less than 0.75% Customer Total Consolidated Volume.¹⁰ A Taker Fee of \$0.00 per contract applies instead when trading with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity if the Member has a Total Affiliated Member or Affiliated Entity Priority Customer ADV of 0.75% Customer Total Consolidated Volume or more.¹¹

The Exchange now proposes to eliminate the note 2 incentives, as they have not had the desired effect of incentivizing Market Makers to trade with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity.

Qualifying Tier Thresholds

The Exchange proposes to amend the volume requirements in the qualifying tier thresholds in Table 3 of Options 7, Section 3. As described above, the Exchange

Exchange will acknowledge receipt of the emails and specify the date the Affiliated Entity is eligible for applicable pricing, as specified in the Pricing Schedule. Each Affiliated Entity relationship will commence on the 1st of a month and may not be terminated prior to the end of any month. An Affiliated Entity relationship will automatically renew each month until or unless either party terminates earlier in writing by sending an email to the Exchange at least 3 business days prior to the last day of the month to terminate for the next month. Affiliated Members may not qualify as a counterparty comprising an Affiliated Entity. Each Member may qualify for only one (1) Affiliated Entity relationship at any given time.

⁹ Total Affiliated Member or Affiliated Entity Priority Customer ADV means all Priority Customer ADV executed on the Exchange in all symbols and order types, including volume executed by Affiliated Members or Affiliated Entities. All eligible volume from Affiliated Members or an Affiliated Entity will be aggregated in determining applicable tiers.

¹⁰ "Customer Total Consolidated Volume" means the total volume cleared at The Options Clearing Corporation in the Customer range in equity and ETF options in that month.

¹¹ See note 2 of Options 7, Section 3, Table 1 (hereinafter, the "note 2 incentives")

currently requires a Member to execute up to 0.10% of Total Customer ADV in Tier 1, and execute more than 0.10% and up to 0.40% in Tier 2. The Exchange now proposes to increase the 0.10% requirement to 0.15% such that a Member must execute up to 0.15% of Total Customer ADV in Tier 1, and execute more than 0.15% and up to 0.40% in Tier 2. The proposed increase is intended to incentivize Members to execute a greater amount of Priority Customer volume on MRX to receive the proposed Penny Symbol Maker Rebates in Priority Customer Tiers 2 – 4 as discussed above.

Corrective Changes

Auction Pricing

In Options 7, Section 1(d), the Exchange currently specifies the manner in which the Exchange assesses fees and rebates with respect to unrelated market or marketable interest received prior to the commencement of an auction in the Facilitation Mechanism (“FAC”), Solicited Order Mechanism (“SOL”), and Price Improvement Mechanism (“PIM”), and during such auctions.¹² The Exchange has modified its pricing for FAC and SOL pricing since adopting the rule text in Section 1(d),¹³ but has not made conforming changes to Section 1(d) to reflect SR-MRX-2024-25. Specifically under SR-MRX-2024-25, the Exchange adopted in Table 2 of Options 7, Section 3 new break-up rebates for Priority Customer orders entered into FAC and SOL. The Exchange also began assessing regular and complex FAC and SOL orders the same fees and rebates in Table 2 of Options 7, Section 3 (instead of assessing complex FAC and SOL orders

¹² See Securities Exchange Act Release No. 98504 (September 25, 2023), 88 FR 67381 (September 29, 2023) (SR-MRX-2023-17) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Pricing Schedule at Options 7 To Specify Pricing Related to Unrelated Market or Marketable Interest).

¹³ See Securities Exchange Act Release No. 100575 (July 23, 2024), 89 FR 60945 (July 29, 2024) (SR-MRX-2024-25).

separate fees in Options 7, Section 4). Accordingly, the Exchange proposes to reflect these pricing changes in Options 7, Section 1(d) to make clear that when the FAC Order or SOL Order executes against unrelated market or marketable interest received **during** an auction, the FAC Order or SOL Order will be assessed the applicable Crossing Order fees or Break-up Rebates in Options 7, Section 3, Table 2. The unrelated market or marketable interest received during an auction will be assessed the applicable fees for Responses to Crossing Order in Options 7, Section 3, Table 2 below.

Total Customer ADV

Today, all market participants are assessed the tiered maker/taker pricing in Table 1 of Options 7, Section 3 for regular orders in Penny and Non-Penny Symbols (“Tiered Pricing”). Market participants are assessed the Tiered Pricing if they meet the applicable qualifying tier thresholds under Table 3 of Options 7, Section 3. These qualifying tier thresholds in Table 3 are based on Total Customer ADV.

The Exchange previously amended the qualifying tier thresholds in Table 3 to adopt the Total Customer ADV tier thresholds.¹⁴ Previous to SR-MRX-2024-25, the Exchange assessed market participants the Tiered Pricing if they met the applicable tiered thresholds that were based on Total Affiliated Member or Affiliated Entity ADV.¹⁵ In addition, Market Makers were previously able to alternatively qualify for the Tiered Pricing if they met the applicable tier thresholds based on Total Market Maker ADV.¹⁶

¹⁴ See Securities Exchange Act Release No. 100575 (July 23, 2024), 89 FR 60945 (July 29, 2024) (SR-MRX-2024-25).

¹⁵ As stated in SR-MRX-2024-25, the Exchange previously defined Total Affiliated Member or Affiliated Entity ADV as all ADV executed on the Exchange in all symbols and order types, including volume executed by Affiliated Members or Affiliated Entities. All eligible volume from Affiliated Members or an Affiliated Entity were aggregated in determining applicable tiers.

¹⁶ As stated in SR-MRX-2024-25, the Exchange previously defined Total Market Maker ADV as all Market Maker ADV executed on the Exchange in all symbols and order types, including volume

In SR-MRX-2024-25, the Exchange removed the tier qualifications based on Total Affiliated Member or Affiliated Entity ADV and Total Market Maker ADV, and replaced them with Total Customer ADV. However, note 5 under Options 7, Section 3, Table 1 still provides that Market Makers may alternatively qualify for the Tiered Pricing if they meet the applicable tier thresholds based on Total Market Maker ADV set forth in Table 3 of Options 7, Section 3. The Exchange therefore proposes to remove note 5 as obsolete as Market Makers must currently qualify for the Tiered Pricing if they meet the applicable tier thresholds based on Total Customer ADV, just like all other market participants (i.e., there are no alternative ways to qualify for the Tiered Pricing).

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁷ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹⁸ 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 Pricing Schedule 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

executed by Affiliated Members or Affiliated Entities. All eligible volume from Affiliated Members or an Affiliated Entity were aggregated in determining applicable tiers.

¹⁷ 15 U.S.C. 78f(b).

¹⁸ 15 U.S.C. 78f(b)(4) and (5).

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 granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’”¹⁹

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.”²⁰

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 eighteen 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,

¹⁹ 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)).

²⁰ Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

the proposal represents a reasonable attempt by the Exchange to increase its liquidity and market share relative to its competitors.

Penny Symbol Maker Rebates

The Exchange believes that its proposal to offer a \$0.47 per contract Maker Rebate in Penny Symbols for Priority Customers in Tiers 2 – 4 is reasonable because the Exchange desires to incentivize market participants to send Priority Customer order flow that adds liquidity to MRX’s order book in Penny Symbols in order to obtain the proposed Maker Rebates. To the extent this proposal attracts such order flow to the Exchange, all Members should benefit through more trading opportunities. The Exchange also believes that its proposal to not provide the proposed Priority Customer Maker Rebates in Tiers 2 – 4 is reasonable because Priority Customers will receive a free execution instead of being provided the Maker Rebate.²¹ With this proposal, Priority Customers will continue to receive more favorable pricing for adding liquidity in Penny Symbols compared to Non-Priority Customers. Specifically, the Exchange currently charges all Non-Priority Customers a uniform \$0.50 per contract Penny Symbol Maker Fee.²²

The Exchange also believes that the proposed Penny Symbol Maker Rebate changes described above are equitable and not unfairly discriminatory because they will apply uniformly to all Priority Customers. The Exchange does not believe it is unfairly discriminatory to apply the proposed changes to only Priority Customers because Priority Customers will continue to be assessed more favorable pricing for adding liquidity under

²¹ See proposed note 7 of Options 7, Section 3, Table 1.

²² See Options 7, Section 3, Table 1. This Penny Symbol Maker Fee is reduced to \$0.02 per contract for Market Makers in SPY, QQQ, and IWM. See note 6 of Options 7, Section 3, Table 1.

this proposal. The Exchange has historically provided more favorable pricing to Priority Customers.²³ Priority Customer order flow enhances liquidity on the Exchange to the benefit of all market participants by providing more trading opportunities, which in turn attracts Market Makers and other market participants who may interact with this order flow.

Lastly, the Exchange believes its proposal update the Table 1 headings to reflect that the Exchange would assess Maker Rebates (in addition to Maker Fees) under this proposal is reasonable, equitable, and not unfairly discriminatory because the proposed changes will add transparency to the Exchange' Pricing Schedule and reduce potential confusion by market participants.

Penny Symbol Taker Fees

The Exchange believes that its proposal to increase the Penny Symbol Taker Fees for Non-Priority Customers from \$0.35 to \$0.47 per contract when the Non-Priority Customer trades against a Priority Customer is reasonable in several respects. The Exchange proposes to fund the \$0.47 per contract Priority Customer Maker Rebates discussed above by assessing all Non-Priority Customers a uniform Penny Symbol Taker Fee of \$0.47 per contract when the Non-Priority Customer's contra party is a Priority Customer.²⁴ Further, the proposed fees are in line with taker pricing assessed at other options exchanges, including those of BOX Exchange LLC ("BOX"). Today, BOX assesses non-Public Customers a taker fee of \$0.50 per contract in Penny Symbols when

²³ See, e.g., maker/taker pricing for Priority Customers in Options 7, Section 3, Table 1; and complex order fees for Priority Customers in Options 7, Section 4.

²⁴ See proposed note 8 of Options 7, Section 3, Table 1.

the non-Public Customer's contra party is a Public Customer.²⁵ The Exchange therefore believes that its proposed Penny Symbol Taker Fees for Non-Priority Customers remain competitive.

The Exchange believes that its Penny Symbol Taker Fee proposal is equitable and not unfairly discriminatory because it would apply uniformly to all Non-Priority Customers. Priority Customers would continue to receive more favorable taker pricing through the Penny Symbol Taker Rebates in Table 1 of Options 7, Section 3. As discussed above for the Penny Symbol Maker Fees, the Exchange has historically provided more favorable pricing to Priority Customers.²⁶ Priority Customer order flow enhances liquidity on the Exchange to the benefit of all market participants by providing more trading opportunities, which in turn attracts Market Makers and other market participants who may interact with this order flow.

Discounted Penny Symbol Taker Fees

The Exchange believes that its proposal to eliminate the note 2 incentives is reasonable because these incentives have been underutilized, and have not had the desired effect of incentivizing Market Makers to trade with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity. The proposed elimination of the note 2 incentives would enable the Exchange to redirect resources and funding into other programs intended to incentivize increased order flow to the Exchange. The Exchange further believes that the proposed elimination of the note 2

²⁵ See BOX Fee Schedule at Section IV.A.

²⁶ See supra note 23.

incentives is equitable and not unfairly discriminatory because they would no longer be available to any Member.

Qualifying Tier Thresholds

The Exchange believes that its proposal to increase the volume requirements in the qualifying tier thresholds in Table 3 of Options 7, Section 3, specifically to increase the Tier 1 upper threshold and the Tier 2 lower threshold in the manner discussed above is reasonable because the proposed increase is intended to incentivize Members to execute a greater amount of Priority Customer volume on MRX to receive the proposed Penny Symbol Maker Rebates in Priority Customer Tiers 2 – 4 as discussed above. The heightened volume requirement in Tier 2 is intended to incentivize Members to execute more Priority Customer volume on MRX to receive the proposed Tier 2 Penny Symbol Maker Rebate. The volume requirements in Tier 3 and Tier 4 will remain unchanged under this proposal, and the Exchange believes that this will further incentivize Members to qualify for Tiers 3 and 4 by executing the requisite amount of Priority Customer orders to receive the proposed Maker Rebates. The Exchange believes all market participants will benefit from an increased amount of Priority Customer volume on the Exchange. The Exchange further believes that its proposal is equitable and not unfairly discriminatory because the Exchange will uniformly apply the tier qualifications to all Members.

Corrective Changes

The Exchange believes that the corrective changes proposed in Options 7, Section 1(d) to conform to the changes made in SR-MRX-2024-25 is reasonable, equitable, and not unfairly discriminatory because the proposed changes will remove any potential

confusion as to how the Exchange prices unrelated market or marketable interest received during a FAC or SOL auction. Accordingly, the proposed changes will promote greater clarity and transparency in the Exchange's Pricing Schedule.

The Exchange likewise believes that the proposed corrective changes to remove note 5 as discussed above are reasonable, equitable, and not unfairly discriminatory, as these changes will promote greater clarity and transparency in the Exchange's Pricing Schedule. As discussed above, the Exchange previously removed the alternative method for Market Makers to qualify for the Tiered Pricing in SR-MRX-2024-25, so the proposed changes are intended to align to the changes made in SR-MRX-2024-25 and avoid any potential confusion by market participants.

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 the proposed changes described above will place any category of market participant at a competitive disadvantage. The Exchange believes that all of the pricing changes described above will incentivize market participants to direct more order flow to the Exchange, to the benefit of all market participants who may interact with this order flow. The Exchange notes that with the proposed Penny Symbol Maker Rebates and proposed Penny Symbol Taker Fees discussed above, Priority Customers will continue to receive more favorable pricing compared to other market participants. As discussed above, the Exchange has

historically provided more favorable pricing to Priority Customers.²⁷ The Exchange believes that the proposed pricing changes, taken together, will fortify and encourage activity, especially Priority Customer activity, on the Exchange. As discussed above, all market participants would benefit from any increase in market activity that the proposal effectuates.

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. 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.

²⁷ See supra note 23.

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,²⁸ 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.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.

²⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-MRX-2025-07)

February __, 2025

Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend its Pricing Schedule at Options 7, Section 1 and 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 February 3, 2025, 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 1 and Section 3 to (i) adopt Penny Symbol Maker Rebates, (ii) amend Penny Symbol Taker Fees, (iii) eliminate discounted Penny Symbol Taker Fees, (iv) amend the volume requirements for qualifying tier thresholds, and (v) make several corrective changes.

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

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 Pricing Schedule at Options 7, Section 1 and Section 3 to (i) adopt Penny Symbol Maker Rebates, (ii) amend Penny Symbol Taker Fees, (iii) eliminate discounted Penny Symbol Taker Fees, (iv) amend the volume requirements for qualifying tier thresholds, and (v) make several corrective changes.

Background

Today, as set forth in Table 1 of Options 7, Section 3, the Exchange assesses market participants the below tiered Maker/Taker Fees and Rebates in Penny Symbols:

Penny Symbols

Market Participant	Maker Fee Tier 1	Maker Fee Tier 2	Maker Fee Tier 3	Maker Fee Tier 4	Taker Fee/Rebate		Taker Fee/Rebate	
					Tier 1	Tier 2	Tier 3	Tier 4
Market Maker	\$0.50	\$0.50	\$0.50	\$0.50	\$0.35	\$0.35	\$0.35	\$0.35
Non-Nasdaq MRX Market Maker	\$0.50	\$0.50	\$0.50	\$0.50	\$0.35	\$0.35	\$0.35	\$0.35

(FarMM)									
Firm									
Proprietary									
/ Broker-									
Dealer	\$0.50	\$0.50	\$0.50	\$0.50	\$0.35	\$0.35	\$0.35	\$0.35	
Profession									
al									
Customer	\$0.50	\$0.50	\$0.50	\$0.50	\$0.35	\$0.35	\$0.35	\$0.35	
Priority									
Customer	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.31)	(\$0.36)	(\$0.41)	(\$0.44)	

The Table 1 maker/taker pricing described above is based on increasing volume requirements set forth in the following qualifying tier thresholds in Table 3 of Options 7, Section 3:³

Qualifying Tier Thresholds

Tiers Total Customer ADV

Tier 1	executes up to 0.10%
Tier 2	executes more than 0.10% and up to 0.40%
Tier 3	executes more than 0.40% and up to 0.70%
Tier 4	executes more than 0.70%

The Exchange now proposes to make several changes to the pricing and related volume requirements described above.

³ The volume requirements are based on Total Customer ADV. Total Customer ADV is Priority Customer Total Consolidated Volume divided by Customer Total Consolidated Volume, including volume executed by Affiliated Members or Affiliated Entities. Priority Customer Total Consolidated Volume is a Member's total Priority Customer volume executed on MRX in that month, including volume executed by Affiliated Members or Affiliated Entities. All eligible volume from Affiliated Members or an Affiliated Entity will be aggregated in determining applicable tiers.

Penny Symbol Maker Rebates

The Exchange proposes to offer a \$0.47 per contract Maker Rebate in Penny Symbols for Priority Customers⁴ in Tiers 2 – 4. The Exchange also proposes that when the Priority Customer trades against another Priority Customer, it will not receive the proposed \$0.47 per contract Maker Rebate but will instead receive a free execution. Accordingly, the Exchange proposes to amend note 7 of Options 7, Section 3, Table 1 to reflect the foregoing proposal. As amended, note 7 will provide that Priority Customer orders will not receive any Maker Rebates in Penny Symbols or Taker Rebates in Penny and Non-Penny Symbols for trades executed against another Priority Customer order. Instead, the Priority Customer order will be assessed \$0.00 per contract. Lastly, the Exchange proposes to update the Table 1 headings (currently referring only to Maker Fees) to reflect that the Exchange is assessing Maker Fees/Rebates in Tiers 1 – 4.

Penny Symbol Taker Fees

The Exchange also proposes to amend the Penny Symbol Taker Fees for Non-Priority Customers⁵ when the Non-Priority Customer trades against a Priority Customer. Specifically, the Exchange proposes in new note 8 of Options 7, Section 3, Table 1 that when trading against a Priority Customer order, a Penny Symbol Taker Fee of \$0.47 per contract will apply instead of the Penny Symbol Taker Fee noted in Table 1 above. The Taker Fee for Non-Priority Customers would therefore increase under this proposal from \$0.35 to \$0.47 per contract when trading against Priority Customers.

⁴ 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).

⁵ "Non-Priority Customers" include Market Makers, Non-Nasdaq MRX Market Makers (FarMMs), Firm Proprietary / Broker-Dealers, and Professional Customers.

Discounted Penny Symbol Taker Fees

Today, Market Makers⁶ are eligible for discounted Taker Fees in Penny Symbols when trading with Priority Customer orders entered by an Affiliated Member⁷ or Affiliated Entity.⁸ Specifically, a Taker Fee of \$0.20 per contract applies instead when trading with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity. A Taker Fee of \$0.10 per contract applies instead when trading with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity if the Member has a Total Affiliated Member or Affiliated Entity Priority Customer ADV⁹ of 0.20% to less than 0.75% Customer Total Consolidated Volume.¹⁰ A Taker Fee of \$0.00 per contract applies instead when trading with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity

⁶ A "Market Maker" is a market maker as defined in Nasdaq MRX Rule Options 1, Section 1(a)(21).

⁷ An "Affiliated Member" is a Member that shares at least 75% common ownership with a particular Member as reflected on the Member's Form BD, Schedule A.

⁸ An "Affiliated Entity" is a relationship between an Appointed Market Maker and an Appointed OFP for purposes of qualifying for certain pricing specified in the Pricing Schedule. Market Makers and OFPs are required to send an email to the Exchange to appoint their counterpart, at least 3 business days prior to the last day of the month to qualify for the next month. The Exchange will acknowledge receipt of the emails and specify the date the Affiliated Entity is eligible for applicable pricing, as specified in the Pricing Schedule. Each Affiliated Entity relationship will commence on the 1st of a month and may not be terminated prior to the end of any month. An Affiliated Entity relationship will automatically renew each month until or unless either party terminates earlier in writing by sending an email to the Exchange at least 3 business days prior to the last day of the month to terminate for the next month. Affiliated Members may not qualify as a counterparty comprising an Affiliated Entity. Each Member may qualify for only one (1) Affiliated Entity relationship at any given time.

⁹ Total Affiliated Member or Affiliated Entity Priority Customer ADV means all Priority Customer ADV executed on the Exchange in all symbols and order types, including volume executed by Affiliated Members or Affiliated Entities. All eligible volume from Affiliated Members or an Affiliated Entity will be aggregated in determining applicable tiers.

¹⁰ "Customer Total Consolidated Volume" means the total volume cleared at The Options Clearing Corporation in the Customer range in equity and ETF options in that month.

if the Member has a Total Affiliated Member or Affiliated Entity Priority Customer ADV of 0.75% Customer Total Consolidated Volume or more.¹¹

The Exchange now proposes to eliminate the note 2 incentives, as they have not had the desired effect of incentivizing Market Makers to trade with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity.

Qualifying Tier Thresholds

The Exchange proposes to amend the volume requirements in the qualifying tier thresholds in Table 3 of Options 7, Section 3. As described above, the Exchange currently requires a Member to execute up to 0.10% of Total Customer ADV in Tier 1, and execute more than 0.10% and up to 0.40% in Tier 2. The Exchange now proposes to increase the 0.10% requirement to 0.15% such that a Member must execute up to 0.15% of Total Customer ADV in Tier 1, and execute more than 0.15% and up to 0.40% in Tier 2. The proposed increase is intended to incentivize Members to execute a greater amount of Priority Customer volume on MRX to receive the proposed Penny Symbol Maker Rebates in Priority Customer Tiers 2 – 4 as discussed above.

Corrective Changes

Auction Pricing

In Options 7, Section 1(d), the Exchange currently specifies the manner in which the Exchange assesses fees and rebates with respect to unrelated market or marketable interest received prior to the commencement of an auction in the Facilitation Mechanism (“FAC”), Solicited Order Mechanism (“SOL”), and Price Improvement Mechanism

¹¹ See note 2 of Options 7, Section 3, Table 1 (hereinafter, the “note 2 incentives”)

(“PIM”), and during such auctions.¹² The Exchange has modified its pricing for FAC and SOL pricing since adopting the rule text in Section 1(d),¹³ but has not made conforming changes to Section 1(d) to reflect SR-MRX-2024-25. Specifically under SR-MRX-2024-25, the Exchange adopted in Table 2 of Options 7, Section 3 new break-up rebates for Priority Customer orders entered into FAC and SOL. The Exchange also began assessing regular and complex FAC and SOL orders the same fees and rebates in Table 2 of Options 7, Section 3 (instead of assessing complex FAC and SOL orders separate fees in Options 7, Section 4). Accordingly, the Exchange proposes to reflect these pricing changes in Options 7, Section 1(d) to make clear that when the FAC Order or SOL Order executes against unrelated market or marketable interest received **during** an auction, the FAC Order or SOL Order will be assessed the applicable Crossing Order fees or Break-up Rebates in Options 7, Section 3, Table 2. The unrelated market or marketable interest received during an auction will be assessed the applicable fees for Responses to Crossing Order in Options 7, Section 3, Table 2 below.

Total Customer ADV

Today, all market participants are assessed the tiered maker/taker pricing in Table 1 of Options 7, Section 3 for regular orders in Penny and Non-Penny Symbols (“Tiered Pricing”). Market participants are assessed the Tiered Pricing if they meet the applicable qualifying tier thresholds under Table 3 of Options 7, Section 3. These qualifying tier thresholds in Table 3 are based on Total Customer ADV.

¹² See Securities Exchange Act Release No. 98504 (September 25, 2023), 88 FR 67381 (September 29, 2023) (SR-MRX-2023-17) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Pricing Schedule at Options 7 To Specify Pricing Related to Unrelated Market or Marketable Interest).

¹³ See Securities Exchange Act Release No. 100575 (July 23, 2024), 89 FR 60945 (July 29, 2024) (SR-MRX-2024-25).

The Exchange previously amended the qualifying tier thresholds in Table 3 to adopt the Total Customer ADV tier thresholds.¹⁴ Previous to SR-MRX-2024-25, the Exchange assessed market participants the Tiered Pricing if they met the applicable tiered thresholds that were based on Total Affiliated Member or Affiliated Entity ADV.¹⁵ In addition, Market Makers were previously able to alternatively qualify for the Tiered Pricing if they met the applicable tier thresholds based on Total Market Maker ADV.¹⁶ In SR-MRX-2024-25, the Exchange removed the tier qualifications based on Total Affiliated Member or Affiliated Entity ADV and Total Market Maker ADV, and replaced them with Total Customer ADV. However, note 5 under Options 7, Section 3, Table 1 still provides that Market Makers may alternatively qualify for the Tiered Pricing if they meet the applicable tier thresholds based on Total Market Maker ADV set forth in Table 3 of Options 7, Section 3. The Exchange therefore proposes to remove note 5 as obsolete as Market Makers must currently qualify for the Tiered Pricing if they meet the applicable tier thresholds based on Total Customer ADV, just like all other market participants (i.e., there are no alternative ways to qualify for the Tiered Pricing).

¹⁴ See Securities Exchange Act Release No. 100575 (July 23, 2024), 89 FR 60945 (July 29, 2024) (SR-MRX-2024-25).

¹⁵ As stated in SR-MRX-2024-25, the Exchange previously defined Total Affiliated Member or Affiliated Entity ADV as all ADV executed on the Exchange in all symbols and order types, including volume executed by Affiliated Members or Affiliated Entities. All eligible volume from Affiliated Members or an Affiliated Entity were aggregated in determining applicable tiers.

¹⁶ As stated in SR-MRX-2024-25, the Exchange previously defined Total Market Maker ADV as all Market Maker ADV executed on the Exchange in all symbols and order types, including volume executed by Affiliated Members or Affiliated Entities. All eligible volume from Affiliated Members or an Affiliated Entity were aggregated in determining applicable tiers.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁷ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹⁸ 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 Pricing Schedule 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 granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’”¹⁹

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in

¹⁷ 15 U.S.C. 78f(b).

¹⁸ 15 U.S.C. 78f(b)(4) and (5).

¹⁹ 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)).

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.”²⁰

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 eighteen 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.

Penny Symbol Maker Rebates

The Exchange believes that its proposal to offer a \$0.47 per contract Maker Rebate in Penny Symbols for Priority Customers in Tiers 2 – 4 is reasonable because the Exchange desires to incentivize market participants to send Priority Customer order flow that adds liquidity to MRX’s order book in Penny Symbols in order to obtain the proposed Maker Rebates. To the extent this proposal attracts such order flow to the Exchange, all Members should benefit through more trading opportunities. The Exchange also believes that its proposal to not provide the proposed Priority Customer Maker Rebates in Tiers 2 – 4 is reasonable because Priority Customers will receive a free

²⁰ Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (“Regulation NMS Adopting Release”).

execution instead of being provided the Maker Rebate.²¹ With this proposal, Priority Customers will continue to receive more favorable pricing for adding liquidity in Penny Symbols compared to Non-Priority Customers. Specifically, the Exchange currently charges all Non-Priority Customers a uniform \$0.50 per contract Penny Symbol Maker Fee.²²

The Exchange also believes that the proposed Penny Symbol Maker Rebate changes described above are equitable and not unfairly discriminatory because they will apply uniformly to all Priority Customers. The Exchange does not believe it is unfairly discriminatory to apply the proposed changes to only Priority Customers because Priority Customers will continue to be assessed more favorable pricing for adding liquidity under this proposal. The Exchange has historically provided more favorable pricing to Priority Customers.²³ Priority Customer order flow enhances liquidity on the Exchange to the benefit of all market participants by providing more trading opportunities, which in turn attracts Market Makers and other market participants who may interact with this order flow.

Lastly, the Exchange believes its proposal update the Table 1 headings to reflect that the Exchange would assess Maker Rebates (in addition to Maker Fees) under this proposal is reasonable, equitable, and not unfairly discriminatory because the proposed changes will add transparency to the Exchange' Pricing Schedule and reduce potential confusion by market participants.

²¹ See proposed note 7 of Options 7, Section 3, Table 1.

²² See Options 7, Section 3, Table 1. This Penny Symbol Maker Fee is reduced to \$0.02 per contract for Market Makers in SPY, QQQ, and IWM. See note 6 of Options 7, Section 3, Table 1.

²³ See, e.g., maker/taker pricing for Priority Customers in Options 7, Section 3, Table 1; and complex order fees for Priority Customers in Options 7, Section 4.

Penny Symbol Taker Fees

The Exchange believes that its proposal to increase the Penny Symbol Taker Fees for Non-Priority Customers from \$0.35 to \$0.47 per contract when the Non-Priority Customer trades against a Priority Customer is reasonable in several respects. The Exchange proposes to fund the \$0.47 per contract Priority Customer Maker Rebates discussed above by assessing all Non-Priority Customers a uniform Penny Symbol Taker Fee of \$0.47 per contract when the Non-Priority Customer's contra party is a Priority Customer.²⁴ Further, the proposed fees are in line with taker pricing assessed at other options exchanges, including those of BOX Exchange LLC ("BOX"). Today, BOX assesses non-Public Customers a taker fee of \$0.50 per contract in Penny Symbols when the non-Public Customer's contra party is a Public Customer.²⁵ The Exchange therefore believes that its proposed Penny Symbol Taker Fees for Non-Priority Customers remain competitive.

The Exchange believes that its Penny Symbol Taker Fee proposal is equitable and not unfairly discriminatory because it would apply uniformly to all Non-Priority Customers. Priority Customers would continue to receive more favorable taker pricing through the Penny Symbol Taker Rebates in Table 1 of Options 7, Section 3. As discussed above for the Penny Symbol Maker Fees, the Exchange has historically provided more favorable pricing to Priority Customers.²⁶ Priority Customer order flow enhances liquidity on the Exchange to the benefit of all market participants by providing

²⁴ See proposed note 8 of Options 7, Section 3, Table 1.

²⁵ See BOX Fee Schedule at Section IV.A.

²⁶ See supra note 23.

more trading opportunities, which in turn attracts Market Makers and other market participants who may interact with this order flow.

Discounted Penny Symbol Taker Fees

The Exchange believes that its proposal to eliminate the note 2 incentives is reasonable because these incentives have been underutilized, and have not had the desired effect of incentivizing Market Makers to trade with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity. The proposed elimination of the note 2 incentives would enable the Exchange to redirect resources and funding into other programs intended to incentivize increased order flow to the Exchange. The Exchange further believes that the proposed elimination of the note 2 incentives is equitable and not unfairly discriminatory because they would no longer be available to any Member.

Qualifying Tier Thresholds

The Exchange believes that its proposal to increase the volume requirements in the qualifying tier thresholds in Table 3 of Options 7, Section 3, specifically to increase the Tier 1 upper threshold and the Tier 2 lower threshold in the manner discussed above is reasonable because the proposed increase is intended to incentivize Members to execute a greater amount of Priority Customer volume on MRX to receive the proposed Penny Symbol Maker Rebates in Priority Customer Tiers 2 – 4 as discussed above. The heightened volume requirement in Tier 2 is intended to incentivize Members to execute more Priority Customer volume on MRX to receive the proposed Tier 2 Penny Symbol Maker Rebate. The volume requirements in Tier 3 and Tier 4 will remain unchanged under this proposal, and the Exchange believes that this will further incentivize Members

to qualify for Tiers 3 and 4 by executing the requisite amount of Priority Customer orders to receive the proposed Maker Rebates. The Exchange believes all market participants will benefit from an increased amount of Priority Customer volume on the Exchange. The Exchange further believes that its proposal is equitable and not unfairly discriminatory because the Exchange will uniformly apply the tier qualifications to all Members.

Corrective Changes

The Exchange believes that the corrective changes proposed in Options 7, Section 1(d) to conform to the changes made in SR-MRX-2024-25 is reasonable, equitable, and not unfairly discriminatory because the proposed changes will remove any potential confusion as to how the Exchange prices unrelated market or marketable interest received during a FAC or SOL auction. Accordingly, the proposed changes will promote greater clarity and transparency in the Exchange's Pricing Schedule.

The Exchange likewise believes that the proposed corrective changes to remove note 5 as discussed above are reasonable, equitable, and not unfairly discriminatory, as these changes will promote greater clarity and transparency in the Exchange's Pricing Schedule. As discussed above, the Exchange previously removed the alternative method for Market Makers to qualify for the Tiered Pricing in SR-MRX-2024-25, so the proposed changes are intended to align to the changes made in SR-MRX-2024-25 and avoid any potential confusion by market participants.

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 the proposed changes described above will place any category of market participant at a competitive disadvantage. The Exchange believes that all of the pricing changes described above will incentivize market participants to direct more order flow to the Exchange, to the benefit of all market participants who may interact with this order flow. The Exchange notes that with the proposed Penny Symbol Maker Rebates and proposed Penny Symbol Taker Fees discussed above, Priority Customers will continue to receive more favorable pricing compared to other market participants. As discussed above, the Exchange has historically provided more favorable pricing to Priority Customers.²⁷ The Exchange believes that the proposed pricing changes, taken together, will fortify and encourage activity, especially Priority Customer activity, on the Exchange. As discussed above, all market participants would benefit from any increase in market activity that the proposal effectuates.

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. In sum, if the changes proposed herein are

²⁷ See supra note 23.

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.

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.²⁸ 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

²⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

- Send an email to rule-comments@sec.gov. Please include file number SR-MRX-2025-07 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-2025-07. 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 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-2025-07 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.²⁹

Sherry R. Haywood,

Assistant Secretary.

²⁹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Deleted text is [bracketed]. New text is underlined.

NASDAQ MRX, LLC RULES

* * * * *

Options 7 Pricing Schedule
Section 1. General Provisions

* * * * *

(d) Unrelated Market or Marketable Interest Pricing

The following applies to orders executed in the Exchange's Facilitation Mechanism (“FAC Order”), Solicited Order Mechanism (“SOL Order”), and Price Improvement Mechanism (“PIM Order”):

➤ When the FAC Order or SOL Order executes against unrelated market or marketable interest received **during** an auction, the FAC Order or SOL Order will be assessed the applicable Crossing Order fees or Break-up Rebates in Section 3, Table 2 below [(for regular FAC Orders and SOL Orders) and applicable Complex Order fees in Section 4 below (for complex FAC Orders and SOL Orders)]. The unrelated market or marketable interest received during an auction will be assessed the applicable fees for Responses to Crossing Order in Section 3, Table 2 below [(for regular interest) and applicable Complex Order fees in Section 4 below (for complex interest)].

➤ When the PIM Order executes against unrelated market or marketable interest received **during** an auction, the PIM Order will be assessed the applicable PIM Originating Order fees or Break-up Rebates in Section 3.A below (for regular and complex PIM Orders). The unrelated market or marketable interest received during an auction will be assessed the applicable fees for Responses to PIM Orders in Section 3.A below (for regular and complex interest).

➤ When the FAC Order, SOL Order, or PIM Order executes against unrelated market or marketable interest received **prior** to the commencement of an auction, the FAC Order, SOL Order, or PIM Order would be subject to the applicable taker pricing in Section 3, Table 1 below (for regular FAC Orders, SOL Orders, and PIM Orders) and the applicable Complex Order fees in Section 4 below (for complex FAC Orders, SOL Orders, and PIM Orders). The unrelated market or marketable interest received prior to the commencement of an auction will be assessed the applicable maker pricing in Section 3, Table 1 below (for regular interest), and the applicable Complex Order fees in Section 4 below (for complex interest).

* * * * *

Section 3. Fees and Rebates for Regular Orders and All Crossing Orders

Table 1

Penny Symbols

Market Participant	Maker Fee/Rebate Tier 1	Maker Fee/Rebate Tier 2	Maker Fee/Rebate Tier 3	Maker Fee/Rebate Tier 4	Taker Fee/Rebate Tier 1	Taker Fee/Rebate Tier 2	Taker Fee/Rebate Tier 3	Taker Fee/Rebate Tier 4
Market Maker ⁽¹⁾ [(5)]	\$0.50 ⁽⁶⁾	\$0.50 ⁽⁶⁾	\$0.50 ⁽⁶⁾	\$0.50 ⁽⁶⁾	\$0.35 ^[(2)] [(4)](8)	\$0.35 ^[(2)] [(4)](8)	\$0.35 ^[(2)] [(4)](8)	\$0.35 ^[(2)] [(4)](8)
Non-Nasdaq MRX Market Maker (FarMM)	\$0.50	\$0.50	\$0.50	\$0.50	\$0.35 ⁽⁸⁾	\$0.35 ⁽⁸⁾	\$0.35 ⁽⁸⁾	\$0.35 ⁽⁸⁾
Firm Proprietary / Broker-Dealer	\$0.50	\$0.50	\$0.50	\$0.50	\$0.35 ⁽⁸⁾	\$0.35 ⁽⁸⁾	\$0.35 ⁽⁸⁾	\$0.35 ⁽⁸⁾
Professional Custom er	\$0.50	\$0.50	\$0.50	\$0.50	\$0.35 ⁽⁸⁾	\$0.35 ⁽⁸⁾	\$0.35 ⁽⁸⁾	\$0.35 ⁽⁸⁾
Priority Custom er	\$0.00 ⁽⁷⁾	[\$0.00] 47 ⁽⁷⁾	[\$0.00] 47 ⁽⁷⁾	[\$0.00] 47 ⁽⁷⁾	(\$0.31) ⁽⁶⁾ (7)	(\$0.36) ⁽⁶⁾ (7)	(\$0.41) ⁽⁶⁾ (7)	(\$0.44) ⁽⁶⁾ (7)

Non-Penny Symbols

Market Participant	Maker Fee Tier 1	Maker Fee Tier 2	Maker Fee Tier 3	Maker Fee Tier 4	Taker Fee/Rebate Tier 1	Taker Fee/Rebate Tier 2	Taker Fee/Rebate Tier 3	Taker Fee/Rebate Tier 4
Market Maker ⁽¹⁾ [(5)]	\$1.25	\$1.25	\$1.25	\$1.25	\$1.10 ⁽³⁾ (4)	\$1.10 ⁽³⁾ (4)	\$1.10 ⁽³⁾ (4)	\$1.10 ⁽³⁾ (4)
Non-Nasdaq MRX Market Maker (FarMM)	\$1.25	\$1.25	\$1.25	\$1.25	\$1.10	\$1.10	\$1.10	\$1.10
Firm Proprietary	\$1.25	\$1.25	\$1.25	\$1.25	\$1.10	\$1.10	\$1.10	\$1.10

/ Broker-
Dealer

Professiona

1 Customer	\$1.25	\$1.25	\$1.25	\$1.25	\$1.10	\$1.10	\$1.10	\$1.10
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Priority

Customer	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.80) ⁽⁷⁾	(\$0.90) ⁽⁷⁾	(\$1.00) ⁽⁷⁾	(\$1.10) ⁽⁷⁾
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2. [A Taker Fee of \$0.20 per contract applies instead when trading with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity. A Taker Fee of \$0.10 per contract applies instead when trading with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity if the Member has a Total Affiliated Member or Affiliated Entity Priority Customer ADV of 0.20% to less than 0.75% Customer Total Consolidated Volume. A Taker Fee of \$0.00 per contract applies instead when trading with Priority Customer orders in Penny Symbols entered by an Affiliated Member or Affiliated Entity if the Member has a Total Affiliated Member or Affiliated Entity Priority Customer ADV of 0.75% Customer Total Consolidated Volume or more]Reserved.

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5. [Market Makers may alternatively qualify for these fees if they meet the applicable tier thresholds based on Total Market Maker ADV set forth in Table 3 below]Reserved.

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7. Priority Customer orders will not receive any Maker Rebates in Penny Symbols or Taker Rebates in Penny and Non-Penny Symbols for trades executed against another Priority Customer order. Instead, the Priority Customer order will be assessed \$0.00 per contract.

8. When trading against a Priority Customer order, a Penny Symbol Taker Fee of \$0.47 per contract will apply instead of the Penny Symbol Taker Fee noted in Table 1 above.

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Table 3

Qualifying Tier Thresholds

Tiers	Total Customer ADV
Tier 1	executes up to 0.[10]15%
Tier 2	executes more than 0.[10]15% and up to 0.40%
Tier 3	executes more than 0.40% and up to 0.70%

Tier 4

executes more than 0.70%

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