

be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC's Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below.

Hearing requests should be received by the Commission by 5:30 p.m. on August 25, 2025, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary at *Secretarys-Office@sec.gov*.

**ADDRESSES:** The Commission: *Secretarys-Office@sec.gov*. Applicants: Randolph A. Stuzin, Vice President and Assistant Secretary, 30 Hudson Street, Jersey City, New Jersey 07302; Richard Horowitz, Esq., Dechert LLP, 1095 Avenue of the Americas, New York, NY 10036; William J. Bielefeld and Matthew Barsamian, Dechert LLP, 1900 K Street NW, Washington, DC 20006; and Cynthia R. Beyea, Dechert LLP, *Cynthia.beyea@dechert.com*.

**FOR FURTHER INFORMATION CONTACT:** Jill Ehrlich, Senior Counsel, or Daniele Marchesani, Assistant Chief Counsel, at (202) 551–6825 (Division of Investment Management, Chief Counsel's Office).

**SUPPLEMENTARY INFORMATION:** For Applicants' representations, legal analysis, and conditions, please refer to Applicants' First Amended and Restated Application, dated June 27, 2025, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field, on the SEC's EDGAR system. The SEC's EDGAR system may be searched at, <https://www.sec.gov/edgar/searchedgar/companysearch>. You may also call the SEC's Office of Investor Education and Advocacy at (202) 551–8090.

For the Commission, by the Division of Investment Management, under delegated authority.

**Sherry R. Haywood,**  
*Assistant Secretary.*

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**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103575; File No. SR–BX–2025–013]

### Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to SQF Ports

July 29, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on July 28, 2025, Nasdaq BX, Inc. (“BX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's Pricing Schedule at Options 7, Section 3, BX Options Market—Ports and other Services, to propose a limit to the number of Specialized Quote Feed (“SQF”) Ports a Market Maker<sup>4</sup> may subscribe to in a month.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules> and at the principal office of the Exchange.

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> “Specialized Quote Feed” or “SQF” is an interface that allows Market Makers to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses into and from the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying instruments); (2) system event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge requests from the Market Maker. Market Makers may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the Order Price Protection, Market Order Spread Protection, or Size Limitation Protection in Options 3, Section 15(a)(1), (a)(2), and (b)(2) respectively. See BX Options 3, Section 7(e)(1)(B).

<sup>4</sup> The term “BX Options Market Maker” or (“M”) is a Participant that has registered as a Market Maker on BX Options pursuant to Options 2, Section 1, and must also remain in good standing pursuant to Options 2, Section 9. In order to receive Market Maker pricing in all securities, the Participant must be registered as a BX Options Market Maker in at least one security. See BX Options 1, Section 1(a)(40).

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

##### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange proposes to amend its Pricing Schedule at Options 7, Section 3, BX Options Market—Ports and other Services, to propose a limit on the number of SQF Ports a Market Maker may subscribe to in a month.

Currently, a BX Options Market Maker is assessed an SQF Port Fee of \$550 per port, per month. Currently, the Exchange has no limits in place on the number of SQF Ports a Market Maker may acquire in a month.

At this time, the Exchange proposes to limit a Market Maker to no more than 250 SQF Ports per month.<sup>5</sup> A Market Maker requires only one SQF Port to submit quotes in its assigned options series into BX. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,<sup>6</sup> only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.<sup>7</sup> The Exchange utilizes ports as a secure method for Participants to submit quotes into the Exchange's match engine and for the Exchange to send messages related to those quotes to Participants. In order to properly regulate its Participants and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls. The Exchange believes that the

<sup>5</sup> The Exchange issued Options Technical Alert #2025–12 to announce the limitation.

<sup>6</sup> For example, a BX Options Market Maker may desire to utilize multiple SQF Ports for accounting purposes, to measure performance, for regulatory reasons or other determinations that are specific to that Participant.

<sup>7</sup> BX Options Market Makers have various regulatory requirements as provided for in Options 2, Section 4. Additionally, BX Options Market Makers have certain quoting requirements with respect to their assigned options series as provided in Options 2, Section 5. SQF Ports are the only quoting protocol available on BX and only Market Makers may utilize SQF Ports.

proposed limit of 250 SQF Ports per month will permit the Exchange to obtain greater efficiencies by placing this overall limit on SQF Ports. The Exchange believes a limit of 250 SQF Ports provides it with the appropriate bandwidth to support future growth and new Market Makers entrants.<sup>8</sup>

The Exchange proposes to implement the 250 SQF Ports per month limit on August 1, 2025.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>9</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>10</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange's proposal to limit a Market Maker to no more than 250 SQF Ports per month is consistent with the Act because it will allow the Exchange to obtain greater efficiencies in its overall connectivity management. The Exchange utilizes ports as a secure method for Participants to submit quotes into the Exchange's match engine and for the Exchange to send messages related to those quotes to Participants. Only BX Participants who are approved as Market Makers may utilize an SQF Port. Once approved, BX Options Market Makers may subscribe to SQF Ports to submit quotes into the Exchange. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,<sup>11</sup> only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.<sup>12</sup> Today, most Market Makers are in possession of several SQF Ports, and amend the number of SQF Ports from time to time. In fact, not all SQF Ports are actively used by Market Makers. In order to properly regulate its Participants and secure the trading environment, the Exchange has taken measures to ensure access is monitored and maintained with various controls that will protect investors and the public interest. Specifically, the Exchange ensures that information security safeguards, upgrades, and general port management are in effect for all SQF Ports regardless of whether the SQF Port is actively in use. As a

result of these efforts, the Exchange incurs costs to manage and maintain its SQF Ports and the secure environment surrounding its platform.

The Exchange's proposal is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports. The Exchange believes that its proposal is consistent with the Act in that it will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants thereby removing impediments to and perfect the mechanism of a free and open market.

### *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 proposal will place any category of market participant at a competitive disadvantage because all Market Makers will uniformly be permitted to subscribe to no more than 250 SQF Ports per month. Today, no Market Maker has exceeded 250 SQF Ports.

The Exchange does not believe that its proposal will place an undue burden on intra-market competition because any exchange may elect to adopt a similar limit.

### *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**

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>13</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>14</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>15</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>16</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the Exchange may implement the proposal on August 1, 2025. The Exchange notes that BX does not prorate SQF Port Fees and, therefore, the Exchange requests that the Commission waive the operative delay so that the 250 SQF Port Fee limit may be in place at the beginning of the month so that the Exchange can manage billing for its Participants.

The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest. The Exchange issued an Options Technical Alert to announce the limitation. The Exchange states that the proposed rule change is intended to permit it to govern its connectivity management in a reasonable manner while protecting investors and the general public by obtaining greater efficiencies with the limit on SQF Ports and will provide the Exchange the ability to maintain the appropriate bandwidth to support future growth and new Market Makers entrants. In addition, the Exchange notes that it does not prorate SQF Port Fees and a waiver of the operative delay will allow the 250 SQF Port Fee limit to be in place at the beginning of the month so that the Exchange can manage billing for its Participants. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change operative upon filing.<sup>17</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the

change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>17</sup> For purposes only of waiver the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>8</sup> The Exchange will periodically review the SQF Port limit. If the Exchange elects to amend the limit it will file a rule proposal with the Commission.

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>11</sup> See *supra* note 6.

<sup>12</sup> See *supra* note 7.

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>14</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule

public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission 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](mailto:rule-comments@sec.gov). Please include file number SR-BX-2025-013 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-BX-2025-013. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-BX-2025-013 and should be submitted on or before August 22, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103581; File No. SR-Phlx-2025-31]

### Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to SQF Ports

July 29, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 22, 2025, Nasdaq PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's Pricing Schedule at Options 7, Section 9, B, Port Fees, to propose a limit to the number of Specialized Quote Feed ("SQF")<sup>3</sup> Ports a Market Maker<sup>4</sup> may subscribe to in a month.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/phlx/rulefilings> and at the principal office of the Exchange.

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

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

<sup>3</sup> "Specialized Quote Feed" or "SQF" is an interface that allows Lead Market Makers, Streaming Quote Traders ("SQTs") and Remote Streaming Quote Traders ("RSQTs") to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses into and from the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying and complex instruments); (2) system event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge requests from the Lead Market Maker, SQT or RSQT. Lead Market Makers, SQTs and RSQTs may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the Order Price Protection, the Market Order Spread Protection, or Size Limitation in Options 3, Section 15(a)(1), (a)(2) and (b)(2), respectively. See Phlx Options 3, Section 7(a)(i)(B).

<sup>4</sup> A "Market Maker" means a Streaming Quote Trader or a Remote Streaming Quote Trader who enters quotations for his own account electronically into the System. See Phlx Options 1, Section 1(b)(28).

## II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

#### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange proposes to amend its Pricing Schedule at Options 7, Section 9, B, Port Fees, to propose a limit on the number of SQF Ports a Market Maker may subscribe to in a month.

Currently, a Phlx Market Maker is assessed an SQF Port Fee of \$1,375 per port, per month up to a maximum of \$46,200 per month for active ports.<sup>5</sup> Currently, the Exchange has no limits in place on the number of SQF Ports a Market Maker may acquire in a month.

At this time, the Exchange proposes to limit a Market Maker to no more than 250 SQF Ports per month, regardless of whether the SQF Ports are active ports.<sup>6</sup> Further, the Exchange proposes a separate limit of 250 SQF Ports per month applies to any SQF Ports that are being acquired in anticipation of the November 2025 technology migration ("Fusion Ports").<sup>7</sup> A Market Maker requires only one SQF Port to submit quotes in its assigned options series into Phlx. While a Market Maker may elect to obtain multiple SQF Ports to organize its business,<sup>8</sup> only one SQF Port is necessary for a Market Maker to fulfill its regulatory quoting obligations.<sup>9</sup> The

<sup>5</sup> An active port receives inbound quotes at any time within that month.

<sup>6</sup> The Exchange issued Options Technical Alert #2025-12 to announce the limitation.

<sup>7</sup> See <https://www.nasdaqtrader.com/MicroNews.aspx?id=OTU2025-6>. Phlx members and member organizations will need to acquire new ports to connect to the new technology platform to accommodate the symbol migration plan.

<sup>8</sup> For example, a Phlx Market Maker may desire to utilize multiple SQF Ports for accounting purposes, to measure performance, for regulatory reasons or other determinations that are specific to that member or member organization.

<sup>9</sup> Phlx Market Makers have various regulatory requirements as provided for in Options 2, Section 4. Additionally, Phlx Market Makers have certain quoting requirements with respect to their assigned options series as provided in Options 2, Section 5.

<sup>18</sup> 17 CFR 200.30-3(a)(12).