

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-MEMX-2025-22. 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 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-MEMX-2025-22 and should be submitted on or before August 13, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103501; File No. SR-CboeEDGX-2025-056]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule Related To Add Volume Tiers

July 18, 2025.

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 July 10, 2025, Cboe EDGX Exchange, Inc. (“Exchange” or “EDGX”) filed with the Securities and Exchange Commission (“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

Cboe EDGX Exchange, Inc. (the “Exchange” or “EDGX”) proposes to amend its Fee Schedule by: (i) removing the shares component of certain Add Volume Tiers and replacing it with a component that excludes a Member's subdollar trading activity; (ii) revise the use of the term “adds an ADV” of certain Add Volume Tiers to reflect the term “ADAV”; (iii) introducing a component that excludes a Member's subdollar trading activity to Add Volume Tier 4; (iv) removing the shares component of Non-Displayed Add Volume Tier 4 and replacing it with a component that excludes a Member's subdollar trading activity; (v) removing the shares component of Retail Volume Tier 3 and replacing it with a component that excludes a Member's subdollar trading activity; and (vi) modify the ADV as a percentage of TCV requirement of Add Volume Tier 8, Non-Displayed Add Volume Tier 4, and Retail Volume Tier 3. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (http://markets.cboe.com/us/options/regulation/rule_filings/edgx/) and at the Exchange's Office of the Secretary.

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 Fee Schedule applicable to its equities trading platform (“EDGX Equities”) by: (i) removing the shares component of certain Add Volume Tiers and replacing it with a component that excludes a

Member's subdollar trading activity; (ii) revise the use of the term “adds an ADV” of certain Add Volume Tiers to reflect the term “ADAV”; (iii) introducing a component that excludes a Member's subdollar trading activity to Add Volume Tier 4; (iv) removing the shares component of Non-Displayed Add Volume Tier 4 and replacing it with a component that excludes a Member's subdollar trading activity; (v) removing the shares component of Retail Volume Tier 3 and replacing it with a component that excludes a Member's subdollar trading activity; and (vi) modify the ADV as a percentage of TCV requirement of Add Volume Tier 8, Non-Displayed Add Volume Tier 4, and Retail Volume Tier 3. The Exchange proposes to implement these changes effective July 1, 2025.³

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of 16 registered equities exchanges, as well as a number of alternative trading systems and other off-exchange venues that do not have similar self-regulatory responsibilities under the Securities Exchange Act of 1934 (the “Act”), to which market participants may direct their order flow. Based on publicly available information,⁴ no single registered equities exchange has more than 13% of the market share. Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. The Exchange in particular operates a “Maker-Taker” model whereby it pays rebates to members that add liquidity and assesses fees to those that remove liquidity. The Exchange's Fee Schedule sets forth the standard rebates and rates applied per share for orders that provide and remove liquidity, respectively. Currently, for orders in securities priced at or above \$1.00, the Exchange provides a standard rebate of \$0.00160 per share for orders that add liquidity and assesses a fee of \$0.0030 per share for orders that remove liquidity.⁵ For orders in securities priced below \$1.00,

³ The Exchange previously submitted the proposed rule change on July 1, 2025 (SR-CboeEDGX-2025-051). On July 10, 2025, the Exchange withdrew that filing and submitted this proposal.

⁴ See Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (June 23, 2025), available at https://www.cboe.com/us/equities/market_statistics/.

⁵ See EDGX Equities Fee Schedule, Standard Rates.

¹³ 17 CFR 200.30-3(a)(12).

¹⁴ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

the Exchange provides a rebate of \$0.00003 per share for orders that add liquidity and assesses a fee of 0.30% of the total dollar value for orders that remove liquidity.⁶ Additionally, in response to the competitive environment, the Exchange also offers tiered pricing which provides Members opportunities to qualify for higher rebates or reduced fees where certain volume criteria and thresholds are met. Tiered pricing provides an incremental incentive for Members to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying increasingly more stringent criteria.

Add/Remove Volume Tiers

Under footnote 1 of the Fee Schedule, the Exchange offers various Add/Remove Volume Tiers. In particular, the Exchange offers nine Add Volume Tiers that provide enhanced rebates for orders yielding fee codes B,⁷ V,⁸ Y,⁹ 3¹⁰ and 4¹¹ where a Member reaches certain add volume-based criteria. The Exchange now proposes to modify the criteria of Add Volume Tiers 1–3 by removing the shares component in the second prong of criteria and replacing this criteria with criteria that excludes a Member's subdollar trading activity. The Exchange also proposes to add a second prong of criteria to Add Volume Tier 4 and modify the first prong of criteria in Add Volume Tier 8 by removing the shares component and replacing this criteria with criteria that excludes a Member's subdollar trading activity. Additionally, the Exchange proposes to amend the first prong of criteria in Add Volume Tier 8 by decreasing the percentage requirement. The Exchange also proposes to amend the wording of the first prong of criteria in Add Volume Tiers 1–4 to be consistent with wording in other tiers on the Exchange's Fee Schedule and with tiers of the Fee Schedule of its affiliate exchange, Cboe BZX Exchange, Inc.¹² The current

criteria for Add Volume Tiers 1–4 and Add Volume Tier 8 is as follows:

- Add Volume Tier 1 provides a rebate of \$0.0020 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, Y, 3 or 4) where a Member adds an ADV¹³ (excluding fee codes ZA¹⁴ and ZO¹⁵) $\geq 0.15\%$ of the TCV¹⁶ or Member adds an ADV (excluding fee codes ZA and ZO) $\geq 20,000,000$.
- Add Volume Tier 2 provides a rebate of \$0.0025 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, Y, 3 or 4) where a Member adds an ADV (excluding fee codes ZA and ZO) $\geq 0.18\%$ of the TCV or Member adds an ADV (excluding fee codes ZA and ZO) $\geq 30,000,000$.
- Add Volume Tier 3 provides a rebate of \$0.0027 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, Y, 3 or 4) where a Member adds an ADV (excluding fee codes ZA and ZO) $\geq 0.25\%$ of the TCV or Member adds an ADV (excluding fee codes ZA and ZO) $\geq 45,000,000$.
- Add Volume Tier 4 provides a rebate of \$0.0029 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, Y, 3 or 4) where a Member adds an ADV (excluding fee codes ZA and ZO) $\geq 0.65\%$ of the TCV.
- Add Volume Tier 8 provides a rebate of \$0.0034 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, Y, 3 or 4) where (1) Member has a total remove ADV $\geq 0.40\%$ of the TCV or Member has a total remove ADV $\geq 40,000,000$; and (2) Member has a Hidden, Primary Peg ADV¹⁷ $\geq 1,000,000$; and (3) Member has a Hidden Midpoint

ADV (*i.e.*, yielding fee codes DM¹⁸ or MM¹⁹) $\geq 5,000,000$.

The proposed criteria for Add Volume Tiers 1–4 and Add Volume Tier 8 is as follows:

- Add Volume Tier 1 provides a rebate of \$0.0020 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, Y, 3 or 4) where a Member has an ADAV (excluding fee codes ZA and ZO) $\geq 0.15\%$ of the TCV or Member has an Ex-Subdollar ADAV²⁰ (excluding fee codes ZA and ZO) as a percentage of Ex-Subdollar TCV²¹ $\geq 0.15\%$.
- Add Volume Tier 2 provides a rebate of \$0.0025 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, Y, 3 or 4) where a Member has an ADAV (excluding fee codes ZA and ZO) $\geq 0.18\%$ of the TCV or Member has an Ex-Subdollar ADAV (excluding fee codes ZA and ZO) as a percentage of Ex-Subdollar TCV $\geq 0.18\%$.
- Add Volume Tier 3 provides a rebate of \$0.0027 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, Y, 3 or 4) where a Member has an ADAV (excluding fee codes ZA and ZO) $\geq 0.25\%$ of the TCV or Member has an Ex-Subdollar ADAV (excluding fee codes ZA and ZO) as a percentage of Ex-Subdollar TCV $\geq 0.25\%$.
- Add Volume Tier 4 provides a rebate of \$0.0029 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, Y, 3 or 4) where a Member has an ADAV (excluding fee codes ZA and ZO) $\geq 0.65\%$ of the TCV or Member has an Ex-Subdollar ADAV (excluding fee codes ZA and ZO) as a percentage of Ex-Subdollar TCV $\geq 0.65\%$.
- Add Volume Tier 8 provides a rebate of \$0.0034 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, Y, 3 or 4) where (1) Member has a total remove ADV $\geq 0.37\%$ of the TCV or Member has a total remove Ex-Subdollar

⁶ *Id.*

⁷ Fee code B is appended to orders that add liquidity to EDGX in Tape B securities.

⁸ Fee code V is appended to orders that add liquidity to EDGX in Tape A securities.

⁹ Fee code Y is appended to orders that add liquidity to EDGX in Tape C securities.

¹⁰ Fee code 3 is appended to orders that add liquidity to EDGX in Tape A or Tape C securities during the pre and post market.

¹¹ Fee code 4 is appended to orders that add liquidity to EDGX in Tape B securities during the pre and post market.

¹² The Exchange notes that the first prong of criteria in certain Add Volume Tiers states "adds an ADV." The Exchange proposes to revise this criteria to state "has an ADAV," which is an equivalent definition.

¹³ "ADV" means average daily volume calculated as the number of shares added to, removed from, or routed by, the Exchange, or any combination or subset thereof, per day. ADV is calculated on a monthly basis.

¹⁴ Fee code ZA is appended to Retail Orders that add liquidity to EDGX.

¹⁵ Fee code ZO is appended to Retail Orders that add liquidity to EDGX during the pre and post market.

¹⁶ "TCV" means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply.

¹⁷ Hidden, Primary Peg ADV means ADV in non-displayed orders that include a Primary Peg instruction as defined in EDGX Equities Rule 11.6(j)(2).

¹⁸ Fee code DM is appended to orders that add liquidity to EDGX using MidPoint Discretionary Orders within the discretionary range.

¹⁹ Fee code MM is appended to non-displayed orders that add liquidity to EDGX using the Mid-Point Peg order type.

²⁰ The Exchange proposes to introduce the term "Ex-Subdollar ADAV" to the Definitions section of the Fee Schedule. "Ex-Subdollar ADAV" means ADAV that excludes executions in securities priced below \$1.00.

²¹ The Exchange proposes to introduce the term "Ex-Subdollar TCV" to the Definitions section of the Fee Schedule. "Ex-Subdollar TCV" means TCV that excludes executions in securities that have an average daily price below \$1.00.

ADV²² as a percentage of Ex-Subdollar TCV $\geq 0.37\%$; and (2) Member has a Hidden, Primary Peg ADV $\geq 1,000,000$; and (3) Member has a Hidden Midpoint ADV (*i.e.*, yielding fee codes DM or MM) $\geq 5,000,000$.

Also under footnote 1 of the Fee Schedule, the Exchange offers five Non-Displayed Add Volume Tiers that provide enhanced rebates for orders yielding fee codes DM, HA,²³ MM and RP²⁴ where a Member reaches certain add or remove volume-based criteria. The Exchange now proposes to amend the first prong of criteria of Non-Displayed Add Volume Tier 4 by decreasing the percentage requirement as well as removing the shares component and introducing criteria that excludes a Member's subdollar trading activity. The current criteria for Non-Displayed Add Volume Tier 4 is as follows:

- Non-Displayed Add Volume Tier 4 provides a rebate of \$0.0025 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes DM, HA, MM, or RP) where (1) Member has a total remove ADV $\geq 0.40\%$ of the TCV or Member has a total remove ADV $\geq 40,000,000$; and (2) Member has a Hidden, Primary Peg ADV $\geq 1,000,000$; and (3) Member has a Hidden Midpoint ADV (*i.e.*, yielding fee codes DM or MM) $\geq 5,000,000$.

The proposed criteria for Non-Displayed Add Volume Tier 4 is as follows:

- Non-Displayed Add Volume Tier 4 provides a rebate of \$0.0025 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes DM, HA, MM, or RP) where (1) Member has a total remove ADV $\geq 0.37\%$ of the TCV or Member has a total remove Ex-Subdollar ADV as a percentage of Ex-Subdollar TCV $\geq 0.37\%$; and (2) Member has a Hidden, Primary Peg ADV $\geq 1,000,000$; and (3) Member has a Hidden Midpoint ADV (*i.e.*, yielding fee codes DM or MM) $\geq 5,000,000$.

Retail Volume Tiers

Under footnote 2 of the Exchange's Fee Schedule, the Exchange offers various Retail Volume Tiers. In particular, the Exchange offers three Retail Volume Tiers that provide an

enhanced rebate for orders yielding fee codes ZA and ZO when a Member reaches certain add or remove volume-based criteria. The Exchange now proposes to amend the first prong of criteria of Retail Volume Tier 3 by decreasing the percentage requirement and removing the shares component and introducing criteria that excludes a Member's subdollar trading activity. The current criteria for Retail Volume Tier 3 is as follows:

- Retail Volume Tier 3 provides a rebate of \$0.0037 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes ZA or ZO) where (1) Member has a total remove ADV $\geq 0.40\%$ of the TCV or Member has a total remove ADV $\geq 40,000,000$; and (2) Member has a Hidden, Primary Peg ADV $\geq 1,000,000$; and (3) Member has a Hidden Midpoint ADV (*i.e.*, yielding fee codes DM or MM) $\geq 5,000,000$.

The proposed criteria for Retail Volume Tier 3 is as follows:

- Retail Volume Tier 3 provides a rebate of \$0.0037 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes ZA or ZO) where (1) Member has a total remove ADV $\geq 0.37\%$ of the TCV or Member has a total remove Ex-Subdollar ADV as a percentage of Ex-Subdollar TCV $\geq 0.37\%$; and (2) Member has a Hidden, Primary Peg ADV $\geq 1,000,000$; and (3) Member has a Hidden Midpoint ADV (*i.e.*, yielding fee codes DM or MM) $\geq 5,000,000$.

While ADAV or ADV as a percentage of TCV is generally a reasonable baseline for determining tiered pricing for Members, the Exchange notes that in certain months where subdollar trading volume is significantly higher, TCV becomes inflated due to the higher levels of subdollar volume. During these months of high subdollar trading volume, if a Member does not increase its volume to account for the increased TCV, then the Member is disadvantaged when it comes to satisfying criteria requiring ADAV or ADV as a percentage of TCV. The Exchange's proposed introduction of the Ex-Subdollar ADAV and Ex-Subdollar ADV as a percentage of Ex-Subdollar TCV prong of criteria (the "Ex-Subdollar Criteria") is designed to provide Members with an opportunity to earn an enhanced rebate during months when subdollar trading activity is high and the Exchange's calculation of ADAV and ADV inclusive of subdollar volume under the Tiers' existing criteria could potentially make it far more difficult for the Member to qualify, particularly when the Member's volume in securities priced at or above \$1.00 remains relatively constant. The

Exchange notes that its proposed Ex-Subdollar Criteria in Add Volume Tiers 1–4, Add Volume Tier 8, Non-Displayed Add Volume Tier 4, and Retail Volume Tier 3 will introduce a new method of calculating ADAV and ADV as a percentage of TCV, exclusive of subdollar activity.²⁵

This change is intended to aid Members during months where subdollar volume is elevated, thus causing the TCV (used as the denominator when the Exchange calculates this prong of criteria) to be significantly higher while the Member's ADAV or ADV (used as the numerator for the Exchange's calculation of this prong of criteria) remains relatively stable if they are not actively trading in securities priced below \$1.00. In months when subdollar trading activity is particularly high, the Exchange believes that it would be unfair to Members that execute significant volume in securities priced at or above \$1.00 to potentially not be able to qualify for an enhanced rebate or lose existing incentives due to an increase in TCV due to a significant increase in the amount of volume in securities priced below \$1.00. The Exchange believes that the proposed criteria continues to be commensurate with the rebate received for each tier and will encourage Members to grow their volume on the Exchange. Increased volume on the Exchange contributes to a deeper and more liquid market, which benefits all market participants and provides greater execution opportunities on the Exchange.

The proposed decrease of total remove ADV as a percentage of TCV requirement in Add Volume Tier 8, Non-Displayed Add Volume Tier 4, and Retail Volume Tier 3 and introduction of the same requirement in the corresponding Ex-Subdollar Criteria is intended to reflect recent lower subdollar trading volumes. The Exchange believes that the proposed criteria continues to be commensurate with the rebate received for the applicable tier and will continue to encourage Members to grow their volume on the Exchange.

The proposed modification to the wording of the first prong of criteria in Add Volume Tiers 1–4 is non-substantive in nature and serves only to amend the wording to be consistent

²² The Exchange proposes to introduce the term "Ex-Subdollar ADV" to the Definitions section of the Fee Schedule. "Ex-Subdollar ADV" means ADV that excludes executions in securities priced below \$1.00.

²³ Fee code HA is appended to non-displayed orders that add liquidity to EDGX.

²⁴ Fee code RP is appended to non-displayed orders that add liquidity to EDGX using the Supplemental Peg order type.

²⁵ The Exchange notes that NYSE Arca offers a similar method of calculating total equity volume and total equity CADV for certain tiers in order to determine the appropriate fees and credits for its ETP Holders. See NYSE Arca Equities Fee and Charges, NYSE Arca Marketplace: Trade Related Fees and Credits, Footnote 1. See also Securities Exchange Act Release No. 34–100506 (July 11, 2024), 89 FR 58215 (July 17, 2024), SR–NYSEArca–2024–58 ("NYSE Arca Fee Filing").

with the language found in other tiers on the Exchange's Fee Schedule and with tiers of the Fee Schedule of its affiliate exchange, Cboe BZX Exchange, Inc. There is no functional difference between "adds an ADV" and "has an ADAV" in how the Exchange calculates the volume associated with these terms.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.²⁶ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁷ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁸ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers as well as Section 6(b)(4)²⁹ as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities.

As described above, the Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The Exchange believes that its proposal to: (i) remove the shares component of certain Add Volume Tiers and replace it with a component that excludes a Member's subdollar trading activity; (ii) revise the use of the term "adds an ADV" of certain Add Volume Tiers to reflect the term "ADAV"; (iii) introduce a component that excludes a Member's subdollar trading activity to Add Volume Tier 4; (iv) remove the shares component of Non-Displayed Add Volume Tier 4 and replace it with a component that excludes a Member's

subdollar trading activity; (v) remove the shares component of Retail Volume Tier 3 and replace it with a component that excludes a Member's subdollar trading activity; and (vi) modify the ADV as a percentage of TCV requirement of Add Volume Tier 8, Non-Displayed Add Volume Tier 4, and Retail Volume Tier 3 reflects a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange, which the Exchange believes would enhance market quality to the benefit of all Members. Additionally, the Exchange notes that relative volume-based incentives and discounts have been widely adopted by exchanges,³⁰ including the Exchange,³¹ and are reasonable, equitable and non-discriminatory because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to (i) the value to an exchange's market quality and (ii) associated higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns. Competing exchanges offer similar tiered pricing structures, including schedules or rebates and fees that apply based upon members achieving certain volume and/or growth thresholds, as well as assess similar fees or rebates for similar types of orders, to that of the Exchange.³²

In particular, the Exchange believes its proposal to (i) remove the shares component of certain Add Volume Tiers and replace it with a component that excludes a Member's subdollar trading activity; (ii) replace the ADV component of certain Add Volume Tiers with an ADAV component; (iii) introduce a component that excludes a Member's subdollar trading activity to Add Volume Tier 4; (iv) remove the shares component of Non-Displayed Add Volume Tier 4 and replace it with a component that excludes a Member's subdollar trading activity; (v) remove the shares component of Retail Volume Tier 3 and replace it with a component that excludes a Member's subdollar trading activity; and (vi) modify the ADV as a percentage of TCV requirement of Add Volume Tier 8, Non-Displayed Add Volume Tier 4, and Retail Volume Tier 3 is reasonable

because the revised tiers will be available to all Members and provide all Members with an opportunity to receive an enhanced rebate. The Exchange further believes the proposed modification to the Add Volume Tiers, Non-Displayed Add Volume Tier 4, and Retail Volume Tier 3 will provide a reasonable means to encourage liquidity adding displayed and non-displayed orders in Members' order flow to the Exchange and to incentivize Members to continue to provide liquidity adding volume to the Exchange by offering them an opportunity to receive an enhanced rebate on qualifying orders. An overall increase in activity would deepen the Exchange's liquidity pool, offer additional cost savings, support the quality of price discovery, promote market transparency and improve market quality, for all investors.

Additionally, the Exchange believes that the proposed changes to the Add Volume Tiers, Non-Displayed Add Volume Tier 4, and Retail Volume Tier 3 are reasonable as they do not represent a significant departure from the criteria currently offered in the Fee Schedule. The Exchange also believes that the proposed changes to the Add Volume Tiers, Non-Displayed Add Volume Tier 4, and Retail Volume Tier 3 represent an equitable allocation of fees and rebates and is not unfairly discriminatory because all Members continue to be eligible for the revised tiers and have the opportunity to meet the tiers' criteria and receive the corresponding enhanced rebates if such criteria is met.

Without having a view of activity on other markets and off-exchange venues, the Exchange has no way of knowing whether this proposed rule change would definitely result in any Members qualifying for the revised Add Volume Tiers. While the Exchange has no way of predicting with certainty how the proposed changes will impact Member activity, based on the prior month's volume, the Exchange anticipates that at least one Member will be able to satisfy proposed Add Volume Tier 1, at least one Member will be able to satisfy proposed Add Volume Tier 2, at least two Members will be able to satisfy proposed Add Volume Tier 3, no Members will be able to satisfy proposed Add Volume Tier 4, at least two Members will be able to satisfy proposed Add Volume Tier 8, at least two Members will be able to satisfy proposed Non-Displayed Add Volume Tier 4, and at least two Members will be able to satisfy proposed Retail Volume Tier 3. The Exchange also notes that the proposed changes will not adversely impact any Member's ability to qualify for enhanced rebates offered under other

³⁰ See e.g., BZX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers. See also, NYSE Arca Equities Fees and Charges, NYSE Arca Marketplace: Trade Related Fees and Credits, Footnote 1 and NYSE Arca Equities Fees and Charges, Tier Rates—Round Lots and Odd Lots (Per Share Price \$1.00 or Above).

³¹ See e.g., EDGX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers.

³² *Supra* footnote 30.

²⁶ 15 U.S.C. 78f(b).

²⁷ 15 U.S.C. 78f(b)(5).

²⁸ *Id.*

²⁹ 15 U.S.C. 78f(b)(4).

tiers. Should a Member not meet the proposed new criteria, the Member will merely not receive that corresponding enhanced rebate.

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 that is not necessary or appropriate in furtherance of the purposes of the Act. Rather, as discussed above, the Exchange believes that the proposed change would encourage the submission of additional order flow to a public exchange, thereby promoting market depth, execution incentives and enhanced execution opportunities, as well as price discovery and transparency for all Members. As a result, the Exchange believes that the proposed changes further the Commission's goal in adopting Regulation NMS of fostering competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."

The Exchange believes the proposed rule changes do not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Particularly, the proposed modifications to the Add Volume Tiers, Non-Displayed Add Volume Tier 4, and Retail Volume Tier 3 will apply to all Members equally in that all Members are eligible for the revised tiers, have a reasonable opportunity to meet the tiers' proposed criteria and will receive the enhanced rebate on their qualifying orders if such criteria is met. The Exchange does not believe the proposed changes burden competition, but rather, enhance competition as they are intended to increase the competitiveness of EDGX by amending existing pricing incentives in order to attract order flow and incentivize participants to increase their participation on the Exchange, providing for additional execution opportunities for market participants and improved price transparency. Greater overall order flow, trading opportunities, and pricing transparency benefits all market participants on the Exchange by enhancing market quality and continuing to encourage Members to send orders, thereby contributing towards a robust and well-balanced market ecosystem.

Next, the Exchange believes the proposed rule changes do not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. As previously discussed, the Exchange operates in a highly competitive market.

Members have numerous alternative venues that they may participate on and direct their order flow, including other equities exchanges, off-exchange venues, and alternative trading systems. Additionally, the Exchange represents a small percentage of the overall market. Based on publicly available information, no single equities exchange has more than 13% of the market share.³³ Therefore, no exchange possesses significant pricing power in the execution of order flow. Indeed, participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, 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."³⁴ The fact that this market is competitive has also 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'. . . ."³⁵ Accordingly, the Exchange does not believe its proposed fee change imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

³³ *Supra* note 3.

³⁴ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

³⁵ *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)).

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

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) of the Act³⁶ and paragraph (f) of Rule 19b–4³⁷ thereunder. 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 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 will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR–CboeEDGX–2025–056 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–CboeEDGX–2025–056. 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 also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions;

³⁶ 15 U.S.C. 78s(b)(3)(A).

³⁷ 17 CFR 240.19b–4(f).

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–CboeEDGX–2025–056 and should be submitted on or before August 13, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁸

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103500; File No. SR–CboeBZX–2025–091]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule Related To Add Volume Tiers

July 18, 2025.

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 July 10, 2025, Cboe BZX Exchange, Inc. (“Exchange” or “BZX”) filed with the Securities and Exchange Commission (“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

Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) proposes to amend its Fee Schedule by: (i) revising the volume component of Add Volume Tier 1; (ii) revising the volume component and the applicable rebate of Add Volume Tier 3; and (iii) removing the shares component of certain Add Volume Tiers and replacing it with a component that excludes a Member’s subdollar trading activity. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website (<http://markets.cboe.com/us/>

[equities/regulation/rule_filings/BZX/](#)) and at the Exchange’s Office of the Secretary.

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 Fee Schedule applicable to its equities trading platform (“BZX Equities”) by: (i) revising the volume component of Add Volume Tier 1; (ii) revising the volume component and the applicable rebate of Add Volume Tier 3; and (iii) removing the shares component of certain Add Volume Tiers and replacing it with a component that excludes a Member’s subdollar trading activity. The Exchange proposes to implement these changes effective July 1, 2025.³

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of 16 registered equities exchanges, as well as a number of alternative trading systems and other off-exchange venues that do not have similar self-regulatory responsibilities under the Securities Exchange Act of 1934 (the “Act”), to which market participants may direct their order flow. Based on publicly available information,⁴ no single registered equities exchange has more than 13% of the market share. Thus, in such a low-concentrated and highly competitive market, no single equities

exchange possesses significant pricing power in the execution of order flow. The Exchange in particular operates a “Maker-Taker” model whereby it pays rebates to members that add liquidity and assesses fees to those that remove liquidity. The Exchange’s Fee Schedule sets forth the standard rebates and rates applied per share for orders that provide and remove liquidity, respectively. Currently, for orders in securities priced at or above \$1.00, the Exchange provides a standard rebate of \$0.00160 per share for orders that add liquidity and assesses a fee of \$0.0030 per share for orders that remove liquidity.⁵ For orders in securities priced below \$1.00, the Exchange does not provide a rebate for orders that add liquidity and assesses a fee of 0.30% of the total dollar value for orders that remove liquidity.⁶ Additionally, in response to the competitive environment, the Exchange also offers tiered pricing which provides Members opportunities to qualify for higher rebates or reduced fees where certain volume criteria and thresholds are met. Tiered pricing provides an incremental incentive for Members to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying increasingly more stringent criteria.

Add/Remove Volume Tiers

Under footnote 1 of the Fee Schedule, the Exchange offers various Add/Remove Volume Tiers. In particular, the Exchange offers nine Add Volume Tiers that provide enhanced rebates for orders yielding fee codes B,⁷ V⁸ and Y⁹ where a Member reaches certain add volume-based criteria. The Exchange now proposes to modify the criteria of Add Volume Tiers 1–3 and Add Volume Tiers 5–7 by removing the shares component in the second prong of criteria and replacing this criteria with a criteria that excludes a Member’s subdollar trading activity. The Exchange also proposes to revise the current volume criteria in the first prong of criteria of Add Volume Tier 1, the current volume criteria in the first prong of criteria of Add Volume Tier 3, and the applicable rebate associated with Add Volume Tier 3. The current criteria for Add Volume Tiers 1–3 and Add Volume Tiers 5–7 is as follows:

- Add Volume Tier 1 provides a rebate of \$0.0020 per share in securities

⁵ See BZX Equities Fee Schedule, Standard Rates.

⁶ *Id.*

⁷ Fee code B is appended to displayed orders that add liquidity to BZX in Tape B securities.

⁸ Fee code V is appended to displayed orders that add liquidity to BZX in Tape A securities.

⁹ Fee code Y is appended to displayed orders that add liquidity to BZX in Tape C securities.

³⁸ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ The Exchange previously submitted the proposed rule change on July 1, 2025 (SR–CboeBZX–2025–084). On July 10, 2025, the Exchange withdrew that filing and submitted this proposal.

⁴ See Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (June 23, 2025), available at https://www.cboe.com/us/equities/market_statistics/.